PART C2: PRICING DATA

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C2.1 Pricing Instructions: Option G

C2.1.1 Pricing Instructions

1.1 The pricing instructions and the assessment for progress payments

Clause 11 in NEC3 Professional Services Contract (PSC), June 2005 (with amendments June 2006 and April 2013) Option G states:

Identified and defined terms 11

11.2 (17) The Price for Services Provided to Date is, for each Task, the total of

- the Time Charge for work which has been completed on time based items on the Task Schedule and
- a proportion of the lump sum price for each other item on the Task Schedule which is the proportion of work completed on that item.

(20) The Prices are

- the Time Charge for items described as time based on the Task Schedule and
- the lump sum price in the Task Schedule for each other item.

(21) A Task is work within the *services* which the *Employer* may instruct the *Consultant* to carry out within a stated period of time.

(22) Task Completion is when the *Consultant* has done all the work which the Task Order requires him to do by the Task Completion Date, and corrected Defects which would have prevented the *Employer* or Others from using the *services* and Others from doing their work.

(23) Task Completion Date is the date for completion stated in the Task Order unless later changed in accordance with this contract.

(24) A Task Order is the *Employer's* instruction to carry out a Task.

(25) The Task Schedule is the *task schedule* unless later changed in accordance with this contract.

1) The *Consultant* shall be paid under Option G (Term Service) for services performed.

2) The *staff rates* are the prices charged for staff and shall include for all the costs to the *Consultant*, including basic salary, any additional payments or benefits and social costs, overhead charges incurred as part of normal business operations, including the cost of management, as well as payments to administrative, clerical and secretarial staff used to support professional and technical staff in general and not on a specific project only.

3) The total annual cost of employment of a person is the total amount borne by the *Consultant* in respect of the employment of such a person per year, calculated at the amounts applicable to such a person at the time when the services are rendered, including basic salary, or a nominal market related salary,

fringe benefits not reflected in the basic salary, including normal annual bonus, employer's contribution to medical aid, group life insurance premiums borne by the *Consultant*, the *Consultant's* contribution to a pension or provident fund and all other benefits or allowances payable in terms of a letter of appointment, including any transportation allowance or company vehicle benefits, telephone and / or computer allowances, etc.; and amounts payable in terms of an Act.

4) The hourly rates for salaried professional or technical staff shall not exceed that payable to professionally qualified person responsible for carrying out the service.

5) The hourly rates for salaried staff include all protective clothing and all standard equipment.

6) The *staff rate* for casual labour shall include the provision of all protective clothing.

7) Payment to a director or member not providing strategic guidance in planning and executing a project or performing quality management checks shall be paid under another relevant category.

8) The *staff rates* derived from the Pricing Schedule exclude value added tax.

1.2 Measurement and Payment

1.2.1 The Task Schedule provides the basis of all valuations of the Price for Services Provided to Date and general progress monitoring.

1.2.2 The Total of the Prices is the sum of the prices entered in the Task Schedule.

1.2.3 The Total of the Prices does not represent a guaranteed or minimum amount payable.

1.2.4 The Employer is only liable to pay the price for each activity that is instructed and completed in accordance with the Scope and the contract.

1.2.5 Payments will be made against tangible deliverables and transmittals of the documents issued to TPL and verification by TPL of the level of progress as follows.

- Issue for Client Approval will qualify for 60% Pro Rata Payment against the priced activity in the Task Scheule
- Confirmation of Acceptance for Implementation of the report will qualify for 100% Pro Rata Payment against the Priced Activity in the Task Scheule

1.3 Provisional Sums / Provisional Tasks

1.3.1 Provisional Sums have been allowed within the Task Schedule to be utilised at the discretion of the Employer. Any difference between the provisional sum allowance and the amount so determined shall be adjusted in the Prices.

1.3.1.1 The Provisional Sums included in the Task Schedule for disbursements are allowances only and do not constitute fixed amounts payable to the *Consultant*. Payment for such disbursements is limited to the actual, reasonable, and properly incurred costs, supported by documentary evidence acceptable to the *Employer*. The *Consultant* shall not apply any mark-up, profit, attendance, or overheads to these costs unless expressly stated elsewhere in the Contract Data.

1.3.1.2 The Provisional Sum included in the Task Schedule for escalation is an allowance only. The amount due in respect of escalation shall be determined by applying the Contract Price Adjustment provisions of the Contract, including the applicable indices, formula and adjustment dates. The Provisional Sum shall be used only to the extent required to accommodate the Contract Price Adjustment calculated in accordance with the Contract. Any difference between the provisional sum allowance and the amount so determined shall be adjusted in the Prices.

