

PART 2: PRICING DATA

TSC3 Option A

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C2.1 Pricing assumptions: Option A

1. How work is priced and assessed for payment

Clause 11 in NEC3 Term Service Contract (TSC3) core clauses and Option A states:

Identified and defined terms	11	
	11.2	(12) The Price List is the <i>price list</i> unless later changed in accordance with this contract.
		(17) The Price for Services Provided to Date is the total of
		<ul style="list-style-type: none">the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed andwhere a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate.
		(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

This confirms that Option A is a priced contract where the Prices are derived from a list of items of service which can be priced as lump sums or as expected quantities of service multiplied by a rate or a mix of both.

2. Function of the Price List

Clause 54.1 in Option A states: "Information in the Price List is not Service Information". This confirms that instructions to do work or how it is to be done are not included in the Price List but in the Service Information. This is further confirmed by Clause 20.1 which states, "The *Contractor* Provides the Service in accordance with the Service Information". Hence the *Contractor* does **not** Provide the Service in accordance with the Price List. The Price List is only a pricing document.

3. Link to the *Contractor's* plan

Clause 21.4 states "The *Contractor* provides information which shows how each item description on the Price List relates to the operations on each plan which he submits for acceptance". Hence when compiling the *price list*, the tendering contractor needs to develop his first clause 21.2 plan in such a way that operations shown on it can be priced in the *price list* and result in a satisfactory cash flow in terms of clause 11.2(17).

4. Preparing the *price list*

Before preparing the *price list*, both the *Employer* and tendering contractors should read the TSC3 Guidance Notes pages 14 and 15. In an Option A contract, either Party may have entered items into the *price list* either as a process of offer and acceptance (tendering) or by negotiation depending on the nature of the *service* to be provided. Alternatively the *Employer*, in his Instructions to Tenderers or in a Tender Schedule, may have listed some items that he requires the *Contractor* to include in the *price list* to be prepared and priced by him.

It is assumed that in preparing or finalising the *price list* the *Contractor*:

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for;
- Is aware of the need to link operations shown in his plan to items shown in the Price List;
- Has listed and priced items in the *price list* which are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer's* risk;
- Has priced work he decides not to show as a separate item within the Prices or rates of other listed items in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.
- Understands there is no adjustment to items priced as lump sums if the amount, or quantity, of work within that item later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the (lump sum) Prices is as a result of a compensation event.

4.1. Format of the *price list*

(From the example given in an Appendix within the TSC3 Guidance Notes)

Entries in the first four columns in the *price list* in section C2.2 are made either by the *Employer* or the tendering contractor.

If the *Contractor* is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tendering contractor enters the amount in the Price column only, the Unit, Expected Quantity and Rate columns being left blank.

If the *Contractor* is to be paid an amount for an item of work which is the rate for the work multiplied by the quantity completed, the tendering contractor enters the rate which is then multiplied by the Expected Quantity to produce the Price, which is also entered.

If the *Contractor* is to be paid a Price for an item proportional to the length of time for which a service is provided, a unit of time is stated in the Unit column and the expected length of time (as a quantity of the stated units of time) is stated in the Expected Quantity column.

C2.2 the *price list*

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE ON A FULL TIME BASIS AND OUTAGES ON AN "AS- AND- WHEN" REQUIRED BASIS FOR U1-U6 MILLS ON FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

Item no:	Description	Unit of Measure	Quantity			Rate	Total Price for 36 Months
1	Compliance with all SHEQ requirements(price to include the Safety file)	Number	3				
2	Site establishment	Sum	1				
3	Site de-establishment	Sum	1				
4	Core crew per month	Unit of Measure	Number of Months	Number of employees	Total hours per person	Rate	Total Price for 36 Months
	(exclude Overtime)						

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE AND OUTAGES FOR U1-U6 MILLS ON AN "AS- AND- WHEN" REQUIRED BASIS FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

4.1	Semi-skilled Fitter	Per/person	36	14	160		
4.2	Fitter artisan	Per/person	36	4	160		
4.3	B class welder	Per/person	36	8	160		
4.4	Welder assistant	Per/person	36	4	160		
4.5	Crane driver	Per/person	36	1	160		
4.6	Safety Officer	Per/person	36	1	160		
5	OVERTIME AFTER SATURDAYS (1.5X)	Unit of Measure	Number of Months	Number of employees	Total hours per person	Rate	Total Price for 36 Months
5.1	Semi-skilled Fitter	Per/person	36	14	24		
5.2	B class welder	Per/person	36	8	24		

