

**CONTRACT FILE FOR
CONTRACT:
113C/2013/14**

**Provision of
professional services
in respect of the
Steenbras pumped
storage main plant
refurbishment**

Contractor: _____

CITY OF CAPE TOWN

ELECTRICITY SERVICES

CONTRACT NO. 113C/2013/14

PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN
PLANT REFURBISHMENT

C1.1 Form of Offer and Acceptance

Offer

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of:

CONTRACT 113C/2013/14: PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN PLANT REFURBISHMENT

The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the service provider under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS:

Rand * Thirty million nine hundred and seventy three thousand
one hundred and seventy three rand (in words);
R 30,973,173 (in figures)

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the service provider in the conditions of contract identified in the contract data.

Signature(s) *

Name(s)

Capacity

for the tenderer

(Name of organization/tenderer) *

(Address of organization/tenderer)

Name and
signature
of witness

Date 22/01/2014

* Refer to Clause F.4.4 Invalid tenders in Part T1.2 Tender Data

For official use		
INITIALS OF CITY OFFICIALS AT TENDER		
OPE IC		
1.	2.	3.

Acceptance

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the employer shall pay the service provider the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part C1: Agreements and contract data, (which includes this agreement)
- Part C2: Pricing data
- Part C3: Scope of work
- Part C4: Site information

and drawings and documents or parts thereof, which may be incorporated by reference into the above listed Parts.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the returnable schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this form of offer and acceptance. No amendments to or deviations from said documents are valid unless contained in this schedule.

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's representative (whose details are given in the contract data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfill any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now service provider) within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the agreement, this agreement shall constitute a binding contract between the parties.

Signature

Name

Capacity

for the
Employer

Name and
signature
of witness

Date

*Add the following to the definition of **Service Provider**:*

The contracting party may be a consortium/joint venture contracting as a formally constituted Joint Venture Partnership, in which all parties are jointly and severally liable. In terms of this definition, the words consortium and joint venture shall be regarded as synonymous.

*Add the following to the definition of **Start Date**:*

The Start Date is the date when the service provider confirms receipt of one fully completed original copy of this document, including the acceptance part of the form of offer and acceptance, and schedule of deviations (if any).

Clause 3.2

Replace the words "time for completion" with "Period of Performance".

Clause 3.4 and Clause 4.3.2:

Add the following:

The authorised and designated representative of the Employer is the **Director: ELECTRICITY SERVICES**.

The address for receipt of communications is:

Telephone:

Facsimile:

E-mail:

Postal Address:

Physical Address:

Clause 3.4.1:

Add the following to the first sentence:

... , and may be given as set out hereunder and shall be deemed to have been received when:

- a) hand delivered – on the working day of delivery
- b) sent by registered mail – five (5) working days after mailing
- c) sent by email or telefax – one (1) working day after transmission

Clause 3.5:

Add the following:

The location for the performance of the Project will be the

Key personnel will be expected to work out of the local office as the exigencies of this contract require.

Clause 3.9.2:

Replace the words "6 weeks" with "21 days".

Clause 3.9.3:

Add the following:

The time-based fees used to determine changes to the Contract Price are as stated in the Pricing Data.

Clause 3.15.1:

Add the following:

The programme shall be submitted within 14 days of the Start Date.

Clause 3.16.2:

Add the following:

The indices are those contained in Table A of the P0141 Consumer Price Index for the **CPI for services** published by Statistics South Africa.

Clause 4.7:

Add the following:

Payment of the tendered basic fee for normal services shall be in accordance with Clause 9 in Part C2.1 Pricing Assumptions.

Part C2: Pricing Data

	Pages
C2.1 Pricing Assumptions.....	68 – 70
C2.2 Activity Schedule.....	71 – 75

C2.1 Pricing Assumptions

Pricing Assumptions mean the criteria as set out below, read together with all Parts of this contract document, which it will be assumed in the contract, that the tenderer has taken into account when developing his prices.

1. The short descriptions given in the Activity Schedule below are brief descriptions used to identify the activities for which prices are required. Detailed descriptions of the activities to be priced are provided in the Scope of Work.
2. While it is entirely at the tenderer's discretion as regards pricing the Activity Schedule below, guideline tariffs of fees or indicative time based fee rates are gazetted annually by each of the built environment professional bodies, which are useful documents that will give tenderers some idea of industry norms against which they may compare their rates, sums, percentage fees and/or prices as applicable.
3. For the purpose of the Activity Schedule, the following words shall have the meanings hereby assigned to them:

Unit:	The unit of measurement for each item of work.
Quantity:	The number of units of work for each item.
Rate:	The agreed payment per unit of measurement.
Amount:	The product of the quantity and the agreed rate for an item.
Sum:	An agreed lump sum payment amount for an item, the extent of which is described in the Scope of Work, but the quantity of work which is not measured in any units.
Percentage Fee:	The agreed fee for a service, the extent of which is described in the Scope of Work, expressed as a percentage of a construction contract value or part thereof.
4. A rate, sum, percentage fee and/or price as applicable, is to be entered against each item in the Activity Schedule. An item against which no price or a nil rate is entered will be considered to be covered by the other prices or rates in the Activity Schedule.
5. The rates, sums, percentage fees and prices in the Activity Schedule are to be fully inclusive prices for the work described under the several items. Such prices and rates are to cover all costs and expenses that may be required in and for the execution of the work described in accordance with the provisions of the Scope of Work, and shall cover the cost of all general risks, liabilities, and obligations set forth or implied in the Contract Data, as well as overhead charges and profit. Time based rates shall include for all payments to administrative, clerical and secretarial staff used to support professional and technical staff.
6. Where quantities are given in the Activity Schedule, these are provisional and do not necessarily represent the actual amount of work to be done. The quantities of work accepted and certified for payment will be used for determining payments due and not the quantities given in the Activity Schedule. In respect of time based services, the allocation of staff must be agreed with the employer before such services are rendered.
7. Tenderers will note that the prices for some items are developed from a tendered fee expressed as a percentage of an estimated contract value (construction cost), or part thereof, which for tendering purposes, are given. Tenderers are required to insert their tendered percentage fee in the space provided. Where prices have been developed from a tendered fee, the final amount due to the Service Provider will be adjusted according to final construction contract values based on the percentage fee tendered.

