## RENEWAL OF CONTRACT (FIXED PRICE ADJUSTMENT):

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| (6-18-24) |  | SPD 01-860 |

The contractor shall submit a bid for one year.  At the option of the Department and upon approval by the Contractor, this contract may be extended for **[number]** additional periods of one year each (maximum **[number]** years total). Each year shall have a limit of **[words]Dollars ($\_\_\_\_\_\_\_\_).**

The compensation payable to the contractor shall be fixed for the first twelve months of this contract.  However, upon an application of renewal of the contract, or thirty days prior to the end of each contract period, the renewal contract may be increased by **[number words]** percent (**[number]**%) for each one-year extension.

This price escalation method will not be applied to items of work that are separately covered under commodity price escalation clauses. No other changes in the terms, conditions, etc. of this contract will be made when an extension to the contract is implemented.  The Engineer will notify the Contractor in writing by **[date/days]** if the contract may be extended.  The Contractor must notify the Engineer in writing by **[date/days]** of his acceptance or rejection of this offer.  Failure on the part of the Contractor to reply will be received as a rejection of contract extension.