

APPENDIX E

ANNUAL PERFORMANCE ADJUSTMENT

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The following information will be used to calculate the Annual Performance Adjustment.

The Monthly Performance Measurement (Appendix D) will be calculated each month for a 12 month period between October of the current year and September of the following year. The sum of each of the twelve months will be used to calculate the Annual Performance Adjustment.

Annual Performance Adjustment =
(Sum of Monthly Performance Measurement x annual average net selling price)

e.g. Sum of Monthly Performance Measurement = -30.0 metric tonnes

Average annual net selling price of
HDPE Natural Bottles (October to September) = \$250.00 per metric tonne

Annual Performance Adjustment = -30.0 x \$250 = - \$7,500*

If the Annual Performance Adjustment produces a negative number, the Contractor will compensate the City the amount in dollars, on the final invoice of the calendar year.

If the Annual Performance Adjustment produces a positive number, the City will compensate the Contractor the amount in dollars, on the final invoice of the calendar year.

* In the example, the Annual Performance Adjustment is a negative value; therefore the Contractor must compensate the City, \$7,500.

If the Annual Performance Adjustment was a positive value, the City would compensate the Contractor, \$7,500.