Only one (flat rate) percentage fee per item may be tendered. A percentage fee tendered on a sliding scale will make the tender non-responsive.
8. Where the estimated construction value is broken up into component parts for the purposes of determining fees in respect of different disciplines, the "make-up" of each component is described in the Scope of Work.

9. The following table shall be used for proportioning the tendered basic fee for normal services, for each discipline, over the various stages of the services:

Stage of Services	Percentage points for each stage
Documentation and Procurement	30
Contract Administration and Inspection (including Close-Out)	70*

"Close-Out" may be included under the Contract Administration and Inspection Stage of the Service, in which case the Service Provider will then be required, at the time of issue of the Certificate of Completion (to the Contractor) to claim the total fee (100%) for normal services, less a 5% retention amount of the total fee. The retention will be released on successful completion of the contractor's defects liability period.

If the Contractor is in default which results in delay, or if an extension of time is granted in respect of which there is no adjustment of the contract price/value, then the Service Provider shall be entitled to 25% of the full fee pro-rated for the period in question for Contract Administration and Inspection (in addition to construction monitoring charges) as follows:

Rate per week for additional contract administration and inspections = percentage points for Stage 5 x percentage basic fee tendered x final construction contract price/value / final contract duration up to practical completion/taking-over (including any valid extensions of time), applied to the delay period (in weeks).

10. Tendered time-based fees (where the unit of measurement is time based) shall be adjusted in terms of clause 3.16 of the Standard Professional Services Contract. All other rates, sums, percentage fees or prices (as applicable) tendered in the Activity Schedule shall be final and binding and shall not be subject to any variation throughout the period of the contract. This is due to the fact that the fee for normal services rendered is typically developed from a construction contract value which will be subject to escalation/contract price adjustment, and the Service Provider will benefit from adjustments in this regard. In developing any other rates, (excluding time based), tenderers must make allowance for annual increases.
11. Provision for time-based services which fall beyond the scope of normal services as described in the Scope of Work has been made in the Activity Schedule. In respect of engineering and landscape architectural services, this provision is for services provided on instruction from the Employer and will be deducted in whole or part if not required. The provision for architectural services is in respect of specific services as described in the Scope of Work. The estimated period of involvement of each category of person must be agreed with the Employer before any work in this regard commences.
12. The categories of persons (A, B, C, D) in respect of time-based fee rates for engineering services shall be as defined in Clause 4.2 of the Guideline for Services and Processes for Estimating Fees for Persons Registered in terms of the Engineering Profession Act, 2000 (Board Notice 117 of 2013).
13. A higher category person undertaking lower category work will be reimbursed, in respect of time-based fees, at the lower category rate.
14. Where a provisional sum has been provided in respect of additional construction monitoring services, the service provider shall, when called upon to do so by the Employer, submit a proposal in respect of such construction monitoring to the Employer for approval. The Service Provider is not entitled to claim the full provision in this regard, but shall rather submit a realistic proposal based on the requirements of the project, and as set out in the Scope of Work, which may be accepted, or rejected, at the sole discretion of the Employer.
15. Where provisional sums are provided in respect of services, etc., these amounts may be omitted in part or in full should the services, etc. not be required. Where services are to be sub-contracted out by the Service Provider, which do not exceed R200 000,00 (including VAT) in value, the Service Provider will typically be required to invite three quotations from suitably qualified sub-consultants/contractors. Where the sub-contracted services are likely to exceed R200 000,00 (including VAT) in value, the Service Provider shall follow an open tender process in respect of this work. A mark up (extra over) in respect of all other costs, overhead charges and profit will be applicable in respect of all sub-contracted services not specifically itemised in the Activity Schedule.

16. Tenderers are to note that only those recoverable expenses listed in the Activity Schedule will be reimbursed to the Service Provider. No reimbursement of costs for subsistence, typing, printing/copying (other than reports and/or tender documents), communications or computer hardware and/or software will be made and these costs will be deemed to be included in rates, sums, percentage fees and prices for normal and additional services rendered.
17. Items for printing/copying shall be for specified contract documents, reports, manuals and drawings, excluding general correspondence, minor reports, progress reports, etc. which shall be deemed to be included in the professional fees. Payment will only be made for copies of reports and drawings submitted to the Employer or issued, as specified or requested by the Employer, and all drafts shall be for the Service Provider's account.
18. Full time construction monitoring staff shall be reimbursed for travelling expenses, for either the return office to site or return home to site journeys, whichever is the lesser. Part time construction monitoring staff shall be reimbursed for either the return office to site or return alternate site to site journeys, whichever is the lesser. Construction monitoring staff engaged in work outside of normal working hours shall be reimbursed for the return home to site journey. Staff other than construction monitoring staff shall only be reimbursed for travelling expenses in respect of trips exceeding 40km per journey (round trip). Payment shall only be made for that portion of the distance that exceeds 40 km.
19. The per kilometre rate for the reimbursement of travel expenses shall be limited to the ad-hoc duty transportation allowance for the Employer's own staff as adjusted from time to time. This rate is currently R3.24/km (excluding VAT).
20. Tenderers are to note that the planning for this contract is based on a six year budget which is subject to change. While the Employer has every intention to complete the full scope of works, the Employer reserves the right to reduce or increase the scope of works according to the dictates of the budget, or to terminate this contract, without adjustment to the agreed rates, sums or fees and without payment of any penalty or surcharge in this regard. The overall viability of the project shall be reviewed on completion of Phase 1 and again at the end of Phase 2, should it be determined that it is no longer in the Employers best interest to continue with the project, the Employer reserves the right to terminate this contract, without adjustment to the agreed rates, sums or fees and without payment of any penalty or surcharge in this regard. The Service Provider shall however be entitled to pro-rata payment for all services carried out in terms of any adjustment to the Scope of Work or, in the case of termination, remuneration and/or reimbursement as described in Clause 8.4.4 of the Standard Professional Services contract.
21. If the Service Provider considers it necessary to employ the services of the safety specialist in order to execute duties as the client's agent in terms of the Occupational Health and Safety Act, 85 of 1993 and the Construction Regulations, 2003, should the Employer accept the tender (Clause 7.2.1.3, Part C3.1 Scope of Work), the cost thereof must be included in the fee tendered for this aspect of the project.
22. If the Service Provider deems it necessary to appoint a sub-consultant as Environmental Officer (EO), the cost thereof must be included in the fee tendered for this aspect of the project.
23. All charges in respect of attendance at meetings (Clause 14, Part C3.1 Scope of Work) and the provision of secretarial services, shall be included in the tendered basic fee for normal services (C2.2 Activity Schedule).
24. Where fractions of a cent occur in calculations of prices and amounts, they shall be rounded up/down to the nearest whole cent.
25. Clause F.4.10(c) in Part T1.2 Tender Data shall be applicable to the submission of Activity Schedules which have been priced electronically, and which the Tenderer wishes to submit as a printed version with his/her tender in the place of handwritten priced Activity Schedules.

