

## PART 2: PRICING DATA

### PSC3 Option A

<b>Document reference</b>	<b>Title</b>	<b>No of pages</b>
C2.1	Pricing assumptions: Option A	02
C2.2	The <i>activity schedule</i>	02

## C2.1 Pricing assumptions: Option A

### 1. How work is priced and assessed for payment

Option A is a lump sum form of contract where the work to be done is broken down into well defined activities each listed in the *activity schedule* and priced by the tendering consultant as a lump sum. (See clause 11.2(18)).

Only completed activities which are without Defects are assessed for payment at each assessment date; no part payment is made if the activity is not completed by the assessment date. (See clause 11.2(15)).

The *activity schedule* may change after the Contract Date as a result of compensation events. (See clause 11.2(14)).

### 2. Function of the Activity Schedule

The Activity Schedule is only a pricing document. Clause 53.1 in Option A states: "Information in the Activity Schedule is not Scope". Specifications and descriptions of the service or any constraints on how it is to be done are included in the Scope and per Clause 21.1, "The *Consultant* Provides the Services in accordance with the Scope" and therefore not in accordance with the Activity Schedule.

### 3. Link to the programme

Clause 31.4 states that "The *Consultant* provides information which shows how each activity on the Activity Schedule relates to the operations on each programme which he submits for acceptance". Ideally the tendering consultant will develop a high level programme first then resource each activity on the programme and thus arrive at the lump sum price for that activity both of which can be entered into the *activity schedule*.

### 4. Preparing the activity schedule

Generally it is the tendering consultant who prepares the *activity schedule* by breaking down the work described within the Scope into suitable activities which can be well defined, shown on a programme and priced as a lump sum.

The description of each activity must be sufficient to determine exactly what work is included within it and to know when it has been completed.

The *Employer*, in his Instructions to Tenderers or in a Tender Schedule, may have listed some items that he requires the *Consultant* to include in his *activity schedule* and be priced accordingly.

It is assumed that in preparing his *activity schedule* the *Consultant*:

- Has taken account of the guidance given in the PSC3 Guidance Notes;
- Understands the function of the Activity Schedule and how work is priced and paid for;
- Is aware of the need to link the Activity Schedule to activities shown on each programme which he submits for acceptance by the *Employer*;
- Has listed and priced activities in the *activity schedule* which are inclusive of everything necessary and incidental to Providing the Service in accordance with the Scope, as it was at the Contract Date, as well as correct Defects except correcting a Defect for which the *Consultant* is not liable;
- Has priced work he decides not to show as a separate activity within the Prices of other listed activities in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.
- Understands there is no adjustment to the lump sum Activity Schedule price if the amount, or quantity, of work within that activity later turns out to be different to that which the *Consultant* estimated at time of tender. The only basis for a change to the Prices is as a result of a

compensation event.

However, the *Consultant* does not have to allow in his Prices for matters that may arise as a result of a compensation event.

## **5. Expenses**

*Expenses* are not included in the *activity schedule* items and are assessed separately at each assessment date, unless an additional condition of contract (Z clause) is included which requires that expenses be included within activity Prices and not paid separately.

*Expenses* associated with employing a staff member in Providing the Services are listed separately either by the *Employer* in Contract Data provided by the *Employer* or by the *Consultant* in Contract Data provided by the *Consultant*. As only the *expenses* listed may be claimed by the *Consultant*, all other cost to the *Consultant* associated with Providing the Services must be included within the activity schedule prices or *staff rates*.

Rate adjustment for inflation of *expenses* is explained in the PSC3 Guidance Notes.

## **6. Staff rates**

When a compensation event occurs changes to the affected Activity Schedule item or new priced items in the Activity Schedule are assessed as the actual Time Charge for work already done and the forecast Time Charge for work not yet done. (See clause 63.1 and 63.14 in Option A)

The Time Charge is the sum of the products of each of the *staff rates* multiplied by the total staff time appropriate to that rate properly spent on work in this contract. (Clause 11.2(13))

Tendering consultants are advised to consult the NEC3 Professional Services Contract Guidance Notes and Flow Charts before entering *staff rates* into Contract Data, or in C2.2 below.

This is because *staff rates* can be established in one of three ways:

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

Rate adjustment for inflation, if necessary, can be based either on actual salary adjustments or by using Option X1: Price adjustment for inflation. See pages 13 and 14 in the PSC3 Guidance Notes.

