

CONTRACTS MANAGEMENT: PRICING Manufacture, Testing and Supply of Wire Strands and Electrical Wire

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- To explain Eskom's contracting and pricing approach for this tender
- 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: This is a supply contract for the Manufacture, Test and Supply of estimated quantities of wire strands and electrical wire for Central East Cluster (KwaZulu Natal and Free State operating units) on an as and when required basis.
- This contract operates on an as-and-when required basis, meaning supply will be instructed over time as needs arise.

Structure:

- The contract duration is three years (36 Months), subject to the NEC termination provisions.
- There is a pricelist with the required supply.
- Importantly, appointment does not guarantee any volume of work.

Work allocation:

- Allocation may consider capacity, performance and operational requirements, so it is important that contractors are consistently compliant and they deliver on the performance.
- Contractors appointed must Notify Rotran when the material is ready for collection.

Pricing approach:

- Tendered pricing will be evaluated on a rates-only basis.
- Tenderers are required to provide realistic and sustainable supply rates, as these rates will be used for price evaluation at the final stage of the procurement process.”

Rates must include:

- All supply costs
- Overheads and profit
- No additional allowances will be assumed unless explicitly stated on a clearly labelled separate sheet for pricing
- Local and imported cost components must be transparent and traceable.

NOTES:

- Tenderers are cautioned that the lowest rates are not necessarily the most sustainable rates, and lowest price does not automatically guarantee contract award. Similarly, unrealistic rates will push you out of the market.

Eskom is seeking rates that are market-related, commercially sound and deliverable over the contract duration.

Tender pricing rules:

- No blanks may be left in pricing schedules, as incomplete pricing may result in disqualification.
- Rates must be calculated from net costs excluding VAT
- Prices must be stated in South African Rand
- Contractor to pay attention to the unit of measure.
- Any forex treatment must follow the final tender and contract provisions.

General requirements:

- Eskom will not reimburse costs associated with tender preparation or submission.
- Rates will be fixed and firm for the first twelve (12) months, thereafter, price adjustment will be applicable annually, where 85% of the rates will be subject to CPA with 15% remaining fixed or non-adjustable.

Tenderers are cautioned against:

- Leaving blanks or inserting “N/A” in pricelist (tenderer to put a dash or R0,00 if they are not charging Eskom for a particular line-item)
- 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.

Evaluation Methodology (High-Level)

Thank you

