

**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

## Price list (A): Equipment required

Item nr	Description	Unit	Expected Quantity	Rate per month	Price
1.	Site Establishment	1	Once off	Once off	
2.	Tools - Torches	60	Once off	Once off	
3.	Tools - Poking rods	12	Once off	Once off	
4.	Tools - Rubber mallets	12	Once off	Once off	
5.	Site de - establishment	1	Once off	Once off	
<b>TOTAL</b>					

**Note:**

The above-mentioned tendered prices are exclusive of Value Added Tax (VAT) and CPA, but inclusive of all costs related to this works (e.g. bonuses, shift allowances for duration of contract, etc)

**Contractor:**

.....  
PRINT NAME AND SURNAME

.....  
SIGNATURE

.....  
DATE

**Price list B - Manpower resources required**

Item	Description	Unit	Expected Quantity	Rate per month	Total
1.	Site Manager	1	60 months		
2.	Safety Officer - day work	1	60 months		
3.	Site Admin - Day work	1	60 months		
4.	Supervisor - Shift work	5	60 months		
5.	Operators - Shift work	60	60 months		
6.	Supervisor - Day work	1	60 months		
7.	Transport - Home/Work/Home	1	60 months		
8.	Additional Operators (As and when)	12	30 months		

**Note:**

The above-mentioned tendered prices are exclusive of Value Added Tax (VAT) and CPA, but inclusive of all costs related to this works **(e.g. bonuses, shift allowances for duration of contract, etc)**

**Contractor:**

.....  
 PRINT NAME AND SURNAME                      SIGNATURE                      DATE

**Price list C - Health and Safety**

Item	Description	Unit	QTY	Rate	Total
1	Medicals (Yearly)	Sum			
2	Health and Safety File	Each			
3	Safety Training employees	Each			
4	Health and Safety Officer (if >40 employees)	Each			
5	Overalls (2 per year)	Sum			
6	Safety Boots/Shoes	Ech			
7	Hearing Protection	Sum			
8	Gloves	Sum			
9	Dust Masks	Sum			
10	Rain Suits	Sum			
11	Disposal Coveralls	Sum			
12	Hard Hats with chin straps	Sum			
13	First Aid Box	Each			
14	Safety goggles	Sum			
<b>TOTAL VALUE FOR HEALTH AND SAFETY PER ANNUM</b>					

**NOTE:**

- The above-mentioned tendered prices are exclusive of Value Added Tax (VAT) and CPA,
- Suppliers to ensure that two overalls are supplied per annum, however provision shall be made for damaged overalls.
- Safety boots QTY required to be determined by Supplier, however provision must be made for damaged boots.
- Medicals will be done yearly or when expired.

**Contractor:**

.....  
PRINT NAME AND SURNAME

.....  
SIGNATURE

.....  
DATE

**Price list D - Overtime (as-and-when required basis)**

Item	Description	Unit	Estimate Qty. Normal	Rate P/H	Estimate Qty. Double Time	Rate P/H	Total Overtime
1	Site Manager	Per Hr.	1800		1800		
2	Day Shift Supervisor	Per Hr.	1800		1800		
3	PPH Operators	Sum			60		
4	PPH Supervisors	Sum			60		
5	Overtime Operators	Sum	3600		3600		
6	Overtime Supervisors	Sum	3600		3600		

**Note:**

- Supplier to calculate number of Paid Public Holidays to be worked (PPH)
- Overtime is not compulsory. Rates will be used on an as-and-when required basis.

**Contractor:**

.....  
PRINT NAME AND SURNAME

.....  
SIGNATURE

.....  
DATE

**ESCALATION**

Fixed prices/rates are preferred for the full contractual period. However, should the Tenderers be unable to offer fixed prices/rates for full contractual period, the only escalation acceptable to Eskom will be as follows:

**FIXED:**

**First year, prices will remain fixed**

**ESCALATION:**

**From the second year onwards, the prices will escalate annually in accordance to the following Indices:**

Description	Percentage (%)	Indices based on (e.g. SEIFSA)
Fixed	Minimum 15%	
<b>TOTAL</b>	<b>100%</b>	

Prices will be fixed for the first year. Thereafter, prices will be subject to an annual increase in accordance to indices stated above. 15% of the prices will remain fixed and 90% will be subject to escalation. Base date August 2023.

Please choose **one** of the following:

**PRICES/RATES FIXED FOR FULL CONTRACTUAL PERIOD?** YES  NO

OR

**PRICE/RATES SUBJECT TO ESCALATION CLAUSE ABOVE?** YES  NO

**Contractor:**

.....  
PRINT NAME AND SURNAME

.....  
SIGNATURE

.....  
DATE