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE AND OUTAGES FOR U1-U6 MILLS ON AN "AS- AND- WHEN" REQUIRED BASIS FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

5.3	Fitter artisan	Per/ person	36	4	24		
5.4	Welder assistant	Per/ person	36	4	24		
5.5	Crane driver	Per/ person	36	1	24		
5.6	Safety Officer	Per/ person	36	1	24		
6	Description	Unit of Measure	Number of Months	Number of employees	Total hours per person	Rate	Total Price for 36 Months
6	OVERTIME SUNDAYS (1.5X)						
6.1	Semi-skilled Fitter	Per/ person	36	14	24		
6.2	Fitter artisan	Per/ person	36	4	24		
6.3	B class welder	Per/ person	36	8	24		
6.4	Welder assistant	Per/ person	36	4	24		
6.5	Crane driver	Per/ person	36	1	24		

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE AND OUTAGES FOR U1-U6 MILLS ON AN "AS- AND- WHEN" REQUIRED BASIS FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

6.6	Safety Officer	Per/ person	36	1	24		
Item no:	Description	Unit of Measure	Number of Months	Number of employees	Total hours per person	Rate	Total Price for 36 Months
7	OVERTIME HOLIDAYS (1.5X)						
7.1	Semi-skilled Fitter	Per/person n	36	14	156		
7.2	Fitter artisan	Per/person n	36	4	156		
7.3	B class welder	Per/person n	36	8	156		
7.4	Welder assistant	Per/person n	36	4	156		
7.5	Crane driver	Per/person n	36	1	156		
7.6	Safety Officer	Per/person n	36	1	156		
AS AND WHEN REQUIRED SCOPE							

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE AND OUTAGES FOR U1-U6 MILLS ON AN "AS- AND- WHEN" REQUIRED BASIS FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

U1 3000 HRS SERVICES TUBE MILLS							
Item no:	Description	Unit of Measure			Quantity	Rate	Total Price for 36 Months
1.2.2.1							
1.2.2 .1.1	Pinion and bearings inspection and replacement	Each			9		
1.2.2.2.1.2	Main mill motor or gearbox replacement	Each			3		
1.2.2.1.3	Screw conveyor Replacement	Each			6		
1.2.2.1.4	Mill internal inspection and repairs	Each			6		
1.2.2.1.5	Classifier inspection and replacement	Each			6		
1.2.2.1.6	Inspection and replacement of Trunnion bearings	Each			6		
1.2.2.1.7	Deco oil system inspection, cleaning, and repairs	Each			6		

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE AND OUTAGES FOR U1-U6 MILLS ON AN "AS- AND- WHEN" REQUIRED BASIS FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

1.2.2.1.8	Screw conveyor Stub Shaft Replacement	Each			6		
1.2.2.1.9	Feeder inspections and repairs	Each			6		
1.2.2.1.10	Damper's inspection and repairs	Each			6		
1.2.2.1.11	Girth gear Replacement	Each			3		
1.2.2.1.12	Girth gear assembly high pressure cleaning	Each			6		
1.2.2.1.13	Coal chutes above feeders' inspection and repairs	Each			6		
1.2.2.1.14	Coal raw coal pipes inspections and repairs	Each			6		
1.2.2.1.15	20 TON rough terrain mobile Crane as and when required price per day for maximum of 40 days per outage	Per/day			300		
1.2.2.1.16	7 TON Forklift as and when required price per day	Per/day			300		

SUPPLY RESOURCES FOR SERVICES, REPLACEMENT OF COMPONENTS AND COMMISSIONING OF TUBE MILLS AND VERTICAL SPINDLE MILLS DURING NORMAL MAINTENANCE AND OUTAGES FOR U1-U6 MILLS ON AN “AS- AND- WHEN” REQUIRED BASIS FOR A PERIOD OF 36 MONTHS AT ARNOT POWER STATION

VERTICAL SPINDLE MILLS 6000HRS SERVICE FROM U2 TO U6 AS AND WHEN REQUIRED BASIS							
Item no:	Description	Unit of Measure			Quantity	Price	Total Price for 36
	6000 HRS MILLS SERVICES (AS AND WHEN REQUIRED PER MILL PER SERVICE)						
1.2.2.2	AS AND WHEN REQUIRED PER MILL PER SERVICE						
1.2.2.2.1	U2 TO U6 Mills 6000 hrs Services	Each			30		

The total of the Prices