

PART 2: PRICING DATA

ECC3 Option A

Document reference	Title	No of pages
C2.1	Pricing assumptions: 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 Engineering and Construction Contract, (ECC3) Option A states:

<b>Identified and defined terms</b>	11	
	11.2	(20) The Activity Schedule is the <i>activity schedule</i> unless later changed in accordance with this contract.

(27) The Price for Work Done to Date is the total of the Prices for

- each group of completed activities and
- each completed activity which is not in a group.

A completed activity is one which is without Defects which would either delay or be covered by immediately following work.

(30) The Prices are the lump sum prices for each of the activities on the Activity Schedule unless later changed in accordance with this contract.

This confirms that Option A is a lump sum form of contract where the work is broken down into activities, each of which is priced by the tendering contractor as a lump sum. Only completed activities are assessed for payment at each assessment date; no part payment is made if the activity is not completed by the assessment date.

### 2. Function of the Activity Schedule

Clause 54.1 in Option A states: "Information in the Activity Schedule is not Works Information or Site Information". This confirms that specifications and descriptions of the work or any constraints on how it is to be done are not included in the Activity Schedule but in the Works Information. This is further confirmed by Clause 20.1 which states, "The *Contractor* Provides the Works in accordance with the Works Information". Hence the *Contractor* does **not** Provide the Works in accordance with the Activity Schedule. The Activity Schedule is only a pricing document.

### 3. Link to the programme

Clause 31.4 states that "The *Contractor* 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 contractor will develop a high level programme first then resource each activity 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 contractor who prepares the *activity schedule* by breaking down the work described within the Works Information into suitable activities which can be well defined, shown on a programme and priced as a lump sum.

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 his *activity schedule* and be priced accordingly.

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

- Has taken account of the guidance given in the ECC3 Guidance Notes pages 19 and 20;
- 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 his programme;
- Has listed and priced activities in the *activity schedule* which are inclusive of everything necessary and incidental to Providing the Works in accordance with the Works 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 activity within the Prices of other listed activities in order to fulfil the obligation to complete the *works* 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 *Contractor* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event.

Contractor:

\_\_\_\_\_  
Print Name and Surname

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

An activity schedule could have the following format:

Item No.	Activity description	Estimated Quantity	Rate Each	Total Price
1	<b>Designs</b>			
1.1	Concept Designs Acceptance	1		
1.2	Detailed Designs Acceptance	1		
1.3	Basic Design	1		
<b>Sub - Total</b>				
2	Manufacturing	28		
3	Factory Acceptance Tests	1		
4	Delivery to Kendal Power Station	1		
5	Site Acceptance Tests	1		
6	Decommissioning and Removal of existing SCADA	28		
7	Installation and Commissioning of New SCADA	28		
8	Interface the new SCADA with existing Auxiliaries	28		
9	Data Packs and Configuration Management	28		
10	Training	6		
11	Unlimited Client License	1		
12	Health & Safety	1		
13	Preliminary and General	1		
<b>Total Price Excluding VAT</b>				

Contractor:

\_\_\_\_\_  
 Print Name and Surname

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

Preliminaries and Generals					
Item	Description	Quantity	Unit	Amount	Total Price
1	Site Establishment	1	Item		
2	Transportation for Personnel, Equipment, Components and Supplies	1	Item		
3	Temporary Storage	1	Item		
4	Temporary Ablution Facilities	1	Item		
5	Temporary Offices	1	Item		
6	Plant and equipment	1	Item		
7	Site De-establishment	1	Item		
<b>Total Price excluding VAT</b>					

HEALTH AND SAFETY				
Item	Description	Qty	Price ea/ person	Total price
1	Medicals and Police Clearance (only if annual medical certificate expired)			
2	Health and Safety File	1		
3	Safety Training employees			
4	Health and Safety Officer (if >40 employees)			
5	Hard hats with straps (Hooked on the hats itself not inside)			
6	Overalls			
7	Gloves			
8	Shoes (Safety boots)			
9	Hearing protection			
10	Safety goggles			
11	Safety harnesses (with big hooks not small hooks)			
12	First Aid box for every 50 employees			
13	Dust mask			
16	Thermal Suit			
17	Special underwear – only cotton			
18	Flash Suit			
*19	Training: Appointed Operator - ORHVS (8 days)	N/A	Offer by Eskom	N/A
*20	Training: Appointed Person - PSR (10 days)	N/A	Offer by Eskom	N/A
*21	Training: Responsible Person - ORHVS & PSR (18 days)	N/A	Offer by Eskom	N/A
*22	Training: Authorized Supervisor - PSR (10 days)	N/A	Offer by Eskom	N/A
<b>TOTAL VALUE FOR HEALTH AND SAFETY FOR THE WHOLE CONTRACT PERIOD</b>				

**Note:**

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

Contractor:

\_\_\_\_\_  
 Print Name and Surname

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

## RATE SCHEDULE FOR ANY COMPENSATION EVENT CALCULATIONS

### Price List

Rates Schedule to apply on an "as and when required basis" for any work outside the scope of this contract and for any compensation event calculations.

Item	Description	Base Rate per Hour Normal Time (Excl. Profit & Overheads)	Rate per hour Normal time (Base rate Incl. Profit & Overheads)	Rate per hour Overtime & Saturday (Base rate times 1.5%)	Rate per hour Sundays & Public Holidays (Base rate times 2)
1.	Project Administrator				
2.	Electrical Engineer (ECSA Registered)				
3.	Project Planner				
4.	Project Manager				
5.	Contract Manager				
6.	Safety officer				
7.	Project Supervisor				
8.	Contract Administrator				
9.	Artisan				
10.	Technician				
11.	General Worker				

Contractor:

\_\_\_\_\_  
 Print Name and Surname

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

## **ESCALATION**

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 3 years, the only escalation acceptable to Eskom will be as follows:

### **FIXED:**

**First year, prices will remain fixed.**

### **ESCALATION:**

**From the second year onwards, the prices will escalate annually in accordance to the following Indices:**

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

Prices will be fixed for the first year. Thereafter, prices will be subject to an annual increase in accordance with indices stated above. 15% of the prices will remain fixed and 85% will be subject to escalation.

Base date: .....

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 ☐

***Contractor:***

\_\_\_\_\_  
 PRINT NAME AND SURNAME      SIGNATURE

C2.2 the *activity schedule*

Use this page as a cover page to the *Contractor's activity schedule*.

Contractor:

\_\_\_\_\_

Signature

\_\_\_\_\_

Date