C2.2. TASK SCHEDULE

The Employer's task schedule is listed below:

Task Number	Scope Reference	Description of Task	Unit	Quantity	Rate	Amount
SECTION A – PROJECT MANAGEMENT						
A1	6.2.1	Create, and monitor a project plan schedule	Month	36		
A2	6.2.2	Produce a Risk Register	Sum	1		
A3	6.2.2	Monitor Risk Management Plan	Month	36		
A4	6.2.5	Produce and facilitate a Stakeholder Communication Plan	Month	36		
A5	6.4.4.1	Monthly Progress Reports	Month	36		
A6	6.4.4.2; 6.4.4.4	Monthly Progress Meetings	Month	36		
A7	6.4.4.3; 6.4.4.5; 6.4.5	Project Controls and Document Management	Month	36		
SECTION B – FEASIBILITY AND CONCEPT DESIGN						
B1	6.2.3	Undertake feasibility studies, prepare related designs and validate designs, including manage structured design reviews and approvals,	Sum	1		
B2	6.2.4	Confirm alignment with Transnet Pipelines standards and ensure integration with existing infrastructure by ensuring regulatory and environmental compliance.	Sum	1		
SECTION C – PROCUREMENT SUPPORT						
C2	6.2.6	Develop a procurement specification	Sum	1		
C3	6.3.1	Preparing the scope of works	Sum	1		
C4	6.3.1	Tender Evaluation Report	Sum	1		
SECTION D – CONSTRUCTION MANAGEMENT						
D1	6.4.1.1	Monitor and supervise the Contractor's daily activities,	Month	24		
D2	6.4.1.2	Regular site visits to monitor progress,	Sum	1		
D3	6.4.1.3	Construction Progress Meetings,	Month	24		
D4	6.4.1.4	Technical Queries & Site Instructions,	Sum	1		
D5	6.4.6	Assessment of work for payments.	Month	24		
				Amount Carried Forward	**R**	

				Amount Brought Forward	**R**	
Task Number	**Scope Reference**	**Description of Task**	**Unit**	**Quantity**	**Rate**	**Amount**
SECTION E – QUALITY MANAGEMENT						
E1	6.4.2.1	Prepare and maintain a Quality Management Plan,	Item	1		
E2	6.4.2.2	Inspection & Surveillance,	Sum	1		
E3	6.4.2.3	Review Contractor QMP/QCP/ITPs,	Site	12		
E4	6.4.2.4	Quality Audits,	Site	12		
E5	6.4.2.5	Manage NCR Process,	Sum	1		
E6	6.4.2.6	Witness Factory and Site Acceptance Tests,	Sum	1		
E7	6.4.2.7; 6.4.2.8	Design reviews and Quality Reports,	Month	24		
E8	6.4.2.9	Material & Equipment Verification,	Sum	1		
E9	6.4.2.10	Management of Technical Deviations,	Sum	1		
E10	6.4.2.11	Testing & Commissioning Oversight.	Site	12		
SECTION F – HEALTH, SAFETY & ENVIRONMENT						
F1	6.4.3.1	Ensure adherence to all safety regulations,	Site	12		
F2	6.4.3.2	Environmental Compliance Monitoring.	Sum	1		
SECTION G – COMMISSIONING						
G1	6.5.1	Commissioning Supervision,	Site	12		
G3	6.5.2	Defect resolution monitoring,	Site	12		
G4	6.5.3	Review commissioning documentation and handover.	Site	12		
SECTION I – PROVISIONAL SUMS						
H1		Provide an amount of R870 000,00 Four Hundred Thousand Rand for disbursements,	Item	1		870 000,00
H2		Provide an amount of R670 000,00 Six Hundred Thousand Rand for estimated escalation.	Item	1		670 000,00
SUMMARY OF TASK						
Section A		Project management				
Section B		Feasibility and Concept Design				

Section C	Procurement Support		
Section D	Construction Management		
Section E	Quality Management		
Section F	Health, Safety and Environmental		
Section G	Commissioning		
Section H	Provisional Sums		
Total Amount Carried to Form of Offer - Excluding VAT		**R**	
Add:	VAT 15%		
Total Amount Carried to Form of Offer - Including VAT		**R**	

2.3 Staff Rates and Expenses

This section can be used when the staff rates and expenses are considerable in number and more conveniently located here than in the Contract Data. Entries in the Contract Data should refer to this section of Part 2.

NB: These shall be used for assessing compensation events upon employers' instruction. The employer still reserves the right to execute using these rates or by defined costs for possible compensation events. The Consultant is deemed to have incorporated all Staff Rates and Expenses within the amounts included in the Task Schedule.

All *staff rates* and *expenses* included in the pricing schedule shall exclude VAT.

