

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:

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 andwhere 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 nr	Description	Unit	Estimated Quantity	Rate	Price
A1	<u>Preliminaries and General (Once off)</u>				
A1.1	Establishment of Kitchen Equipment (Provide breakdown)	Sum	1		
A1.2	Desktop PC for (x1 Planner)	Ea	1		
A1.3	Laptop (x1 Supervisors, x2Technicians, x1 Safety Officer)	Ea	4		
A1.4	Steel 12 Compartment lockers (food storage)	No	1		
A1.5	Tools and Equipment (Provide the breakdown)	Sum	1		
A1.6	Belt inspection hand tools - Infrared thermal scanner	Once-Off	4		
A1.7	Two way communication radios	Once-Off	8		
A1.8	Portable lighting	Once-Off	4		
A1.9	5kVA Generator	Once-Off	1		
A1.10	Laser alignment machine	Once-Off	1		
A1.11	HV Insulation Tester	Once-Off	1		
A2	<u>Preliminaries and General (Health and Safety) (Provide Breakdown)</u>	Unit	Estimated Quantity	Rate	Price
A2.1	Medical Clearance, Psycho tests & Exit Clearance	PP/ Annually	3		
A2.2	Health and Safety (PPE) Core crew	PP/ Annually	3		
A2.3	Health and Safety (PPE) - Office Staff + Bus Drivers	PP/ Annually	3		
A2.4	SHEQ Training	PP/ Annually	3		
A2.5	Arc Flash Suits	PP/ Annually	3		

A3	Transport	Unit	Expected Quantity	Rate	Price
A3.1	Home-work-home transport (22 seater Bus)	Monthly	36		
A3.2	Home-work-home transport +(14 seater)	Monthly	36		
A3.3	Bakkies single cab 7000km	Monthly	36		
A3.4	Bakkies double cab 7000km	Monthly	36		
A4	Site Use	Unit	Estimated Quantity	Rate	Price
A4.1	Cellphone allowance Supervisors	Monthly	36		
A4.2	Cellphone allowance: Site Manager	Monthly	36		
A4.3	Consumables – Housekeeping (Provide Breakdown)	Monthly	36		
A4.4	Consumables – Sugar and Tea (Provide Breakdown)	Monthly	36		
A4.5	Printer Machine	Monthly	36		
A4.6	Stationery	Monthly	36		
B1	<u>Plant</u>	Unit	Estimated Quantity	Rate	Price
B1.1	8 Ton High up Truck (Dry Rate) (on an as and when required basis)	Hour	1		
B1.2	Cherry picker (As when required)	Hour	1		
B1.3	Fork lift (on an as and when required basis)	Hour	1		
B2	<u>Conveyor Belt activities</u>	Unit	Estimated Quantity	Rate	Price
B2.1	Ply-Belt splicing (Hot)	Each	252		
B2.2	Ply-Belt splicing (Cold)	Each	72		
B2.3	Steel Cord belt splicing	Each	180		
B2.4	Pulley lagging (Ceramic)	Per (Square) m	288		

B2.5	Pulley lagging (Rubber)	Per (Square) m	864		
B2.6	Steel Cord belt splicing repairs	Each	20		
B2.7	Ply-Belt splicing repairs	Each	50		
B2.8	Ply-Belt clip joint	Each	72		
B2.9	Crawler Beams, chain blocks, hand tools (Load Testing)	Yearly	66		
C1	<u>Operating Labour - Core Crew (173 working hours/month)</u>	Unit	Expected Quantity	Rate/hour	Price per Month
C1.1	Site Manager	Hour	1		
C1.2	Admin Clerk	Hour	1		
C1.3	Safety Officer	Hour	1		
C1.4	Mechanical Supervisors	Hour	4		
C1.5	Electrical Technician	Hour	4		
C1.6	Mechanical Technician	Hour	1		
C1.7	Mechanical Fitters/Artisans	Hour	8		
C1.8	Mechanical Semi skilled labour	Hour	8		
C1.9	Belt Inspectors	Hour	8		
C1.10	Mechanical Boilermaker/welder	Hour	4		
C1.11	Boilermaker Semi skilled labour	Hour	4		
C1.12	Rigger	Hour	4		
C1.13	Riggers Semi Skilled	Hour	4		
C1.14	Electrical supervisor	Hour	1		
C1.15	Electricians Artisan	Hour	4		
C1.16	Electricians Semi skilled labour	Hour	4		
C1.17	Unskilled	Hour	12		
C1.18	Maintenance Planner	Hour	1		
C1.19	Storeman	Hour	1		
Total Price per Month					
Total Price for 36 Months					

D	<u>Overtime</u>	Unit	Expected Quantity	Rate/hour	
D1	Admin Clerk NT	Hour	1		
	Admin Clerk OT X 1.5	Hour	1		
	Admin Clerk OT X 2.0	Hour	1		
D2	Safety Officer NT	Hour	1		
	Safety Officer OT X 1.5	Hour	1		
	Safety Officer OT X 2.0	Hour	1		
D3	Electrical Technicians NT	Hour	1		
	Electrical Technicians OT X 1.5	Hour	1		
	Electrical Technicians OT X 2.0	Hour	1		
D4	Mechanical Technicians NT	Hour	1		
	Mechanical Technicians OT X 1.5	Hour	1		
	Mechanical Technicians OT X 2.0	Hour	1		
D5	Mechanical Fitters/Artisans NT	Hour	1		
	Mechanical Fitters/Artisans OT X 1.5	Hour	1		
	Mechanical Fitters/Artisans OT X 2.0	Hour	1		
D6	Semi skilled labour NT	Hour	1		
	Semi skilled labour OT X 1.5	Hour	1		
	Semi skilled labour OT X 2.0	Hour	1		
D7	Mechanical Boilermaker/welder NT	Hour	1		
	Mechanical Boilermaker/welder OT X 1.5	Hour	1		
	Mechanical Boilermaker/welder OT X 2.0	Hour	1		
D8	Rigger NT	Hour	1		
	Rigger OT X 1.5	Hour	1		
	Rigger OT X 2.0	Hour	1		
D9	Unskilled NT	Hour	1		
	Unskilled OT X 1.5	Hour	1		
	Unskilled OT X 2.0	Hour	1		
D10	Maintenance Planner NT	Hour	1		
	Maintenance Planner OT X 1.5	Hour	1		
	Maintenance Planner OT X 2.0	Hour	1		
D11	Storeman NT	Hour	1		

E	<u>Operating Labour - Shift Allowance</u>	Unit	Expected Quantity	Total/per month	Total for 36 months
E1	Mechanical Supervisors	Monthly	4		
E2	Electricians	Monthly	4		
E3	Electricians Semi skilled labour	Monthly	4		
E4	Belt Inspectors	Monthly	8		
E5	Electrical Supervisors	Monthly	1		

The total of the Prices

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