

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 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*

Verdun SS Security Repairs: Electric Fence and Lights					
Item	Description	Unit	Qty	Rate	Total Cost
1	Replace faulty day/night switch	No.	1		
2	Install and replace panic button switch.	No.	1		
3	Supply new LED Light fittings (30 Watts)	No.	49		
4	Supply and fix 48V supply automation for perimeter lights	No.	1		
5	Remove existing HT conductors . (1150mx24 strands)	Hrs	24		
6	Supply and re-install 2.24mm solid galvanized steel wire (1150mx24 strands)	Metre	27600		
7	Supply and install warning/danger signs on electric fence	No.	30		
8	Inspect, supply and replace luminaires at the main gate	No.	3		
9	Supply and install cabling and switches for CCTV	Set	1		
10	Supply and replace broken guardroom doors	Each	2		
11	Supply and install cooling system in the energiser room	Each	1		
12	Supply an install anti-theft bracket on sliding gate motor.	Each	1		
13	Supply and install gate indication (Close/Open)	Sum	1		
14	Supply and install a new small access gate to the electric fence near the main gate.	Each	1		
15	Supply and replace the AC supply covers (pole door opening) for light poles	Each	20		
16	Reconnect the broken overhang barbed wire on the Eastern side of the fence.	Metre	15		
17	Supply and install 3-point HT switch next to the sliding gate.	Each	1		
18	Supply and install CCTV cameras & DVR at Main gate	Set	1		
19	Install a 23" (inch) HD LED Monitor screen in guard room for the CCTV	Each	1		
20	Installation Labour, Testing & commissioning for CCTV system	Each	1		
21	Programming of energisers and system commissioning	Each	1		
22	Supply and install 220VAC to 110 VAC stepdown Transformer	Each	1		
23	Issue Certificate of Compliance for installing new energisers	Each	1		
24	Compile and supply Safety File	Sum	1		
25	Site Establishment	Sum	1		
26	Supply and replace burnt/damaged	Each	300		

	intermediate insulators.				
27	Supply and replace damaged tension insulators with ceramic high tension ones.	Each	300		
28	Repair barrier (inner & Outer weld mesh) fences at broken sections	Sqr Metre	40		
29	Supply & Install electric fence Energisers	No.	4		
30	Supply & Install Isolator switches with new cabinet	No.	6		
31	Supply & Install Synchronizing unit	No.	1		
32	Supply and install relay cards	No.	1		
33	Install an audible alarm at the station.	Each	1		
34	Supply & Install pre-configured Mimic PC & associated equipment	No.	1		
35	Supply & Install HT (HV12) cable (50m lengths)	Each	6		
36	Repair and replace damaged Razor Flat Wrap around the station. (900mmx50m)	Rolls	8		
37	Backfill all holes previously dug by meerkats.	Each	20		
38	Straighten all bent inline poles	Each	3		
	<u>Gross Estimate Cost</u>				<u>R</u>

The total of the Prices