If there is found to be any variance between the printed version and the original issued document, the original shall stand. However, where Addenda have been issued which amend the Activity Schedule, then the printed Activity Schedule shall take these into account.

The pages of the issued Activity Schedule should not be removed from the tender document.

CITY OF CAPE TOWN

ELECTRICITY SERVICES

CONTRACT NO. 113C/2013/14

PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN
PLANT REFURBISHMENT

C2.2 Activity Schedule

Item No. 1 : Engineering Services – Phase 1

1. Basic Time-Based Fee for Planning, Studies, Investigations and Assessments

Provide time-based engineering services as described in the Scope of Work in respect of:

Planning, Studies, Investigations and Assessments:

Stage 1 – Inception

Stage 2 – Concept and Viability

Item 1.1	Stage 1 Inception	Unit	Quantity	Rate	Amount R	C
1.1.1	Category A staff	Hours	1080	1260.00	1 360 800	00
1.1.2	Category B staff	Hours	1080	1120.00	1 209 600	00
1.1.3	Category C staff	Hours	1080	600.00	648 000	00
1.1.4	Category D staff	Hours	1080	375.00	405 000	00
TOTAL OF ITEM No. 1.1 TO SUMMARY					R1,532,399	00

Item 1.2	Stage 2 Concept and Viability	Unit	Quantity	Rate	Amount R	C
1.2.1	Category A staff	Hours	3240			
1.2.2	Category B staff	Hours	3240			
1.2.3	Category C staff	Hours	3240			
1.2.4	Category D staff	Hours	3240			
TOTAL OF ITEM No. 1.2 TO SUMMARY					R1,773,412	00

Item No. 2 : Engineering Services -- Phase 2

2. Basic Time-Based Fee to Develop approved concept, Design, Specification and Financial Viability

Provide time-based engineering services as described in the Scope of Work in respect of:
Developing the approved concept Design, Specification, Financial Viability, Planning, Studies, Investigations and Assessments:

Stage 3 – Design Development

Item 2	Stage 3 Design Development	Unit	Quantity	Rate	Amount R c	
2.1	Category A staff	Hours	2500			
2.2	Category B staff	Hours	2500			
2.3	Category C staff	Hours	2500			
2.4	Category D staff	Hours	2500			
TOTAL OF ITEM No. 2 TO SUMMARY					R2,162,318	00

Item No. 3 : Engineering Services -- Phase 3

3. Basic Fee for Normal Services

Provide engineering services as described in the Scope of Work in respect of Normal Services.

Stage 4 – Documentation and Procurement

Stage 5 – Construction

Stage 6 – Close-Out

Item 3	Activity Description	Tendered Percentage Fee	Amount R c	
3.2	Stage 4 Documentation and Procurement	Estimated Contract Value (engineering component) inclusive of contingencies but exclusive of VAT (Estimated Construction Cost) R160 000 000 (a)	R1,614,728	00
3.3	Stage 5 Contract Administration and Inspection	A tendered basic fee as a percentage of the estimated contract value (a) above <u>5.18</u> % (b) PRICE (c) = $\frac{(b)}{100} \times (a)$	R5,881,155	00
3.4	Stage 6 Close-Out	Final fees payable will however be adjusted according to actual construction costs.	R798,918	00
TOTAL OF ITEM No. 3 TO SUMMARY			R8,294,801	00

Item No. 4 : Additional Services

4. Additional Services pertaining to all stages of the Project.

Item	Activity Description	Unit	Quantity	Rate	Amount R c	
4.1	Act as Leader of the multi-disciplinary engineering and professional team	Months	80 53	R10,182	R539,624	00
4.2	Act as the Principal Agent of the Client	Months	80 53	R14,345	R760,290	00
4.3	Provide a level 4 construction monitoring service as described in the Scope of Work	Months	80 36	R55,000	R1,980,000	00
4.4	Act as Employers agent in terms of the Occupational Health and Safety Act, 1993 (Act No 85 of 1993) and the Construction Regulations, 2003.	Months	80 36	R15,400	R554,400	00
4.5	Quantity Surveyor. Experienced in power station projects.	Months	80 36	R16,720	R601,920	00
4.6	Corrosion Specialist (Certified NACE Coatings Inspector CP Level II)	Hours	180	R385	R69,300	00
4.7	Welding Engineer	Hours	180	R990	R178,200	00
4.8	Metallurgist	Hours	180	R1,100	R198,000	00
4.9	Contract Specialist (FIDIC)	Hours	180	R1,630	R293,423	00
4.10	Approved Inspection Authority (Environmental and Occupational Health and Safety)	Months	80 36	R14,520	R522,720	00
4.11	Approved Inspection Authority (Non-Destructive Testing and Pressurised Equipment)	Hours	1080	R715	R772,200	00
4.12	Model and Laboratory tests and Analyses carried out on behalf of the Client. Including but not limited to Pump Turbine Hydraulic model test and Static strength and fatigue life analyses.	Sum	—	—	—	—
4.13	Detailed inspection, reviewing and checking of designs and drawings not prepared by the Consulting Engineer.	Hours	1080	R449	R484,718	00
4.14	CAD Specialist	Hours	1080	R405	R441,081	00
4.15	Chartered Accountants (Power Station feasibility study)	Hours	540	R1,890	R1,020,600	00
4.16	Environmental Practitioner	Months	80 36	R10,367	R373,222	00

