PART C2: PRICING DATA

NEC3 Supply Contract

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C2.1 Pricing assumptions

1. The *conditions of contract*

1.1. How *goods* and *service*s are priced and assessed for payment

Clause 11 in NEC3 Supply Contract, December 2009 (SC)(with amendments April 2013) core clauses states:

Identified and defined terms	11 11.2	(11) The Prices are the amounts stated in the price column of the Price Schedule. Where a quantity is stated for an item in the Price Schedule, the Price is calculated by multiplying the quantity by the rate. (12) The Price Schedule is the *price schedule* unless later changed in accordance with this contract.
Assessing the amount due	50.2	The amount due is • the Price for each lump sum item in the Price Schedule which the *Supplier* has completed, • where a quantity is stated for an item in the Price Schedule, an amount calculated by multiplying the quantity which the *Supplier* has completed by the rate, • plus other amounts to be paid to the *Supplier*, • less amounts to be paid by or retained from the *Supplier*. Any tax which the law requires the *Purchaser* to pay to the *Supplier* is included in the amount due.

This confirms that the Supply Contract is a priced contract where the Prices are derived from a list of items of *goods* and *service*s which can be priced as lump sums or as expected quantities of *goods* and *service*s multiplied by a rate, or a mix of both.

1.2. Function of the Price Schedule

Clause 53.1 states: "Information in the Price Schedule is not Goods Information". This confirms that instructions to do work or how it is to be done are not included in the Price Schedule but in the Goods Information. This is further confirmed by Clause 20.1 which states, "The *Supplier* Provides the Goods and Services in accordance with the Goods Information". Hence the *Supplier* does **not** Provide the Goods and Services in accordance with the Price Schedule. The Price Schedule is only a pricing document.

1.3. Preparing the *price schedule*

It will be assumed that the tendering supplier has read Pages 11 and 12 and Appendix 5 of the SC Guidance Notes before preparing the *price schedule*. Items in the *price schedule* may have been inserted by the *Purchaser* and the tendering supplier should insert any additional items which he considers necessary. Whichever party provides the items in the *price schedule* the total of the Prices is assumed to be fully inclusive of everything necessary to Provide the Goods and Services as described at the time of entering into this contract.

1 As the *Supplier* has an obligation to correct Defects (core clause 43.1) and there is no compensation event for this unless the Defect was due to a *Supplier's* risk, the lump sum Prices and rates must also include for the correction of Defects.

2 If the *Supplier* has decided not to identify a particular item in the *price schedule* at the time of tender the cost to the *Supplier* of doing the work is assumed to be included in, or spread across, the other Prices and rates in the *price schedule* in order to fulfil the obligation to Provide the Goods and Services for the tendered total of the Prices.

3 There is no adjustment to lump sum prices in the *price schedule* if the amount, or quantity, of work within that lump sum item of *goods* or *services* later turns out to be different to that which the *Supplier* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event. See Clause 60.1.

4 Hence the Prices and rates tendered by the *Supplier* in the *price schedule* are inclusive of everything necessary and incidental to Providing the Goods and Services in accordance with the Goods Information, as it was at the time of tender, as well as correct any Defects not caused by a *Purchaser's* risk.

5 The *Supplier* does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event. It should be noted that the list of compensation events includes those arising as a result of a *Purchaser's* risk event listed in core clause 80.1.

1.4. Format of the *price schedule*

(From Appendix 5 on page 78 of the SC Guidance Notes)

Entries in the first four columns in the *price schedule* in section C2.2 are made either by the *Purchaser* or the tendering supplier.

If the *Supplier* is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tendering supplier enters the amount in the Price column only, the Unit, Quantity and Rate columns being left blank.

If the *Supplier* is to be paid an amount for the item which is the rate for the item multiplied by the quantity completed, the tendering *Supplier* enters the rate which is then multiplied by the Quantity to produce the Price, which is also entered.

If the *Supplier* is to be paid an amount for an item proportional to the length of time for which the *goods* and *service*s are provided, a unit of time is stated in the Unit column and the length of time (as a quantity of the stated units of time) is stated in the Quantity column.

C2.2 the *price schedule*

Activity No	Activity Description	Unit	Qty	Rate	Price of each activity
A	**Design, Supply and Delivery of a 10000 litre Bowser Fuel Truck**				
A1	Design and submit for approval of 10 000 litre Bowser Fuel Truck complete as per the Specification and Scope of Works	Item	1		
A2	Contractual requirements, sureties, insurances, etc.	Item	1		
A3	Purchase of approved base vehicle including Certificate of Registration/Title Holder to TNPA and delivery to vehicle conversion workshop – As per Section 4.1 Technical Specification	Item	1		
A4	**Fabrication and installation of tank, bowser and ancillary equipment to the base vehicle including testing, commissioning, and all necessary registration, etc. required and delivery**				
A4.1	10 000 Litre Aluminum Barrel and Tank Frame Components as per Section 4.2 a) to c) of the Technical Specification	Sum	1		
A4.2	Bowser and all refueling components as per Section 4.2 d) to t) of the Technical Specification	Sum	1		
	Sub Total A (Excl. VAT)				

Activity No	Activity Description	Unit	Qty	Rate	Price of each activity
B	**Post Delivery**				
B1	Training: Allow for a training course, to train on site at least four to eight persons, as nominated by the end-user from his own operating personnel.	Item	1		
B2	Eight (8) Operation and Maintenance manuals:	Item	1		
	Maintenance: Allow for the maintenance of the complete installation for a period of TWELVE (12) MONTHS after commissioning certificate has been issued by the Purchaser. **Guarantee:** The guarantee shall be valid for a period of twelve months or as per the manufacturer's guarantee/warrantee, whichever is longer, starting on the date when the commissioning certificate is issued, the complete installation shall be guaranteed against defects as a result of patent and latent defects of the apparatus, as well as against faulty materials and workmanship.	Item	1		
	Sub Total B (Excl. VAT)				

TOTAL

Total A & B (Excl. VAT)	
15% VAT	
Total (Incl. VAT)	