

Contracts Management: Pricing

Mandisa Nkosi

09 June 2026



- To explain Eskom's contracting and pricing approach for electrical labour-only contracts
- To clarify tender submission requirements and evaluation methodology
- To align tenderers with Eskom's NEC contract framework and commercial expectations
- To reduce tender risk, mispricing and post-award disputes

Contract type:

- NEC-based panel contract for electrical labour-only works
- Contracts will be established on an “as-and-when required” basis

Panel structure:

- Multiple contractors will be appointed to the panel
- Contract duration: 2 years, subject to NEC termination provisions
- Appointment to the panel does not guarantee volume of work

Work allocation:

- Work will be instructed per project / purchase order
- Allocation may consider capacity, performance and operational requirements

Contractor Responsibility:

- Provision of skilled and competent labour for electrical and minor civil works
- Supervision and site management related to labour
- Compliance with health, safety, environmental and quality requirements
- Tools and equipment
- Buy-out of miscellaneous materials where required

Free-issue materials by Eskom typically include:

- Transformers
- Airdac
- Meters
- Wood poles
- Other major electrical plant (“big five” materials)

Pricing approach:

- Pricing is based on BOQ rates (rates only)
- Tenderers are required to provide realistic and sustainable labour rates
- BOQ rates will be used for evaluation at the final stage

Rates must include:

- Labour costs (including statutory and employment obligations)
- Supervision
- Overheads and profit
- Compliance costs (H&S, quality, etc.)

NB: The lowest rates may not always be the most sustainable rates and do not guarantee contract award.

Tender pricing rules:

- No blanks may be left in pricing schedules
- Rates must be calculated from net costs excluding VAT
- Prices must be stated in South African Rand

General requirements:

- Eskom will not reimburse costs of tender preparation
- Rates and prices are fixed for the duration of the contract unless stated otherwise in the enquiry

Tenders will be evaluated in stages in accordance with Eskom's procurement procedures:

Evaluation considerations include:

- Compliance with conditions of tender
- Acceptance of NEC contract terms and conditions
- Technical and supplier capability
- Health, Safety, Quality and Environmental compliance
- **BOQ pricing** (final stage evaluation for this section)

Key message: Price is important, but compliance and capability determine whether pricing is evaluated.

Tenderers are cautioned against:

- Leaving blanks or inserting "N/A" in BOQs
- Amendment of NEC contract conditions
- Conditional pricing
- Unrealistic or unbalanced rates
- Failure to follow tender instructions

Key message: Ensure the tender submission is complete, compliant and internally aligned.

Panel appointment does not guarantee work

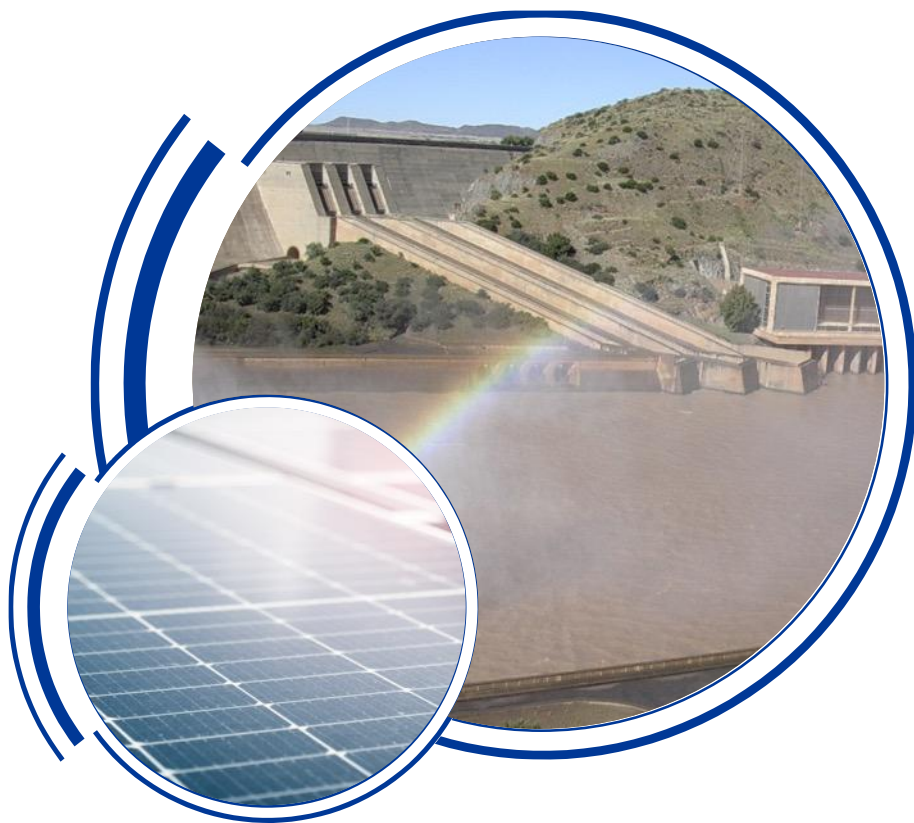
- Performance will influence work allocation

Contract performance focuses on:

- Safety and statutory compliance
- Quality of workmanship
- Adherence to programme
- NEC-aligned commercial behaviour

Communication:

- All communication must be issued in accordance with the NEC
- Informal communication will not be recognised



Conclusion