

Annex 6

Payment and adjustment of rates etc

1. Payment

The agreed tender sum, broken down by the agreed fixed costs and bus and operations related costs, will be paid to the contractor in arrears, in monthly rates on the 4th working day of the following month. Purchased tickets etc will be deducted from the payment, cf. below

Adjustments relating to agreed additional services and non-performed services, which must be reported no later than the 10th day of the month, will become part of the following month's payments.

The payment will also include setoffs regarding the prior month's sanctions relating to quality shortcomings, fines for delayed bus delivery as well as deleted services etc.

Total income from the sale of tickets will accrue to HUR.

Prior to the commencement of services, HUR will deliver a portfolio of tickets to the contractor. This portfolio will in 2003 amount to a total of DKK 4,500 per employed driver. It is the contractor's responsibility to distribute and sell the tickets to his drivers, at no extra charge. The contractor will be responsible for the portfolio and is liable for the total value of the tickets in case of theft etc.

The contractor supplements the ticket portfolio by contacting the Ticketing Section of HUR's Traffic Division. Any outstanding amounts owed to HUR will be offset against the monthly payment to cover for the requested supplements to the ticket portfolio of the preceding month.

On the introduction of new fares, the ticket portfolio must be returned to the Ticketing Section together with any cash corresponding to the tickets that have been released.

At the termination of the contract, HUR's portfolio must be returned in accordance with the above instructions.

2. Adjustment of the monthly rates

The adjustment index is composed of the below indices as follows:

1) 8.1%	from the consumer price index – Maintenance and repair of private transport means.
2) 3.3%	from the total consumer price index.
3) 7.0%	from the wholesale price index with sub indices for imported raw materials – gas fuel – converted to the 1980 level by 0.93 divisor.
4) 8.6%	Wholesale price index for main groups divided according to use and origin – Machines and tools: vehicles for transportation of goods – converted to the 1980 level by 0.52 divisor.
5) 65.4%	from the summarised wage index for the private sector – All – classified according to the 27-grouping.
6) 7.6 %	Interest rate, the effective bond interest, all series.
<hr/> 100,0 %	Total

Source: Denmark's Central Bureau of Statistics ("Danmarks Statistik")

The agreed tender sum will be adjusted according to changes in the adjustment index from the time of submission of tender (December 2002) until the contract is terminated.

The agreed contract sum will be index adjusted partly as a monthly on-account adjustment, and partly as a quarterly adjustment.

If the sub indices included in the total adjustment index become void or are changed during the contract period, then HUR reserves the right to insert a similar index number, whilst at the same time taking into account the previous weighting of the development of the relevant sub indices.

On-account adjustments

On-account adjustments of payments for the first month (December 2003) will be made on the basis of the developments in the adjustment index from December 2002 until the most current and official index for all the sub indices.

All indices apart from the wage index are normally calculated and made public 1-2 months after month's end. The wage index is calculated and made public every quarter.

Delays or any early publication of the wage index may cause a shift in the on-account adjustment's index figures to other than the above stated months.

Quarterly adjustments

It is expected that the first quarterly adjustment will be effected at the settlement for February 2004 relating to December 2003, and thereafter at the settlement for May 2004 relating to January, February and March 2004 etc.

Delays or any early publication of the wage index may also here cause a shift in the quarterly adjustment to other than the above stated months.

Illustration of principles

The following example illustrates the principles.

Tender submitted at March 2001 prices.

Tender sum is DKK 100,000 per month.

Table 1 illustrates the actual indices for the relevant months

Table 1	Mar-01	Mar-02	Jun-02
Index 1	101.60	107.00	108.40
Index 2	101.90	104.50	106.00
Index 3	153.76	147.31	138.71
Index 4	220.00	222.69	222.50
Index 5	121.70	126.60	127.50
Index 6	5.81	5.70	5.43

Table 2 illustrates the development of the indices of table 1, when March 2001 equals 100.

Table 2	Mar-01	Mar-02	Jun-02
Index 1	100.00	105.31	106.69
Index 2	100.00	102.55	104.02
Index 3	100.00	95.81	90.21
Index 4	100.00	101.22	101.14
Index 5	100.00	104.03	104.77
Index 6	100.00	98.11	93.46

Index 1 (Consumer price index – Maintenance and repair of private transport means):

March 2002) $107.00 \times 100 / 101.60 = 105.31$

June 2002) $108.40 \times 100 / 101.60 = 106.69$

Table 3 illustrates the developments in the calculated adjustment index (March 2001 = 100), when the various indices are weighted in proportion to the developments in table 2.

Table 3	Mar-01	Mar-02	Jun-02
Index 1	8.10	8.53	8.64
Index 2	3.30	3.38	3.43
Index 3	7.00	6.71	6.31
Index 4	8.60	8.71	8.70
Index 5	65.40	68.03	68.52
Index 6	7.60	7.46	7.10
Total	100.00	102.82	102.71

Index 1 (Consumer price index – Maintenance and repair of private transport means):

March 2002) $8.1 \times 105.31 / 100 = 8.53$

June 2002) $8.1 \times 106.69 / 100 = 8.64$

All intermediate calculations are not rounded off, and the final adjustment index is rounded off to 2 decimal places.

Example of on-account adjustment

On-account adjustments of the monthly payment is effected as follows:

The payment for June 2002 must be adjusted based on the development in the adjustment index from March 2001. In June 2002, the latest calculated and publicised index for all sub indices will be that of March 2002. Table 3 indicates that this development totals 2.82% (from 100.00 to 102.82).

On-account payment for June 2002:

$$\text{DKK } 100,000 \times 102.82 / 100 = \text{DKK } 102,820$$

Example of quarterly adjustment

The payments will be adjusted once the actual index numbers for the months of April, May and June 2002 have been made public.

Quarterly adjustment for June 2002:

Table 3 indicates that there has been an increase of 2.71% from March 2001 to June 2002.

$$\text{DKK } 100,000 \times 102.71 / 100 = \text{DKK } 102,710$$

With deduction of the on-account payment, DKK 102,820 = DKK -110