4.17	Services related to targeted procurement	Hours	540	R220	R118,800	00
4.18	Applying for way-leave conditions and approvals from all services authorities	Hours	540	R220	R118,800	00
4.19	Preparing detailed operating, operation and maintenance manuals	Sum	—	R10,000	R10,000	00
4.20	Implement and Manage a Quality Assurance System for the Project	Sum	—	R10,000	R10,000	00
4.21	Provide Mediation, Arbitration and Litigation Services.	Hours	540	R275	R148,500	00
TOTAL OF ITEM No. 4 TO SUMMARY					R9,575,627	00

Item No. 5 : Recoverable Expenses (Disbursements) -- all disciplines

Item	Description	Unit	Quantity	Rate	Amount R.	
5.1	Recoverable expenses in respect of printing/copying as specified below:					
	Printing: size A0,	No	50	R4,68	R234	00
	Printing: size A1,	No	100	R4,68	R468	00
	Printing: size A2,	No	1 000	R4,68	R4,680	00
	Printing/copying: size A4 (reports and tender documents only),	No	5 000	R1	R5,000	00
	Compilation and binding of reports/tender documents, books of drawings.	No	500	R1	R500	00
	Electronic Data provided on Compact Disk	No.	50	R1	R50	00
5.2	Recoverable expenses in respect of travelling.	Provisional Sum	-	-	250 000	00
5.3.1	Other costs incurred on behalf of and with the approval of the Employer.	Provisional Sum	-	-	1 000 000	00
5.3.2	Extra over item 4.3.1 above in respect of all other costs, overhead charges and profit.	%	1 000 000		R100,000	00
TOTAL OF ITEM No. 5 TO SUMMARY					R1,360,932	00

CITY OF CAPE TOWN

ELECTRICITY SERVICES

CONTRACT NO. 113C/2013/14

PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN
PLANT REFURBISHMENT

SUMMARY OF ACTIVITY SCHEDULE

A: TOTAL OF ITEM No. 1.1	R 1,532,399
B: TOTAL OF ITEM No. 1.2	R 1,773,412
C: TOTAL OF ITEM No. 2	R 2,162,318
D: TOTAL OF ITEM No. 3	R 8,294,801
E: TOTAL OF ITEM No. 4	R 9,575,637
F: TOTAL OF ITEM No. 5	R 1,360,932
G: SUB-TOTAL (A TO F)	R 24,699,500
H: <u>CONTINGENCIES</u>	
Allow the sum of 10% (ten percent) of the above Sub-total for Contingencies to be spent as the Employer may direct and to be deducted in whole or in part if not required	R 2,469,950
I: TOTAL INCLUDING CONTINGENCIES	R 27,169,450
J: VALUE ADDED TAX	
ADD: VAT at the rate of 14% of I above	R 3,803,723
K: TENDER PRICE CARRIED FORWARD TO C1.1 FORM OF OFFER AND ACCEPTANCE (I+J)	R 30,973,173

I, the undersigned, do hereby declare that the above is a properly priced Activity Schedule forming part of this Contract Document upon which my/our tender for Tender No. 113C/2013/14: PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN PLANT REFURBISHMENT has been based. If I/we have submitted a printed version of the Activity Schedule, I/we warrant that no amendments have been made to it from the original, other than amendments issued in any Addenda in terms of Clause F.3.2 in Part T1.2 Tender Data.

SIGNED ON BEHALF OF THE TENDERER:

Our Reference: 20190204 111120_PLN_PE_Revision of Fees Item 4_5

4 February 2019

113C/2013/14: Revision of Fees

Dear I

Thank you for meeting with us at office on Wednesday, 30 January 2019. We discussed the anticipated project program and you requested a proposal with regards to the CPI adjusted time-based rates.

Clause 10 of Part C2.1 Pricing Assumptions allows for time-based fees (where the unit of measurement is time based) to be adjusted in terms clause 3.16 of the Standard Professional Service Contract 3rd edition. According to the Contract Data Table A of the P0141 Consumer Price Index for CPI services shall be used to determine the relevant indices.

The award of the Contract 113C/2013/14 was delayed beyond the original tender validity period of 12 weeks (84 days) and the tender validity period was extended by 3 months, to 19 July 2014. Please refer to the attached letter, dated 3 April 2014, confirming the extension.

(i) Fee Proposal

In terms of Contract 113C/2013/2014 Clause 3.16.2 of C1.2 Contract Data the indices used are those contained in Table A of the P0141 Consumer Price Index for the CPI services published by

i. We therefore propose the following adjustment to the tendered time-based rates:

All Items CPI Headline		
CPI _n	July 2014	88.7
CPI _s	December 2018	109.4

$$\begin{aligned}
 &= \frac{(CPI_n - CPI_b)}{CPI_b} \\
 &= \frac{(109.4 - 88.7)}{88.7} \\
 &= 23.337\%
 \end{aligned}$$

