

## 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:

<b>Identified and defined terms</b>	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"> <li>• the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and</li> <li>• where 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.</li> </ul>
		(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

**Description of tender: Maintenance Arnot Power Station coal stockyard conveyor plant for a period of one (5) years**

**Tender number: MPARN10802GX**

Item nr	Description	Unit	Required Furniture	Expected Quantity	Number of Months	Rate	Total Price (Expected Quantity X Number of Months X Rate)
	<b>Fixed Charged Items</b>						
1	2 Office container with aircons for Maintenance site manager + Clerk	Once-off		2	1		
2	Tools store container Mtc & CSY	Once-off		1	1		
3	Furniture Site Manager Ops & Mtc	Once-off	3 chairs + 1 table	1	1		
4	Furniture for boardrooms	Once-off	20x chairs, 1x table	1	1		
5	Furniture Site Clerk Ops & Mtc	Once-off	6x chairs, 2x tables	1	1		
6	Fridge, upright, 225 litre	Once-off		1	1		
7	Cold water cooler/dispenser	Once-off		1	1		
8	Microwave, 33 litre	Once-off		1	1		
9	Kettle, 1.7 litre	Once-off		1	1		

10	Radio Communications ( <i>The supplier shall ensure availability of communication for compliance</i> )	Once-off		1	1		
11	Safety Compliance	Yearly		5	1		
12	Laptop/desktop ( <i>The supplier shall ensure availability of communication for compliance</i> )	Once-off		5	1		
	<b>Monthly Site Use and Time Related Charges Site Use</b>						
13	Electricity / Water, Office Set-up & Accommodation	Each		1	60		
14	Printing Paper A4, Printing, stationery and office expenses Ops & Mtc ( <i>The supplier shall make provision for all necessary equipment to execute this activity</i> )	Each	Office supplies, Coffee and tea	1	60		
15	Equipment & small tools (Maintenance)	Each		1	60		
16	Diesel Facility	Each		1	60		
17	Safety PPE	Yearly		1	5		
18	Eskom Phone / Cell phones ( <i>The supplier shall ensure availability of communication for compliance</i> )	Each		10	60		
19	Safety training	Each		1	5		
	<b>Occurrence Related Charges</b>						

20	P&G Plant Establishment	Sum		1	1		
21	P&G Plant de-establishment	Sum		1	1		
	<b>Total Amount</b>						
	<b>Description</b>	<b>Unit</b>	<b>Required number of Personnel</b>	<b>Expected Quantity</b>	<b>Number of Months</b>	<b>Rate</b>	<b>Total Price (Required number of Personnel X Expected Quantity X Number of Months X Rate)</b>
	<b>Labour Part Two (2)</b>						
	<b>Management</b>						
22	Contracts Manager	P/Hour	1	173	60		
	<b>Coal Handling Labour Rates</b>						
	<b>Maintenance Labour</b>						
23	Site Manager Maintenance	P/Hour	1	173	60		
24	Maint Supervisor	P/Hour	1	173	60		
25	Planner	P/Hour	1	173	60		
26	SHEQ Officer	P/Hour	1	173	60		
27	Quality Officer	P/Hour	1	173	60		
28	Clerk X 2	P/Hour	2	173	60		
29	Fitter X 2	P/Hour	2	173	60		
30	Boilermaker	P/Hour	2	173	60		
31	Electrician X 2	P/Hour	2	173	60		
32	C&I X 2	P/Hour	2	173	60		
33	Rigger	P/Hour	1	173	60		
34	Semi skilled X 6	P/Hour	6	173	60		
35	Utility Man X2	P/Hour	2	173	60		
36	Storeman	P/Hour	1	173	60		

	<b>“As- And- When” required</b>						
37	Splicing HOT (800/4ply) (1050 Width)	Each		25	60		
38	Splicing COLD(800/4ply) (1050 Width)	Each		6	60		
	<b>Maintenance Labour Rates/Hour</b>						
39	Maint Supervisor OT X1.5	P/Hour	1	32	60		
40	Maint Supervisor OT X 2.0	P/Hour	1	32	60		
41	Fitter NT OT X 2.0	P/Hour	2	32	60		
42	Fitter OT X1.5	P/Hour	2	32	60		
43	Fitter OT X 2.0	P/Hour	2	32	60		
44	Boilermaker OT X1.5	P/Hour	2	32	60		
45	Boilermaker OT X 2.0	P/Hour	2	32	60		
46	Electrician OT X1.5	P/Hour	2	32	60		
47	Electrician OT X 2.0	P/Hour	2	32	60		
48	C&I OT X1.5	P/Hour	2	32	60		
49	C&I OT X 2.0	P/Hour	2	32	60		
50	Rigger OT X1.5	P/Hour	1	32	60		
51	Rigger OT X 2.0	P/Hour	1	32	60		
52	Semi skilled OT X1.5	P/Hour	6	32	60		
53	Semi skilled OT X 2.0	P/Hour	6	32	60		
54	Utility Man (idler team) OT X1.5	P/Hour	2	32	60		
55	Utility Man (idler team) OT X 2.0	P/Hour	2	32	60		

56	Storeman OT X1.5	P/Hour	1	32	60			
57	Storeman OT X 2.0	P/Hour	1	32	60			
58	<b>Standby Allowance</b>							
59	Supervisor	P/Hour	1	14	60			
60	Artisan x 8	P/Hour	8	112	60			
61	Semi-Skilled x 6	P/Hour	6	84	60			
	<b>Maintenance</b>							
62	LDV's on Site Double Cab	Each		4	60			
63	LDV's on Site Single Cab	Each		2	60			
64	Sedan Car for SHEQ Officers	Each		1	60			
<b>Total price</b>							<b>R</b>	

**NEC3 TSC Tender returnables are:**

- **Form of offer and acceptance,**
- **Price list and**
- **Data provided by Contractor.**