

ANNEXURE A.2.1

PRICING INSTRUCTIONS

A.2.1.1 PREAMBLE

- 1.1. The Pricing Instructions form an integral part of this Bid and, specifically, the Rates Tables.
- 1.2. Rates are required for the supply, delivery, installation, testing and commissioning, and/or maintenance of existing Infrastructure of the department. The work will be issued on an as-and-when-required basis to contractors. The items and their approved rates as listed in Rates Tables shall be used to compile quotes for such work.
- 1.3. No alterations, erasure, omission or addition is to be made in the text and conditions of the Rates Tables and should any such alterations, amendments, note or addition be made, the same will not be recognized, but the reading of the Rates Tables as prepared by the Employer will be adhered to.
- 1.4. The Bidder must note that, should it use any quantities appearing in the Rates Tables for the purpose of ordering material, he does so at his own risk and no liability whatsoever will be admitted by the Employer, or Consulting Engineer for the correctness of such quantities.
- 1.5. The Rates Tables have been compiled in accordance with the standard system of measuring building work.

A.2.1.2 METHOD OF MEASURING MAINTENANCE AND REPAIRS

- 2.1. The following words in the Rates Tables have the meanings hereby assigned to them.
 - Unit : The metric unit of measurement for each item of work as defined in the guidelines.
 - Quantity : The number of units of work for each item.
 - Rate : The cost quoted for one unit of an item.
 - Amount : The product of the quantity and the rate quoted for an item.
 - Sum : The total bid amount for a schedule of items in the Rates Tables, or the Specifications.
- 2.2. Unless stated otherwise, items are measured nett and Bidders must allow for waste in their bid rates.
- 2.3. All rates and sums of money quoted in the Rates Tables shall be in South African Rand and whole Cents. Fractions of a cent shall be discounted.
- 2.4. Unless otherwise specified, all rates for materials and equipment should be deemed to include for the manufacturing, supply, delivery and installation, overheads ,labour ,mobilization and profit.
- 2.5. All small materials, tools, equipment and consumables required to perform the work with the view of presenting a sound and proper operating installation, are deemed included in the rates quoted.
- 2.6. Should the Rates Tables contain duplicate items with different rates, the rate of the item that relates to the specific type of work being undertaken, shall apply.
- 2.7. No quantities are set out in the Rates Tables. The actual quantities of authorised work and certified for payment shall be used for determining payments to the appointed contractor.
- 2.8. Successful bidders will thus not be appointed for a contract value. However, bidders must take note that a set of fictitious quantities may be used during the evaluation of responsive bids to calculate the imaginary total cost for each bidder executing a typical year's workload.
- 2.9. The Contract Price for the completed Contract shall be computed from the actual quantities of authorised work done as certified by the Employer valued at bid rates against the respective items

in the Rates Tables and shall include such authorised provisional sums and items of extra work as become payable in terms of the Contract.

- 2.10. Except where Provisional Sums have been indicated, Bidders shall enter an applicable rate in the Rate Column of the Rates Tables for each scheduled item. The appointed contractor will not be paid for items against which no rate has been entered on the presumption that they do not wish to receive payment for any such work.
- 2.11. The tenderer may add items (with units and rates) of items that were inadvertently omitted from the Rates Tables. A section for this purpose is included in the Rates Tables. Such items will not be evaluated for the appointment of contractors to this contract but could assist if the Rates Tables were to be reviewed during the contract period, or for bettering the quality of future tender Rates Tables.
- 2.12. Should Bidders group a number of items and bidding one lump sum rate for such group of items, this single lump sum rate shall apply to that group of items and not to each individual item. Should Bidders indicate against any item that compensation for such item is included in another item, the rate for the item included in another shall be deemed nil.
- 2.13. CIDB prescripts will apply if any rates in the Rates Tables are, in the opinion of the Employer, deemed unreasonable, or out of proportion.
- 2.14. Payment based on the bid rates in the Rates Tables shall cover all the services and incidentals included in the works covered by the contract.
- 2.15. Where the appointed contractor is required to furnish detailed drawings and designs or other information in terms of the Contract Documents, all costs thereof shall be deemed to have been provided for and included in the unit rates and bid amounts for the items in the Rates Tables and separate additional payments will not be made.
- 2.16. The abbreviations used in the Rates Tables are defined as follows:

cm	=	centimetre
dia	=	diameter
ea	=	each
ha	=	hectare
kA	=	kilo-ampere
kg	=	kilogram
kl	=	kilolitre
km	=	kilometre
kPa	=	kilopascal
kVa	=	kilovolt-ampere
kW	=	kilowatt
l	=	litre
m	=	metre
m ²	=	square metre
m ³	=	cubic metre
m ³ /km	=	cubic metre per km
mm	=	millimetre
ND or Ø	=	Nominal diameter
no	=	number
Per Ticket	=	A unique numbered job instruction
PC sum	=	prime cost sum
P sum	=	provisional sum

R/only	=	Rate only
t	=	metric ton (1 000 kg)
%	=	percent
W/day	=	Work day
Work task	=	Work required to do the work associated with an instruction issued by way of a ticket or a purchase order

A.2.1.3 PRIME COST AMOUNTS AND PROVISIONAL SUMS

All Prime Cost Amounts and Provisional Sums included in the Rates Tables are NET, i.e. no cash discount to the Bidder is included.