CPI Adjusted Rates for Item No 4 : Additional Services

Item No.	Activity Description	Unit	Original Quantity	Original Rate	CPI Adjusted Rate
4.1	Act as the Leader of the multi-disciplinary engineering and professional team.	Months	53	R 10,182.00	R 12,558.18
4.2	Act as the Principal Agent of the Client.	Months	53	R 14,345.00	R 17,692.71
4.3	Provide a level 4 construction monitoring services as described in the Scope of Work.	Months	36	R 55,000.00	R 67,835.40
4.4	Act as Employers agent in terms of the Occupational Health and Safety Act 1993 (Act No 85 of 1993) and the Construction Regulations, 2003.	Months	36	R 15,400.00	R 18,993.91
4.5	Quantity Surveyor. Experienced in power station projects.	Months	36	R 16,720.00	R 20,621.96
4.6	Corrosion Specialist (Certified NACE Coating Inspector CP Level II).	Hours	180	R 385.00	R 474.85
4.7	Welding Engineer	Hours	180	R 990.00	R 1,221.04
4.8	Metallurgist	Hours	180	R 1,100.00	R 1,356.71
4.9	Contract Specialist (FIDIC)	Hours	180	R 1,630.00	R 2,010.39
4.10	Approved Inspection Authority (Environmental and Occupational Health and Safety).	Months	36	R 4,520.00	R 17,908.55
4.11	Approved Inspection Authority (Non-Destructive Testing and Pressurised Equipment).	Hours	1080	R 715.00	R 881.86
4.12	Model and Laboratory tests and Analyses carried out on behalf of the Client. Including but not limited to Pump Turbine Hydraulic model test and Static and fatigue life analyses.	Sum		R -	R -
4.13	Detailed inspection, reviewing and checking of designs and drawings not prepared by the Consulting Engineer.	Hours	1080	R 449.00	R 553.78
4.14	CAD Specialist	Hours	1080	R 408.00	R 503.22
4.15	Chartered Accountant (Power Station feasibility study).	Hours	540	R 1,890.00	R 2,331.07
4.16	Environmental Practitioner	Months	36	R 10,367.00	R 12,786.36
4.17	Services related to targeted procurement.	Hours	540	R 220.00	R 271.34
4.18	Applying for way-leave conditions and approvals from services authorities.	Hours	540	R 220.00	R 271.34
4.19	Preparing detailed operating, operations and maintenance manuals.	Sum		R 10,000.00	R 12,333.71

Item No.	Activity Description	Unit	Original Quantity	Original Rate	CPI Adjusted Rate
4.20	Implement and Manage a Quality Assurance System for the Project.	Sum		R 10,000.00	R 12,333.71
4.21	Provide Mediation, Arbitration and Litigation Services.	Hours	540	R 9,978.00	R 12,306.57

CPI Adjusted Rates for Item No 5 : Recoverable Expenses (Disbursements) - all disciplines

Item No.	Activity Description	Unit	Original Quantity	Original Rate	CPI Adjusted Rate
5.1	Recoverable expenses in respect of printing/copying as specified below:				
	Printing: Size A0	No	50	R4.68	R5.77
	Printing: Size A1	No	100	R4.68	R5.77
	Printing: Size A2	No	1000	R4.68	R5.77
	Printing/copying: size A4 (reports and tender documents only)	No	5000	R1.00	R1.23
	Compilations and binding of reports/tender documents, books of drawings	No	500	R1.00	R1.23
	Electronic data provided on CD	No	50	R1.00	R1.23
5.2	Recoverable expenses in respect of travelling.	Provisional Sum			
5.3.1	Other costs incurred on behalf of and with the approval of the Employer.	Provisional Sum			
5.3.2	Extra over Item 5.3.1 above in respect of all other costs, overhead charges and profit.	%	R1,000,000.00	10.0%	

We look forward to your response in this matter.

Kind regards

Unit Manager: Cape Town Energy & Resources

09 April 2014

Dear Sir / Madam

EXTENSION OF VALIDITY

**PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS
PUMPED STORAGE MAIN PLANT REFURBISHMENT**

Tender No.: 113C/2013/14

With reference to our tender submitted on 24 January 2014. According to *T1.2 Tender Data (F.2.16.1)* our proposal must remain valid for a period of 12 weeks (84 days).

As the procurement process for this tender has not yet been finalized, we would hereby like extend the validity of our proposal for the above-mentioned services for another 3 months, i.e. up to 19 July 2014.

Please do not hesitate to contact us if there is any aspect of our submission that you would like to discuss.

Our contact person for any correspondence regarding to this proposal are:

Yours faithfully

24 April 2019

TENDER 113C/2013/14: PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN PLANT REFURBISHMENT

We refer to the discussion between [redacted] and [redacted] on and your [redacted] on Wednesday 17 April 2019 in respect of a CPI adjustment of the professional fees payable to [redacted] this project. We appreciate the opportunity afforded to [redacted] to discuss the principles governing the revision of fees for the project.

We have carefully considered project documentation governing the contractual relationship between [redacted] and COCT for the project. Contractual rights vested in [redacted] upon receipt of the COCT letter dated 21 October 2014 advising [redacted] that the Appeal period had expired and that no appeal had been lodged against the award to [redacted]

We have noted your e-mail, dated 28 February 2019, and the reference therein to clause 3.16 of the Standard Professional Services Contract. Clause 3.16 as referenced in the e-mail, states the following:

3.16 Price adjustment to time-based fees for inflation

"3.16.1 Time-based fees which are stated in the Pricing Data as a unique rate and are not calculated by multiplying the total annual cost of employment contained, shall unless otherwise stated in the Contract Data, be adjusted in terms of 3.16.2 on each anniversary of the Starting Date."

The start date of the project, when the acceptance part of the offer and acceptance was signed by COCT is 11 February 2016. COCT contends that fees are to be adjustment on the anniversary of the start date 11 February 2016 and not 19 July 2014 as [redacted] contends.

We refer to our letter dated 4 February 2019 which must be read with this letter.

Athlone tender:

COCT's Supply Chain Management Unit's recent interpretation and implementation of clause 3.16.1 of the Standard Professional Services Contract in the Athlone tender in our view disposed of the matter. In the Athlone tender there was, as in the case with the Steenbras tender, a substantial delay between the award of the tender and vesting of rights in the successful tenderer and the actual starting date of the project. In both instances the delays were not within the contemplation of the parties when the tenders were submitted, and the successful tenderer was not the cause of the delay.

and COCT signed the Athlone project agreement on Friday 29 March 2019. The agreement provided for the adjustment of time-based fees from the date of the award of the project to 1 and not the starting date as defined in the documentation. The facts and history of the Athlone award that guided COCT's Supply Chain Management Unit finds a similar application in the Steenbras project.

