

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 - the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and - 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.
		(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 1

Item No	Description	Unit	Quantity	Rate Each	Total Amount
	PRELIMINARIES AND GENERAL				
1	Site Establishment	Sum	1		
2	Site de-establishment	Sum	1		
The total of the Prices (excluding VAT)					
	SAFETY REQUIREMENTS				
3	Medicals	Yearly	5		
4	Health and safety plan	Item	1		
5	Health and safety file	Ea	1		
6	Safety training	Ea	30		
7	Hard hats	Ea	30		
8	Overalls	Ea	70		
9	Gloves	Ea	70		
10	Safety shoes	Ea	30		
11	Hearing Protection	Ea	70		
12	Safety goggles	Ea	35		
13	Safety harnesses	Ea	35		
14	First Aid box	Ea	5		
15	Flash suit	Ea	35		
16	Dust Musk	Ea	500		
The total of the Prices (excluding VAT)					
	TRANSPORT AND EQUIPMENT				
17	Transport x1 (Home work Home)	monthly	60		
18	Transport for Call-outs	km	10000		
19	Standby Allowance (Technician & Assistant)	monthly	60		
The total of the Prices (excluding VAT)					

Contractor:

.....
 Print name

.....
 Signature

.....
 Date

Item No	Description	No. of Ppl	Duration	Unit	No. of Hours	Rate Each	Total Amount
	LABOUR						
20	Site Manager/Supervisor x1 (LMI Registered)	1	60	hour	173		
21	Crane Technicians x3	3	60	hour	173		
22	Assistants x3	3	60	hour	173		
23	Safety Officer x1	1	60	hour	173		
The total of the Prices (excluding VAT)							

Item No	Description	Unit	Quantity	Rate Per Hour
	OVERTIME-RATES BASED			
	LABOUR (NORMAL OVERTIME AND SUNDY @1.5 – RATES ONLY)			
24	Site Manager/Supervisor	hour	1	
25	Crane Technicians	hour	3	
26	Assistants	hour	3	
	LABOUR (SUNDAY AND PUBLIC HOLIDAY @2.0 – RATES ONLY)			
27	Site Manager/Supervisor	hour	1	
28	Crane Technicians	hour	3	
29	Assistants	hour	3	

SUMMARY		
	PRELIMINARIES AND GENERAL	
	HEALTH AND SAFETY	
	TRANSPORT AND EQUIPMENT	
	LABOUR	
THE TOTAL OF THE PRICES (EXCLUDING VAT)		

Note:

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

Contractor:

.....
 Print name

.....
 Signature

.....
 Date

ESKOM

ESCALATION (CPA)

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 of 5 (five) years, the only escalation acceptable to Eskom will be as follows:

FIXED:

FIRST YEAR

ESCALATION:

YEAR 2 TO YEAR 5

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

Prices will be fixed for the first year after award of contract. Thereafter, prices will be subject to an annual increase in accordance to indices stated above. 15% of the prices will remain fixed and 85% will be subject to escalation. Base date September 2026.

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 ☐

Failure to propose indices in the above table, indices proposed by Eskom in the Invitation to Tender shall apply.

CONTRACTOR NAME:

.....
PRINT NAME

.....
SIGNATURE

.....
DATE