

# CONTRACTS MANAGEMENT

Mandisa Nkosi

03 March 2026



Form of contract: NEC3 SUPPLY CONTRACT

The Conditions of Contract are:

1. The core clauses
2. The option clauses:
  - a) X1 – Price Adjustment for Inflation
  - b) X2 – Changes in the Law
  - c) X7 – Delay Damages
  - d) X13 – Performance Bond
  - e) W1 – Dispute Resolution
  - f) Z – Clauses - Additional Conditions of Contract

Schedule of Deviations to be completed for any proposed deviations

Source	Proportion	Scope of Index	Table
SEIFSA	20%	Labour – Hourly Paid Employees	C3
SEIFSA	10%	Consumer Price Index	D2
SEIFSA	5%	Metal Prices- Copper Metric Ton	F-CMT
SEIFSA	50%	Domestic Merchant Steel- Galvanised Sheet	E-EX
SEIFSA	15%	Fixed Non-adjustable	
Total	100%		

- Tenderers must submit a CPA aligned to Eskom’s proposed breakdown, or propose an acceptable alternative
- For contracts longer than 12 months, no CPA submitted = fixed and firm prices
- At least 15% of the total contract value must remain fixed when applying CPA
- Each CPA formula must total 100%

## HAYLETT FORMULA

**(Ruling index/Base index – 1) x 0.85 x value = adjustment amount**

- Only official, publicly available indices may be used—no internal/in-house indices
- Multiple CPA formulae (A, B, C, etc.) may be used, or one combined formula, depending on pricing structure
- Eskom reserves the right to negotiate CPA terms during tender negotiations

1. Tendering costs are for the tenderer's account (no reimbursement by Eskom)
2. Prices must include all rates, duties, taxes (incl. VAT), and levies applicable 14 days before tender closing
3. Rates must be calculated on net (excl. VAT) amounts, with VAT added per line item
4. Rates and prices are fixed and firm for the first 12 months, thereafter subject to escalation in accordance with the Contract Price Adjustment (CPA) mechanism

## C2.2 the price schedule

SAP Number	Description	Estimated Quantities	Price Per Unit excluding VAT	Total Price Excluding Vat	Price per Unit including VAT	Total Price Including Vat
175671	Module, interposing a s/panel D9402	1				
175685	Module: metering old; std meter subpanel	254				
175686	Module, volt. selection a S/P D9401	1				
175687	Module, metering volt. select.B S/P D9401	57				
175688	Module, metering volt. select.D S/P D9401	119				
183992	Module, interposing b s/panel D9402	55				
230643	Module, metering volt. select c S/PD9401	25				
230645	Module, modem s/panel D9404	180				
401952	Plate: blanking; ms;prot scheme 3U	542				
401958	Plate, blanking prot scheme 7U M/S D9141	458				
569918	Module: metering surface mount 4way	337				
569919	Module: metering surface mount 6way	35				
569920	Module: metering rack mount 4way	50				
569921	Module: metering rack mount 6way	55				
	Fitment of the module into panel	863				
579563	Panel: (600 x 600 x 2400mm panel)	1				
574602	Panel: (350 x 700 x 1400mm panel)	20				
230644	Quality of Supply module	101				
401956	5U blanking plate	16				
402613	Cabinet swing frame Dual Entry	134				
	<b>TOTAL</b>					

- The price schedule must be completed in full
- Note clear distinction between prices excluding VAT and including VAT when completing the schedule
- Quantities provided are estimates for a 5-year period
- All rates must be fully inclusive of materials, labour, plant, wastage, profit, and any other costs required up to delivery of finished goods.
- Transportation of goods will be undertaken by ERI (Rotran) at Eskom's cost

Prices will be evaluated as follows:

- Inclusive of VAT;
- Corrected for arithmetical errors;
- Excluding contingencies in any bill of quantities or activity schedule'
- Adjusted for any other acceptable variations, deviations, or alternative tenders submitted; and
- Making a comparison of the Net Present Value of each adjusted tender based on the tendered programme (if provided) and prices, on the estimated effect of Price Adjustment Factors and rate of exchange fluctuations (if applicable) and on other evaluation parameters relating to uncertainty and risk, where applicable.
- Unconditional discounts will be taken into account for evaluation purposes.
- Conditional discounts will not be taken into account for evaluation purposes but will be implemented when payment is effected.
- Prices will be scored out of **80** points



## Conclusion