The objective of the COCT Supply Chain Management Policy is to give effect to Section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective. COCT'S interpretation and implementation of clause 3.16.1 of the Standard Professional Services Contract in the Athlone project complies with the procurement prescripts of section 217 of the Constitution. We contend that COCT is in the Steenbras project bound to the Athlone interpretation and implementation of clause 3.16 of the Standard Professional Services Contract and that any different application will go against Section 217 of the Constitution.

Steenbras tender:

We submit that the Steenbras tender documentation in any event support the adjustment of time-based fees from 2014 and not February 2016 as contended by COCT. The following timeline is applicable in the Steenbras project:

Tender advertised	22 November 2013
Tender original closing date	17 January 2014
Extended closing date	24 January 2014
Original tender validity expiry date	12 Weeks (84 days)
Extended tender validity	19 July 2014
SCM BSC Award Letter	26 September 2014
Letter of award – no Appeal	21 October 2014
Section 33 Process Concluded	28 October 2015
Form of Offer signed by the City	01 February 2016
Project start date	11 February 2016

- Tender was submitted subject to a tender validity period of 84 days. The tender validity period in a tender invitation implies that the tender adjudication will be concluded, and an award made within the tender validity period.
- Refer to Annex F Standard Conditions of Tender Part T2 Paragraph F 3 Employers Undertakings and more specifically Paragraph F.3.16.1 on page 26. The paragraph records the undertaking of the Employer (COCT) to notify the successful tenderer of the acceptance of the tender offer by completing and returning one copy of the form of offer and acceptance before the expiry of the validity period stated in the tender or agreed additional period. (our underlining).
- and COCT thus contemplated that the tender will be adjudicated and awarded within the tender validity period or the agreed additional period.
- Paragraph F.2.16.1 deals with tender offer validity and refers tenderers to paragraph F.4.11 in respect of the Section 33 process.
- Paragraph F.4.11 deals with contracts having future budgetary implications and the Section 33 process. The paragraph obliged COCT to run the Section 33 process for the tender concurrently with the procurement process for the tender.

- As far as we are aware COCT only commenced the Section 33 process after the award of the tender and vesting of contractual rights in . COCT cannot use the delay caused by the Section 33 process to prejudice when the adjustment of project fees are considered.
- Refer specifically to Paragraph F.1.1 obliging COCT to comply with the conditions of tender and to discharge its duties and obligations timeously and with integrity and to behave equitably, honestly and transparently.
- Refer to paragraph 3.13 Acceptance of tender offer. Paragraph 3.13.2 addresses disputes, objections, complaints and queries by aggrieved persons and Paragraph 3.13.3. Appeals by aggrieved persons.
- Paragraph 3.16.1 of the Steenbras tender, as referenced by COCT above, was amended. The amended paragraph states that before accepting a tender COCT shall notify the successful tenderer in writing of the decision of the BAC and that no rights shall accrue to the successful tenderer in the notice, and only once the processes described in F.3.13.2 and F.3.13.3 are completed can COCT sign the Acceptance part of the form of Offer and Acceptance.
- Paragraph 3.16.1 of the Steenbras tender implies that COCT shall sign the Acceptance part of the form of Offer and Acceptance after conclusion of the objection and appeal processes contemplated in paragraph F.3.13.2 and F.3.13.3.
- The Paragraph 3.16.1 notice to dated 26 September 2014 and the objection / appeals period concluded without an appeal.
- The letter of award to after conclusion of the objection and appeal processes, is dated 21 October 2014.
- In terms of Clause F.3.16.1 COCT was supposed to sign the Acceptance part of the offer and acceptance when the letter dated 21 October 2014 was sent.
- Refer to Part C1: Agreements and Contract Data paragraph 2. In this paragraph reference is made to guideline tariffs of fees or indicative time-based fee rates that are gazetted annually by each of the built environment professional bodies, which are useful documents that will give tenderers some idea of industry norms against which they may compare their rates, sums, percentage fees and/or prices as applicable. COCT thus accepted that time-based fees are adjusted annually.

The COCT Supply Chain Management Policy provides support for the adjustment of fees where the award of a contract is delayed. Refer to the following extracts from the Policy (with our underlining):

167. However, if as a result of a delay in the award of a contract beyond the original tender validity period, the due completion or end delivery date of a fixed price contract exceeds a period of one year from the expiry of the original tender validity period, then the contract will automatically be subject to contract price adjustment for that period by which the extended time line exceeds such one year. An appropriate contract price adjustment formula will be determined by the Director: Supply Chain Management.

169. Furthermore, if the award of a contract is delayed beyond the original tender validity period, and a bidder is prepared to extend the validity period conditional to contract price adjustment being applied in the first year, then such price adjustment may be considered provided it is reasonable and does not prejudice any other bidder.

260. The successful bidder shall, in addition, be advised of the 21 day appeal period, and be notified that no rights accrue to him/her until the bid is formally accepted in writing.

We contend that with due consideration of:

1. the exceptional circumstances of the Steenbras matter,
2. the contractual obligations and undertakings of the employer in the Steenbras tender documents,
3. the prescripts of Section 217 of the Constitution,
4. the precedent set by COCT in the Athlone matter, and
5. the aspects that were within the contemplation of the parties when the tender was submitted, and the subsequent award was made in 2014

time based fees must be adjusted with reference to the anniversary date of the extension of validity of our tender (19 July 2014), alternatively when contractual rights vested in ' ' 21 October 2014.

We are available to discuss at your convenience.

Yours faithfully

Enc: 20190204 111120_PLN_PE_Revision of Fees Item 4_5

Copies:

09 April 2014

Dear Sir / Madam

EXTENSION OF VALIDITY

**PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS
PUMPED STORAGE MAIN PLANT REFURBISHMENT**

Tender No.: 113C/2013/14

With reference to our tender submitted on 24 January 2014 According to T1.2 Tender Data (F.2.16.1) our proposal must remain valid for a period of 12 weeks (84 days).

