

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*

Item nr	Description	Unit	Expected Quantity	No. of People	Months	Price
	Preliminary and General					
1.	Establishment (Once Off)					
2.	De-Establishment (Once Off)					
3.	2x Single containers with air conditioners for Site & Contract Manager	Sum	2	1	1	
4.	1x Office container with air conditioners for SHEQ Officer	Sum	1	1	1	
5.	Boardroom for 10 persons (boardroom, table, 10 chairs)	Sum	1	1	1	
6.	Male & Female Ablutions	Sum	1	2	1	
7.	Kitchen unit Dining Facility	Sum	1	1	1	
8.	Kitchen unit Dining Facility Furniture (Canteen style table & Bench combination x 4)	Sum	1	1	1	
9.	Access, SAP communication, cabling costs & upgrades.	Sum	1	1	1	
10.	Desktop PC for Site Manager x1 Supervisors x1, clerk x1, plannerx1,	Sum	1	5	1	
11.	Furniture Site & Contract Manager (3 Chairs and Desk x 2)	Sum	1	1	1	
12.	Furniture SHEQ OFFICER and Planner (3 Chairs & Desk x2)	Sum	1	1	1	
13.	Furniture for boardroom (4 Table & 20 Chairs)	Sum	1	2	1	
14.	Furniture Site Clerk (1 table & 3chairs)	Sum	1	1	1	
15.	Fridge, upright, 225 litre	Sum	1	1	1	
16.	Office fridge, 100 litre	Sum	1	1	1	
17.	Microwave, 33 litre	Sum	1	1	1	
18.	Kettle, 1.7 litre	Sum	1	1	1	
19.	Hot water urn, with thermostat and dry	Sum	1	2	1	

	protection					
20.	Stationary cabinets (with drawers x 6)	Sum	1	4	1	
21.	Stationary cabinets (with doors x 5)	Sum	1	6	1	
22.	Security for the duration of the works					
23.	Monthly Site Use and Time Related Charges Site Use					
24.	Safety/Training twice a month	Month	3	1	60	
25.	Medical Clearance and Exit Clearance (Once a year plus Exit)	Sum	1	1	6	
26.	Electricity / Water, Office Set-up	Month	1	1	60	
27.	Printing Paper A4 (2)	Month	1	2	60	
28.	Office Stationery					
29.	Printer/scanner/copier/fax	Once off	1	1	1	
30.	Vehicle Licenses, Consumables - Sugar/Tea, etc. 4	Month	1	4	60	
31.	Safety PPE	Once a year	1	1	5	
32.	Cleaning Chemicals	Month	1	1	60	
33.	Cleaning Equipment (Shovels, wheelbarrows, Brooms, Mops, cleaning water containers, Cloths etc.)	Month	1	1	60	
34.	Compliance with all safety requirements	Month	1	1	60	
35.	Radio Communications x4	Once	1	4	1	
36.	Eskom Phone / Cellphones 5	Month	1	5	60	
37.	Compliance with all environmental requirements	Month	1	1	60	
38.	Occurrence Related Charges					
39.	P&G Plant Establishment or de-establishment < 30 ton(2)	Once	1	2	1	
40.	Security for the duration of the works	Month	1	2	60	

41.	Labour					
42.						
43.	Management					
44.	Contract Manager	Hour	173	1	60	
45.	Site Manager	Hour	173	1	60	
46.	Cleaning/Sampling/Lashing				60	
47.	SHEQ Officer	Hour	173	1	60	
48.	Supervisor	Hour	173	1	60	
49.	Team Leaders x2	Hour	173	2	60	
50.	Clerk	Hour	173	1	60	
51.	Home Work Home Bus Drivers Hendrina & Middelburg	Hour	173	2	60	
52.	Home Work Home Bus Drivers Shift Workers	Hour	173	2	60	
53.	General Worker Plant Cleaning	Hour	173	12	60	
54.	Bobcat Driver	Hour	173	1	60	
55.	General Worker Office Cleaning	Hour	173	6	60	
56.	General Worker Plant Cleaning Shifts	Hour	173	16	60	
57.	Sample collectors Shifts	Hour	173	12	60	
58.	Lashing Team (As & When Required)	Hour	173	5	60	
59.	Excavator Driver	Hour	173	1	60	
60.	Overtime Rates					
61.	Team Leader x 1.5	Hour	64	2	60	
62.	SHEQ Officer x 1.5	Hour	64	1	60	
63.	Supervisor x 1.5	Hour	64	1	60	
64.	General Worker Plant Cleaning x 1.5	Hour	64	1	60	
65.	Bobcat Driver x 1.5	Hour	64	1	60	
66.	General Worker Office Cleaning x 1.5	Hour	64	1	60	
67.	General Worker Plant Cleaning Shifts x 1.5	Hour	64	1	60	

68.	Sample collectors Shifts x 1.5	Hour	64	1	60	
69.	Lashing Team x 1.5	Hour	64	1	60	
70.	Lashing Excavator driver x 1.5	Hour	64	1	60	
71.	White Plant					
72.						
73.	Home Work Home Busses Hendrina & Middelburg 22 Seater	Month	1	2	60	
74.	Home Work Home Busses Local - 16 Seater Bus for Shift workers	Month	1	2	60	
75.	Sedan Car for SHEQ Officer	Month	1	1	60	
76.	Bob Cat	Month	173	1	60	
77.	Excavator for lashing. 29.0KW 3760KG Hydraulic excavator.	As & When Required	173	1	60	

The total of the Prices