

## PART 2: PRICING DATA

### NEC3 Supply Contract

<b>Document reference</b>	<b>Supply and Delivery of various chemicals at Grootvlei Power Station for a period of 60 months on an as and when required basis.</b>	<b>No of pages</b>
C2.1	Pricing assumptions	2
C2.2	The <i>price schedule</i>	[•]

## C2.1 Pricing assumptions

### 1. How *goods* and *services* are priced and assessed for payment

Clause 11 in NEC3 Supply Contract, (SC3) core clauses states:

<b>Identified and defined terms</b>	11 11.2	<p>(11) The Prices are the amounts stated in the price column of the Price Schedule. Where a quantity is stated for an item in the Price Schedule, the Price is calculated by multiplying the quantity by the rate.</p> <p>(12) The Price Schedule is the <i>price schedule</i> unless later changed in accordance with this contract.</p>
<b>Assessing the amount due</b>	50.2	<p>The amount due is</p> <ul style="list-style-type: none"> <li>• the Price for each lump sum item in the Price Schedule which the <i>Supplier</i> has completed,</li> <li>• where a quantity is stated for an item in the Price Schedule, an amount calculated by multiplying the quantity which the <i>Supplier</i> has completed by the rate,</li> <li>• plus other amounts to be paid to the <i>Supplier</i>,</li> <li>• less amounts to be paid by or retained from the <i>Supplier</i>.</li> </ul> <p>Any tax which the law requires the <i>Purchaser</i> to pay to the <i>Supplier</i> is included in the amount due.</p>

This confirms that the Supply Contract is a priced contract where the Prices are derived from a list of items of *goods* and *services* which can be priced as lump sums or as expected quantities of *goods* and *services* multiplied by a rate, or a mix of both.

### 2. Function of the Price Schedule

Clause 53.1 states: "Information in the Price Schedule is not Goods Information". This confirms that instructions to do work or how it is to be done are not included in the Price Schedule but in the Goods Information. This is further confirmed by Clause 20.1 which states, "The *Supplier* Provides the Goods and Services in accordance with the Goods Information". Hence the *Supplier* does **not** Provide the Goods and Services in accordance with the Price Schedule. The Price Schedule is only a pricing document.

### 3. Preparing the *price schedule*

Items in the *price schedule* may have been inserted by the *Purchaser* and the tendering supplier should insert any additional items which he considers necessary. Whichever party provides the items in the *price schedule* the total of the Prices is assumed to be fully inclusive of everything necessary to Provide the Goods and Services as described at the time of entering into this contract.

It will be assumed that the tendering supplier has

- Read Pages 8, 11, 12 and Appendix 5 of the SC3 Guidance Notes before preparing the *price schedule*;
- Included in his Prices and rates for correction of Defects (core clause 43.1) as there is no compensation event for this unless the Defect is due to a *Supplier's* risk;
- Spread the cost of doing work he chooses not to list as separate items in the *price schedule*

across other Prices and rates in order to fulfil the obligation to Provide the Goods and Services for the tendered total of the Prices;

- Understood that there is no adjustment to lump sum prices in the *price schedule* if the amount, or quantity, of work within that lump sum item later turns out to be different to that which the *Supplier* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event per clause 60.1;
- Understood that the *Supplier* does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event.

### 3.1. Format of the *price schedule*

Entries in the first four columns in the *price schedule* in section C2.2 are made either by the *Purchaser* or the tendering supplier.

If the *Supplier* is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tendering supplier enters the amount in the Price column only, the Unit, Quantity and Rate columns being left blank.

If the *Supplier* is to be paid an amount for the item which is the rate for the item multiplied by the quantity completed, the tendering *Supplier* enters the rate which is then multiplied by the Quantity to produce the Price, which is also entered.

If the *Supplier* is to be paid an amount for an item proportional to the length of time for which the *goods* and *services* are provided, a unit of time is stated in the Unit column and the length of time (as a quantity of the stated units of time) is stated in the Quantity column.

## C2.2 the *price schedule*

Item nr	Description	Unit	Quantity	Rate	Price
<b>Contract 1 Water Treatment Plant</b>					
<b>Preliminaries &amp; Generals</b>					
	SAFETY FILE	SUM	1		
	PPE (safety boots, overall suit, goggles, gloves, Hardhat, earplugs)	NO	2		
	Police clearance	NO	2		
	Travelling (Annually)	KM	5000		
	CHEMICAL: TYPE: SODIUM CARBONATE; FORM: DRY POWDER; CONTAINER CAPACITY: 50 KG; CONTAINER: BAG; TRADE NAME: SODA ASH; COMPOSITION: 99- 100; SODIUM CARBONATE PCT; COLOR: WHITE; MSDS NUMBER: 53242; STORE IN A COOL; DRY; VENTILATED AREA; PROTECT AGAINST PHYSICAL DAMAGE	KG	100 000		
	CHEMICAL: TYPE: SALT; FORM: COARSE GRANULAR; CONTAINER CAPACITY: 50 KG; CONTAINER: BAG WOVEN PVC; COMPOSITION: NACL 99.7PC/NASO4 0.1PCT W/W MAXIMUM/CASO4 0.01PCT W/W MAXIMUM/MGCL 0.01PCT W/W MAXIMUM/INSOLUBLES 0.02 PCT; NO IODIDE AND SILICATE TO BE PRESENT IN THE SALT, MATERIAL SAFETY DATA SHEETS WITH ENVIRONMENTAL INFORMATION IN THE 16 POINT FORMAT TO BE PROVIDED WITH EVERY DELIVERY AS REQUIRED BY THE OCCUPATIONAL HEALTH AND SAFETY ACT	KG	250 000		
	CHEMICAL: TYPE: AMMONIUM SOLUTION 25%; FORM: LIQUID; CONTAINER CAPACITY: 1000 KG; CONTAINER: FLOW BIN; COLOR: COLORLESS; GRADE: AR	KG	100 000		
	SAND: TYPE: WASHED RIVERB FOR SANDFILTRATION; MATERIAL: GRADED SMALL STONES (SILICA); CONTAINER: BAG 25 KG; WASHED AND GRADED SILICA QUARTS SAND 0.9 MM, WITH A NORMAL DISTRIBUTION (ND) OF 0.6MM-1.2MM, 90 PERCENTILE, DEPENDING ON	KG	50 000		

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	THE SUPPLIER, THIS IS ALSO CALLED 0.95 SAND OR 0.9MM SAND				
	CHEMICAL: TYPE: HTH CHLORINE CHIPS; FORM: INDUSTRIAL CHIPS; CONTAINER CAPACITY: 25 L; CONTAINER: BUCKET PLASTIC; TRADE NAME: HTH CHIPS; COLOR: WHITE; GRADE: COMMERCIAL; SUPPLY AND DELIVER HTH CHLORINE CHIPS	KG	20 000		

The total of the Prices