## C2.2 the *activity schedule*

Item No.	Activity description	Quantity	Rate	Price (excl VAT)
	<b>Preliminary and general</b>			
a	Project Initiation Management	1		
b	Health and Safety Requirements	1		
c	Review documents Standards	1		
	<b>Professional services</b>			
1	Commissioning of AWR dam 4	1		
2	50 and 100 year flood lines including site plan showing the location of wet lands for all land part of Arnot Power Station	1		
3	Delineates the 50 and 100 year flood lines on site.	1		
4	Flood break study for the Final Station Drains Dam and Buffer Dam	1		
5	Flood break study for AWR High Level Dam 1, 2 and 3	1		
6	Flood break study for Coal Stockyard Pollution Control Dam	1		
7	Flood break study for the Ash Dam Complex which includes the AWR low level dams	1		
8	Survey and as-built drawing for the Coal Stockyard Pollution Control Dam including capacity	1		
9	Survey and as-built drawing for the Final Station Drains Dam and Buffer Dam including capacities	1		
10	Survey and as-built drawing for the river diversion at the Ash Dam Complex which includes the road crossing	1		
11	Survey and as-built drawing for the three AWR Low Level Dams including capacities	1		
12	Survey and as-built drawing for the AWR High Level Dams including capacities	1		
13	Survey and as-built drawing for the river diversion next to the Ash Dam	1		
14	Design of the lining and seepage cut-off system of the Coal Stockyard Pollution Control Dam	1		
15	Design of the lining and seepage cut-off system of the Final Station Drains	1		
16	Design of the lining and seepage cut-off system of the AWR Low Level	1		

	Dams			
17	Design of the lining and seepage cut-off system of the AWR High Level Dams	1		
18	Annual aerial survey, determines the rate of rise, life expectancy study and determines current water stored and maximum water storage capacity	3		
19	Reviews the deposition plan quarterly	12		
20	Registration of the Ash Dam as a dam with a safety risk	1		
21	Ash dam monthly inspection and meeting (Including Ash Dam, AWR L/L 1, 2a and 2b)	36		
22	Annual slope stability analysis and report on ash dam	3		
23	Geotechnical evaluation to enable slope stability analysis	1		
24	Update the operations and maintenance manual	2		
25	Review the AWR High Level Dams, Ash Dam Complex, Coal Stockyard Pollution Control Dam and AWR Low Level Dam emergency preparedness procedures	1		
26	Monitor the rate of rise every 4 months	9		
27	Ash dam complex annual Dam Safety Inspection and report and submit to DWS as per Arnot's IWUL	3		
28	Produce a line diagram for the position of the new ash lines and deposition points	1		
29	Generic design for the roads on the ash dam and estimate quantities material needed for said roads	1		
30	Estimate the requirements for top soil required on the ash dam and with time line with the required dates of when it is needed	1		
31	Coal Stockyard run-off dam annual Dam Safety inspection and report and submit to DWS as per Arnot's IWUL	3		
32	Review the operating procedure for the Coal Stockyard Pollution Control Dam	1		
33	Supervisory role on the Coal Stockyard Pollution Control Dam in terms of the IWUL	36		
34	Supervisory role on the Ash Dam in terms of the IWUL	36		
35	One day per month for supervision of candidate engineer	36		
36	Create pollution plume	1		

	<b>Hourly rate per category of employee (As and when required)</b>			
37	Civil Engineer to perform designs of minor modifications	40		
38	Draughtsman to draw designed minor modifications	40		
39	Geologist to perform emergency inspection and compile report	40		
40	APP to perform emergency inspection and compile report	40		
41	Civil Engineer to perform emergency inspection and compile report	40		
42	Geo-technician to perform emergency inspection and compile report	40		
<b>Total of the Prices</b>				

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.

**The *staff rates* are:**

No.	Designation (or category) or name of staff member	Rate per hour excluding VAT
1	Expert	
2	Senior	
3	Intermediate	
4	Junior	

**The *expenses* are:**

No.	Expense item	Amount / rate excluding VAT
1	Travel Per KM	
2	Accommodation/Night/Person	

The prices offered are in Rand and are firm for the duration of the contract, subject only to an annual escalation of **100%**, based on movements in Statistics South Africa CPI.