A.2.1.4 TRADE NAMES

- 4.1. Tenderers are advised that their prices for articles described by trade names or catalogue references must be based upon the type and manufacture specified in the Rates Tables.
- 4.2. Where articles other than the manufacture specified are to be used and priced by the bidder, the bidder will be required to submit the rate in the schedules for the specified article, and shall – at the time of bidding – submit under separate cover for approval, the rates and specifications of alternative manufacture articles offered.
- 4.3. If alternative manufacture articles are not submitted in writing for approval of rates and specifications at the time of bidding, it is deemed that the bidder will be installing the articles as specified and at the price tendered. Should non-approved alternative articles be installed, it will not be accepted, and the contractor will be required to replace it with the specified article at his/her own cost and at the rate submitted.

A.2.1.5 SABS SPECIFICATIONS

- 5.1. All references in the Rates Tables to specifications (SANS – SA National Standards) of the South African Bureau of Standards (SABS) shall be deemed to reference to the latest versions of such specifications, and any subsequent amendments thereto.
- 5.2. All articles, materials or items described as to conform to the SABS Specifications must bear the SABS mark.
- 5.3. Construction works described in the Rates Tables shall be done in accordance to SANS 2001 (Construction Works).

A.2.1.6 PRICE ADJUSTMENT FOR INFLATION

The annual CPI as issued by Statistics South Africa shall be applied from year 2 of the contract period. Thus no escalation shall apply for the first year (12 months) of the contract .The rates will be escalated only twice in the three year period of the contract.

VALUE ADDED TAX (VAT)

All rates in the Rates Tables must EXCLUDE VAT, with VAT added to the total value of quotes submitted, purchase orders issued, and invoices submitted for payment.

A.2.1.7 SPECIALISTS AND SPECIALIST SERVICES

The contractor is deemed to be a specialist and have the necessary expertise to perform the work described in this contract document. This implies that:

- 8.1. Mark-up rates shall not apply to materials supplied, work done by subcontractors and suppliers appointed by the contractor to perform work on its behalf for the activities described in the Rates Tables.
- 8.2. The rates quoted for these resources are deemed to include the contractor's costs and profit in providing those services.
- 8.3. The contractor shall motivate for the need of a specialist in writing and obtain approval from the department, prior to appointing the specialist.

A.2.1.8 MARK-UP RATES

- 9.1. Where approved specialist sub-contractors or suppliers are used which are not provided for in Rates Tables, the invoices of such sub-contractors/suppliers shall be attached to quotes and invoices of the main contractor. The contractor may apply the quoted mark-up rate (10%) to the nett value (net value of work excluding VAT) of the sub-contractors/suppliers' invoices.
- 9.2. The mark-up rate should cover the business overheads of the main contractor (business operating costs and once-off business costs), profits, bank charges, and also make allowance for risk.

A.2.1.9 RATES FOR UNLISTED ITEMS

- 10.1. Where materials, plant or equipment are required in addition to those listed in the Rates Tables to complete work to standard, such unlisted items must be stated separately in the quote submitted for approval including 3 quotations from different suppliers or a breakdown of the rate.
- 10.2. For single items quoted by suppliers the contractor shall attach the quotes of three suppliers to its the supplier to its quote.
- 10.3. The contractor will be compensated for all items included in the quote of the supplier with the least expensive sum total quote value.
- 10.4. The relevant tendered mark-up rate (10%) shall apply to the accepted supplier quote/invoice, based on the sum value of the goods excluding VAT of the supplier's quote/invoice.

A.2.1.10 Charge For Preliminaries and General

- 11.1. The amount of Preliminaries to be included in each task shall be of the percentage of 13% of the works amount .
- 11.2. Where the initial contract period is extended, the monthly charge shall be calculated on the basis as s but taking into account the revised period for completing the works.
- 11.3. The amount or items of the Preliminaries shall be adjusted to take account of the theoretical financial effect which changes in time or value (or both) have on this section. Such adjustments shall be based on adjustments in the following categories as recorded in the Bills of Quantities:
 - 11.4. an amount which is not to be varied, namely Fixed (F)
 - 11.5. an amount which is to be varied in proportion to the contract value, namely Value Related (V); and
 - 11.6. an amount which is to be varied in proportion to the contract period as compared to the initial construction period excluding revisions to the construction period for which no adjustment to the contractor is not entitled to in terms of the contract, namely Time Related (T).
- 11.7. Where no provision is made in the Bills of Quantities to indicate which of the three categories in 12 apply or where no selection is made, the adjustments shall be based on the following breakdown:
 - 11.8. 10 percent is fixed.
 - 11.9. 15 percent is Value Related.
 - 11.10. 75 percent is Time Related.
- 11.11. The adjustment of the Preliminaries shall apply notwithstanding the actual employment of resources in the execution of the works. The contract value used for the adjustment of the Preliminaries shall exclude any contingency sum, the amount for the Preliminaries and any amount in respect of contract price adjustment provided for in the contract. Adjustments in respect of any staged or sectional completion shall be prorated to the value of each section.
- 11.12. JBCC PBA or Minor Works agreement Contract document to be signed upon agreement on the Bills of Quantities. Note: **this does not affect the tender price**