As the procurement process for this tender has not yet been finalized, we would hereby like extend the validity of our proposal for the above-mentioned services for another 3 months, i.e. up to 19 July 2014.

Please do not hesitate to contact us if there is any aspect of our submission that you would like to discuss.

Our contact person for any correspondence regarding to this proposal are;

Yours faithfully

Our Reference: 20190204 111120_PLN_PE_Revision of Fees_CPI – Revision 1

24 April 2019

113C/2013/14: Revision of Fees – Revision 1

Dear [redacted]

Thank you for meeting with us at [redacted] office on Wednesday, 17 April 2019. We discussed the e-mail by COCT's Supply Chain Management Practitioner, [redacted], dated 28 February 2019, and the reference therein to clause 3.16 of the Standard Professional Services Contract. Please find attached our formal response to this email.

We hereby resubmit a proposal with regards to the CPI adjusted time-based rates for consideration. We note that we incorrectly used the indices contained in Table B. This letter contains **CPI indices for services** as contained in Table A of the P0141 Consumer Price Index published by Statistics South Africa.

The award of the Contract 113C/2013/14 was delayed beyond the original tender validity period of 12 weeks (84 days) and the tender validity period was extended by 3 months, to 19 July 2014. Please refer to the attached letter, dated 3 April 2014, confirming the extension.

Fee Proposal

The latest indices available from Statistics South Africa is for February 2019 (CPI_{Feb}) and in the absence of any more recent data we propose to use this as the latest data.

Clause 10 of Part C2.1 Pricing Assumptions allows for time-based fees (where the unit of measurement is time based) to be adjusted in terms clause 3.16 of the Standard Professional Service Contract 3rd edition. In terms of clause 3.16.2, C1.2 Contract data of Contract 113C/2013/2014, the indices used are those contained in Table A of the P0141 Consumer Price Index for the CPI services published by Statistics South Africa. We therefore propose the following adjustment to the tendered time-based rates. Please note that the indices were rebased to December 2016=100:

All Items CPI Headline		
CPI _{n1}	December 2016	125.6
CPI _{s1}	July 2014	111.0
CPI _{n2}	February 2019	112.5
CPI _{s2}	December 2016	100.0

$$\begin{aligned}
 & (CPI_{n1} - CPI_{s1}) / CPI_{s1} + (CPI_{n2} - CPI_{s2}) / CPI_{s2} \\
 = & (125.6 - 111.0) / 111.0 + (112.5 - 100.0) / 100.0 \\
 = & 13.153 \% + 12.500 \% \\
 = & 25.653 \%
 \end{aligned}$$

CPI Adjusted Rates for Item No 4 : Additional Services

Item No.	Activity Description	Unit	Original Quantity	Original Rate	CPI Adjusted Rate
4.1	Act as the Leader of the multi-disciplinary engineering and professional team.	Months	53	R 10,182.00	R 12,794.00
4.2	Act as the Principal Agent of the Client.	Months	53	R 14,345.00	R 18,024.94
4.3	Provide a level 4 construction monitoring services as described in the Scope of Work.	Months	36	R 55,000.00	R 69,109.23
4.4	Act as Employers agent in terms of the Occupational Health and Safety Act 1993 (Act No 85 of 1993) and the Construction Regulations, 2003.	Months	36	R 15,400.00	R 19,350.59
4.5	Quantity Surveyor. Experienced in power station projects.	Months	36	R 16,720.00	R 21,009.21
4.6	Corrosion Specialist (Certified NACE Coating Inspector CP Level II).	Hours	180	R 385.00	R 483.76
4.7	Welding Engineer	Hours	180	R 990.00	R 1,243.97
4.8	Metallurgist	Hours	180	R 1,100.00	R 1,382.18
4.9	Contract Specialist (FIDIC)	Hours	180	R 1,630.00	R 2,048.15
4.10	Approved Inspection Authority (Environmental and Occupational Health and Safety).	Months	36	R 4,520.00	R 18,244.84
4.11	Approved Inspection Authority (Non-Destructive Testing and Pressurised Equipment).	Hours	1080	R 715.00	R 898.42
4.12	Model and Laboratory tests and Analyses carried out on behalf of the Client. Including but not limited to Pump Turbine Hydraulic model test and Static and fatigue life analyses.	Sum		R -	R -
4.13	Detailed inspection, reviewing and checking of designs and drawings not prepared by the Consulting Engineer.	Hours	1080	R 449.00	R 564.18
4.14	CAD Specialist	Hours	1080	R 408.00	R 512.66

CPI Adjusted Rates for Item No 4 : Additional Services

Item No.	Activity Description	Unit	Original Quantity	Original Rate	CPI Adjusted Rate
4.15	Chartered Accountant (Power Station feasibility study).	Hours	540	R 1,890.00	R 2,374.84
4.16	Environmental Practitioner	Months	36	R 10,367.00	R 13,026.46
4.17	Services related to targeted procurement.	Hours	540	R 220.00	R 276.44
4.18	Applying for way-leave conditions and approvals from services authorities.	Hours	540	R 220.00	R 276.44
4.19	Preparing detailed operating, operations and maintenance manuals.	Sum		R 10,000.00	R 12,565.32
4.20	Implement and Manage a Quality Assurance System for the Project.	Sum		R 10,000.00	R 12,565.32
4.21	Provide Mediation, Arbitration and Litigation Services.	Hours	540	R 9,978.00	R 12,537.67

CPI Adjusted Rates for Item No 5 : Recoverable Expenses (Disbursements) - all disciplines

Item No.	Activity Description	Unit	Original Quantity	Original Rate	CPI Adjusted Rate
5.1	Recoverable expenses in respect of printing/copying as specified below:				
	Printing: Size A0	No	50	R4.68	R 7.25
	Printing: Size A1	No	100	R4.68	R 7.25
	Printing: Size A2	No	1000	R4.68	R 7.25
	Printing/copying: size A4 (reports and tender documents only)	No	5000	R1.00	R 1.55
	Compilations and binding of reports/tender documents, books of drawings	No	500	R1.00	R 1.55
	Electronic data provided on CD	No	50	R1.00	R 1.55
5.2	Recoverable expenses in respect of travelling.	Provisional Sum			
5.3.1	Other costs incurred on behalf of and with the approval of the Employer.	Provisional Sum			
5.3.2	Extra over Item 5.3.1 above in respect of all other costs, overhead charges and profit.	%	R 1,000,000.00	10.0%	

We look forward to your response in this matter.

