

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title
C2.1	Pricing assumptions: Option A
C2.2	The <i>price list</i>

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 and• 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.
		(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 No.	No. of people	Description	Description	UoM	Total estimated no. of hrs over 5 years	Rate/ Hour	Total Price
1	1	1 x Site Manager	Site Manager	per hr/per outage	2450		
2	1	1 x R.P	R.P (Responsible Person)	per hr/per outage	2450		
3	1	1 x Authorised Supervisor	Authorised Supervisor (AS)	per hr/per outage	2450		
4	2	2 x Site Supervisor	Site Supervisor	per hr/per outage	5292		
5	1	Planner	Planner	per hr/per outage	392		
6	1	1 x Quality Inspector (Officer)	Quality Inspector (Officer)	per hr/per outage	2450		
7	1	1 x Safety Officer	Safety Officer	per hr/per outage	2450		
8	1	Safety Coach	Safety Coach	per hr/per outage	700		
9	11	11 x Fitter (Red Seal)	11 x Fitter (Red Seal)	per hr/per outage	27538		
11	11	11 x Semi-skilled	11 x Semi-skilled	per hr/per outage	45276		
12	1	Utility Man	Utility Man	per hr/per outage	157		
13	1	Store Man	Store Man	per hr/per outage	2450		
14	1	1 x Clerk	1 x Clerk	per hr/per outage	2450		
15	1	Rigger Supervisor	Rigger Supervisor	per hr/per outage	2450		

C2.2 the price list

Item No.	No. of people	Description	Description	UoM	Total estimated no. of hrs over 5 years	Rate/ Hour	Total Price
16	1	1 x Rigger	1 x Rigger	per hr/per outage	2450		
		Other					
17	1	1 x Workshop Fitter / Turner		None	2450		
<u>MANPOWER - Overtime/Saturday</u>			-			1,5	
18	1	1 x Site Manager	Site Manager	per hr/per outage	515		
19	1	1 x R.P	R.P	per hr/per outage	294		
20	1	1 x Authorised Supervisor	Authorised Supervisor	per hr/per outage	221		
21	2	2 x Site Supervisor	Site Supervisor	per hr/per outage	1029		
22	1	Planner	Planner	per hr/per outage	1029		
23	1	1 x Quality Inspector (Officer)	Quality Inspector (Officer)	per hr/per outage	515		
24	1	1 x Safety Officer	Safety Officer	per hr/per outage	515		
25	1	Safety Coach	Safety Coach	per hr/per outage	515		

C2.2 the price list

Item No.	No. of people	Description	Description	UoM	Total estimated no. of hrs over 5 years	Rate/ Hour	Total Price
26	11	11 x Fitter (Red Seal)	Fitter (Red Seal)	per hr/per outage	6174		
27	11	11 x Semi-skilled	Semi-skilled	per hr/per outage	6174		
28	1	Utility Man	Utility Man	per hr/per outage	3602		
29	1	Store Man	Store Man	per hr/per outage	515		
30	1	1 x Clerk	Clerk	per hr/per outage	515		
31	1	Rigger Supervisor	Rigger Supervisor	per hr/per outage	515		
32	1	1 x Rigger	Rigger	per hr/per outage	515		
		Other					
33	1	1 x Workshop Fitter / Turner	Workshop Fitter / Turner	per hr/per outage	515		
<u>MANPOWER - Holidays/Sundays</u>			-			2,00	
34	1	1 x Site Manager	1 x Site Manager	per hr/per outage	600		
35	1	1 x R.P	1 x R.P	per hr/per outage	343		

C2.2 the price list

Item No.	No. of people	Description	Description	UoM	Total estimated no. of hrs over 5 years	Rate/ Hour	Total Price
36	1	1 x Authorised Supervisor	1 x Authorised Supervisor	per hr/per outage	172		
37	2	2 x Site Supervisor	2 x Site Supervisor	per hr/per outage	1201		
38	1	Planner	Planner	per hr/per outage	600		
39	1	1 x Quality Inspector (Officer)	1 x Quality Inspector (Officer)	per hr/per outage	600		
40	1	1 x Safety Officer	1 x Safety Officer	per hr/per outage	600		
41	1	Safety Coach	Safety Coach	per hr/per outage	600		
42	11	11 x Fitter (Red Seal)	11 x Fitter (Red Seal)	per hr/per outage	7203		
43	11	11 x Semi-skilled	11 x Semi-skilled	per hr/per outage	7203		
44	1	Utility Man	Utility Man	per hr/per outage	4202		
45	1	Store Man	Store Man	per hr/per outage	600		
46	1	1 x Clerk	1 x Clerk	per hr/per outage	600		
47	1	Rigger Supervisor	Rigger Supervisor	per hr/per outage	600		
48	1	1 x Rigger	1 x Rigger	per hr/per outage	600		

C2.2 the *price list*

Item No.	No. of people	Description	Description	UoM	Total estimated no. of hrs over 5 years	Rate/ Hour	Total Price
		Other					
49	1	1 x Workshop Fitter / Turner	1 x Workshop Fitter / Turner	None	600		
		Provisional Allowance					
50		Soft spares	Refer C1.2 Contract Data	The direct fee percentage is			%
		TOTAL OF THE PRICES					R

C2.2 the *price list*