

[Date]

[Contractor Name]
[Contractor Address]
[City, State, Zip Code]

[Client Name]
[Client Address]
[City, State, Zip Code]

RE: Construction Cost Inflation Guard Adjustment - [Project Name/Contract Number]

Dear [Client Name],

This letter serves as formal notification regarding a price adjustment to our existing contract, dated [Original Contract Date], pursuant to the Inflation Guard / Material Price Escalation clause.

As per our agreement, costs are subject to adjustment based on documented increases in the [Insert Index Name, e.g., Consumer Price Index or Producer Price Index]. Over the past [Number] months, there has been a significant increase in the cost of raw materials and labor required for your project.

The adjustment details are as follows:

- **Original Contract Sum:** \$[Amount]
- **Inflation Adjustment Percentage:** [Percentage]%
- **Total Adjustment Amount:** \$[Amount]
- **Revised Contract Sum:** \$[Amount]

Attached to this letter, you will find the supporting documentation and index data justifying this adjustment. These changes will be reflected in the upcoming invoice dated [Date].

We remain committed to delivering high-quality results and appreciate your understanding of these market-driven fluctuations. Please contact us at [Phone Number] if you have any questions regarding this adjustment.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Title]