2.3.1 ECSA Categories

Category A
In respect of a private consulting practice in engineering, shall mean a top practitioner with over 20 years of experience whose expertise and relevant experience is nationally or internationally recognized and who provides advice at a level of specialization where such advice is recognized as that of an expert.

Category B

In respect of a private consulting practice in engineering, shall mean a person with over 10 years of experience who acts as partner, a sole proprietor, a director, or a member who, jointly or severally with other partners, co-directors or co-members, bears the risks of the business, or a person that takes responsibility for the projects and related liabilities of such practice and where his/her level of expertise and relevant experience is commensurate with the position, performs work of a conceptual nature in engineering design and development, provides strategic guidance in planning and executing a project and/or carries responsibility for quality management pertaining to a project.

Category C

In respect of a private consulting practice in engineering, shall mean all salaried professional staff with adequate expertise (in the range of 3 to 15 years) and relevant experience performing work of an engineering nature and who carry the direct technical responsibility for one or more specific activities related to a project. A person referred to in Category B may also fall in this category if such person performs work of an engineering nature at this level.

Category D

In respect of a private consulting practice in engineering, shall mean all other salaried technical staff with adequate expertise and relevant experience performing work of an engineering nature with direction and control provided by any person contemplated in categories A, B or C.

2.3.2 Staff Rates and Expenses

1) The tendering *Consultants* are advised to consult page 30 of the NEC3 Professional Services Contract (April 2013) Guidance notes and Flow Charts before entering *staff* rated can be established in one of the three ways, which are:

- Rates for named staff,
- Rates for categories of staff or,
- Rates related to salaries paid to staff.

2) The *staff rates* for salaried technical staff shall not exceed that payable for professionally qualified staff responsible for carrying out the relevant service. The *staff rates* shall include all necessary protective clothing, standard equipment, medicals and instructions required to provide the services. All meeting costs shall be calculated based on *staff rates* related to the *Consultant's* staff who attended such meetings. Only the expenses defined and part of the pricing data may be claimed by the *Consultant* associated with providing the services must be included within the *staff rates.*

3) A subsistence allowance is an amount intended to cover incidental costs incurred by reason of living away from home, such as the cost of meals, liquid refreshments, phone calls, internet access, laundry and job-related out of pocket expenses that are not paid for in terms of the contract.

4) A subsistence allowance may only be claimed in respect of each night that a staff member is away from home.

5) Travel expenses may only be claimed in respect of the cost of transportation of the *Consultant*'s staff from their usual place of business to the jobsite and return from the jobsite to *Consultant's* usual place of business.

6) All air travel shall be in economy class on a scheduled low cost airline.

7) Accommodation means a:

   a) bed and breakfast;
   b) guest house;
   c) self catering; or
   d) hotel having a star rating of 1, 2 or 3 (Charged at proven costs strictly on limits as set out in National Treasury Instructions as amended from time to time).

Note: **A lodge, country house or 4 star or higher star rated hotel is not accommodation. Any stay in such a facility cannot be claimed as an expense.**

8) Breakfast not included in accommodation is not an expense as it falls under the subsistence allowance.

9) A hired car means a motor vehicle having an engine capacity of not more than 1600cc.

Note: **A hired car having an engine capacity greater than 1600cc is not a hired car and cannot be claimed as an expense.**

2.3.2.1 The *staff rates* are:

The following items are not exhaustive, and should the respondent identify any other resources that may be required for the execution of the works, these must be appended to this schedule

Item no	Specialist Description	Rate/Hour
1	Project Manager	
2	Senior Structural Engineer	
3	Senior Electrical Engineer	
4	Mechanical Engineer	
5	Quantity Surveyor	
6	Site Safety Officer (H&S)	
7	Project Administrator	
8	QA/QC Inspectors	
9	Document Controllers	
10	Cost Control Engineers	
11	Project Planner	

2.3.2.2 The expenses are as follows:

Category		**Basis of expense, excluding VAT**	**Applicable parameter**
1	Subsistence allowance	Amount per day	
2	Transportation costs		
2.1	Hired car not exceeding Group B	Factor times cost for handling costs	Factor =
2.2	Economy Class Airfares	Factor times cost for handling costs	Factor =
3	Accommodation costs		
3.1	Accommodation costs any 3-star equivalent)	Factor times cost for handling costs	Factor =
4	Private car or MPV		
4.1	Engine capacity less than or equal to 1600 cc	Cost per km in Rands	
4.2	Engine capacity greater than 1600 cc		N/A
5	Pick up vans and bakkies		
5.1	Engine capacity less than or equal to 1600 cc	Cost per km in Rands	
5.2	Engine capacity greater than 1600 cc		N/A