PART 2: PRICING DATA

TSC3 Option A

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 *price list* 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 *Contractor* has completed and • where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the *Contractor* 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	Description	Unit	Qty/Unit	Total QTY	Each price	TOTAL
1	Overhaul sulphur block	Each	1	21		
2	Remove and install sulphur control valve	Each	1	21		
3	Remove and install flow meter	Each	1	21		
4	Heat up the mass flow meter with aux steam to remove sulphur inside the Coriolis tubes.	Each	1	21		
5	Overhaul process air filter	Each	1	21		
6	Overhaul pressure air relief valve	Each	1	21		
7	Align motor to blower	Each	1	21		
8	Remove and install process air heaters	Each	3	51		
9	Overhaul air block valve	Each	1	21		
10	Open and inspect burner vessel	Each	1	21		
11	Burner vessel complete internal chamber replacement	Each	1	21		
12	Patching of refractory if has cracks	Each	1	21		
13	Hydrostatic pressure testing of Injector lance (Maximum pressure test of 2.00MPa) and repair as required if necessary.		1	21		
14	Complete recast burner lid	Each	1	21		
15	Replace burner outlet pipe	Each	1	21		
16	Replace SO2 cooler pipe	Each	1	21		
17	Remove and re-install SO2 cooler pipe	Each	1	21		
16	Open inspect re-install SO2 cooler fan	Each	1	21		
18	Balance SO2 cooler fan	Each	1	21		
19	Overhaul SO2 cooler air flow control valve unit	Each	1	21		
20	Complete recast converter lid	Each	1	21		
21	Clean catalyst	Each	1	21		
22	Overhaul dilution air valve unit	Each	1	21		
23	Supply and replace dilution air nozzle (converter stub)	Each	1	21		
24	Inspect and clean SO3 injector lance	Each	12	252		
25	Remove and install SO3 injector lance	Each	12	252		

26	Inspect and clean SO3 manifold	Each	12	252		
27	Replace SO3 manifold	Each	12	252		
28	Pressure test SO3 plant skid	Each	1	21		
29	Repair sulphur pipe **(per weld)**	Each	1	21		
30	Repair steam pipe **(per weld)**	Each	1	21		
31	Remove and replace sulphur feed pump	Each	4	84		
32	Remove and replace sulphur off loading pump	Each	1	21		
33	Repair steam jumpers	Each	1	21		
34	Bi-monthly lubrication of sulphur feed pump	Each	2	42		
35	Project Administration	Each	1	21		
36	Travelling and accommodation	Each	1	21		

Labour Rates

Item	**Description**	**Unit**	**Total Hours**	**Normal time**	**Overtime Saturdays Base rate X1.5**	**Overtime Sundays Base rate X2**	**Overtime Public holidays Base rate X2**
1	Authorised Supervisor	Hour	**7200**	**R**	**R**	**R**	**R**
2	Safety Officer	Hour	**7200**	**R**	**R**	**R**	**R**
3	Driver	Hour	**1800**	**R**	**R**	**R**	**R**
4	Boilermaker	Hour	**7200**	**R**	**R**	**R**	**R**
5	Welder - Class A	Hour	**7200**	**R**	**R**	**R**	**R**
6	Welder - Class B	Hour	**7200**	**R**	**R**	**R**	**R**
7	Rigger	Hour	**7200**	**R**	**R**	**R**	**R**
8	Fitter	Hour	**7200**	**R**	**R**	**R**	**R**
9	Semi-skilled	Hour	**7200**	**R**	**R**	**R**	**R**
10	Labourer	Hour	**7200**	**R**	**R**	**R**	**R**

	General			
11		Site establishment	**R**	
12		Site de-establishment	**R**	
13		Safety & PPE	**R**	

PRICE LIST - HEALTH AND SAFETY

Item	Description	Qty	Price each/ person	Total price
1	Medical annually	1	R	R
2	Health and Safety Plan	1	R	R
3	Health and Safety File	1	R	R
4	Safety Training	1	R	R
6	Hard hats with chin strap		R	R
7	Overalls		R	R
8	Gloves		R	R
9	Shoes		R	R
10	Hearing protection		R	R
11	Safety goggles		R	R
12	Safety harnesses		R	R
13	Gum Boots		R	R
14	First Aid box for every 50 employees		R	R
15	Dust mask		R	R
16	Rain coats		R	R
17	Reflecting vests		R	R
20	Flash Suit - Note: Eskom, Kendal is going to provide the flash suit. Flash suit to be dry cleaned by the Supplier. If flash suit gets damaged the Supplier will pay for it)	N/A	As per Eskom's price list	-
24	Training: Responsible Person - ORHVS & PSR (18 days)		R4 500,00pp	R

*23	Training: Authorised Supervisor - PSR (2.5 days)		R625,00pp	R
TOTAL VALUE FOR HEALTH AND SAFETY FOR THE TOTAL CONTRACT PERIOD				**R**

Prize list for Maintenance:
Monthly Core Crew- normal time

Item no	Description	UNIT	Quantity	Rate	Amount
1	Supervisor/RP normal time	hr	9600		
2	Fitter normal time	hr	9600		
3	Welder(Class A) normal time	hr	9600		
4	Safety Officer normal time	hr	9600		
5	2 X Semi-skilled normal time	hr	19200		

Monthly Core Crew- Overtime (Week days & Saturday)

Item no	Description	UNIT	Quantity	Rate	Amount
1	Supervisor/RP overtime weekdays/Saturday	hr	2400		
2	Fitter overtime weekdays/Saturday	hr	2400		
3	Welder overtime weekdays/Saturday	hr	2400		
4	Safety Officer overtime weekdays/Saturday	hr	2400		
5	Semi-skilled overtime weekdays/Saturday	hr	4800		

Monthly Core Crew- Overtime (Public Holidays & Sunday)

Item no	Description	UNIT	Quantity	Rate	Amount
1	Supervisor/RP overtime Sunday/Public Holidays	hr	2160		
2	Fitter overtime Sunday/Public Holidays	hr	2160		
3	Welder overtime Sunday/Public Holidays	hr	2160		
4	Safety Officer overtime Sunday/Public Holidays	hr	2160		
5	Semi-skilled overtime Sunday/Public Holidays	hr	4320		

Monthly Core Crew- Standby Allowance

Item no	Description	UNIT	Quantity	Rate	Amount
1	Supervisor	hr	1800		
2	Fitter	hr	840		
3	Semi-skilled	hr	1680		
4	Welder	hr	840		

Maintenance- Health & Safety (core crew of 6)

Note:

Training:

1) Includes Manual, Assessment Documents, Theoretical Training, Practical Training & Panel Test.

2) Receipt must be provided to the instructor as proof of payment before training will commence.

3) Payments to be made to the Finance Department, Kendal Power Station.

PPE:
1) Personal Protective Equipment shall be claimable once per contract year only.

Item no	Description	UNIT	Quantity	Rate	Amount
1	Medicals (only if medical certificate expired)	yearly	5		
2	Health and Safety File	yearly	5		
3	Safety Training	yearly	5		
4	Hard Hats with strips (Hooked on the hats itself not inside)	yearly	5		
5	Overalls	yearly	5		
6	Gloves	yearly	5		
7	Shoes (Safety boots)	yearly	5		
8	Hearing Protection	yearly	5		
9	Safety Goggles	yearly	5		
10	Safety Harness (with big hooks)	yearly	5		
11	First aid box for every 50 employees	yearly	5		
12	Dust Mask	yearly	5		