Kind regards

Dear Sir / Madam

PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN PLANT REFURBISHMENT

With reference to our tender submitted on 24 January 2014. According to *F1.2 Tender Data (F.2.16.1)* our proposal must remain valid for a period of 12 weeks (84 days).

Please do not hesitate to contact us if there is any aspect of our submission that you would like to discuss.

Yours faithfully

Our Reference: 20190204 111120_PLN_PE_Revision of Fees_CPI – Revision 2

113C/2013/14: Revision of Fees – Revision 2

Dear _____,

Our earlier conversation with regards to the COCT Supply Chain Management's response to our letter dated 23 April 2019 refers. You confirmed that COCT agrees that CPIs, which is indices specified in the Contract Data during the month in which the start date fall, will be equal to the CPI indices of July 2014.

We hereby resubmit a proposal with regards to the CPI adjusted time-based rates for consideration. We note that we incorrectly used the indices contained in Table B. This letter contains **CPI indices for services** as contained in **Table A** of the P0141 Consumer Price Index published by Statistics South Africa.

The award of the Contract 113C/2013/14 was delayed beyond the original tender validity period of 12 weeks (84 days) and the tender validity period was extended by 3 months, to 19 July 2014. Please refer to the attached letter, dated 9 April 2014, confirming the extension.

Fee Proposal

As agreed, we will use the indices available from Statistics South Africa for July 2018 (CPI).

Clause 10 of Part C2.1 Pricing Assumptions allows for time-based fees (where the unit of measurement is time based) to be adjusted in terms clause 3.16 of the Standard Professional Service Contract 3rd edition. In terms of clause 3.16.2, C1.2 Contract Data, the indices used are those contained in Table A of the P0141 Consumer Price Index for the CPI services published by Statistics South Africa. We therefore propose the following adjustment to the tendered time-based rates. Please note that the indices were rebased to December 2016=100.

The adjustment to the time-based fees shall be equal to 23.8%.

Item No 4 : Additional Services

Item No.	Activity Description	Unit	Original Rate	CPI Adjusted Rate
4.1	Act as the Leader of the multi-disciplinary engineering and professional team.	Months	R 10,182.00	R 12,601.57
4.2	Act as the Principal Agent of the Client.	Months	R 14,345.00	R 17,753.84
4.3	Provide a level 4 construction monitoring services as described in the Scope of Work.	Months	R 55,000.00	R 68,069.79
4.4	Act as Employers agent in terms of the Occupational Health and Safety Act 1993 (Act No 85 of 1993) and the Construction Regulations, 2003.	Months	R 15,400.00	R 19,059.54
4.5	Quantity Surveyor. Experienced in power station projects.	Months	R 16,720.00	R 20,693.22
4.6	Corrosion Specialist (Certified NACE Coating Inspector CP Level II).	Hours	R 385.00	R 476.49
4.7	Welding Engineer	Hours	R 990.00	R 1,225.26
4.8	Metallurgist	Hours	R 1,100.00	R 1,361.40
4.9	Contract Specialist (FIDIC)	Hours	R 1,630.00	R 2,017.34
4.10	Approved Inspection Authority (Environmental and Occupational Health and Safety).	Months	R 14,520.00	R 17,970.43
4.11	Approved Inspection Authority (Non-Destructive Testing and Pressurised Equipment).	Hours	R 715.00	R 884.91
4.12	Model and Laboratory tests and Analyses carried out on behalf of the Client. Including but not limited to Pump Turbine Hydraulic model test and Static and fatigue life analyses.	Sum	R -	R -
4.13	Detailed inspection, reviewing and checking of designs and drawings not prepared by the Consulting Engineer.	Hours	R 449.00	R 555.70
4.14	CAD Specialist	Hours	R 408.00	R 504.95

Item No 4 : Additional Services

Item No.	Activity Description	Unit	Original Rate	CPI Adjusted Rate
4.15	Chartered Accountant (Power Station feasibility study).	Hours	R 1,890.00	R 2,339.13
4.16	Environmental Practitioner	Months	R 10,367.00	R 12,830.54
4.17	Services related to targeted procurement.	Hours	R 220.00	R 272.28
4.18	Applying for way-leave conditions and approvals from services authorities.	Hours	R 220.00	R 272.28
4.19	Preparing detailed operating, operations and maintenance manuals.	Sum	R 10,000.00	R 12,376.33
4.20	Implement and Manage a Quality Assurance System for the Project.	Sum	R 10,000.00	R 12,376.33
4.21	Provide Mediation, Arbitration and Litigation Services.	Hours	R 9,978.00	R 12,349.10

Item No 5 : Recoverable Expenses (Disbursements) - all disciplines

978,00.

Item No.	Activity Description	Unit	Original Rate	CPI Adjusted Rate
5.1	Recoverable expenses in respect of printing/copying as specified below:			
	Printing: Size A0	No	R 4.68	R 5.79
	Printing: Size A1	No	R 4.68	R 5.79
	Printing: Size A2	No	R 4.68	R 5.79
	Printing/copying: size A4 (reports and tender documents only)	No	R 1.00	R 1.24
	Compilations and binding of reports/tender documents, books of drawings	No	R 1.00	R 1.24
	Electronic data provided on CD	No	R 1.00	R 1.24

We look forward to your response in this matter.

Kind regards



10 June 2019

Attention

Dear Sir

CONTRACT NO: 113C/2013/14

DESCRIPTION: PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF THE STEENBRAS PUMPED STORAGE MAIN PLANT REFURBISHMENT

I refer to the various e-mail communications and your letter dated 4 June 2019 in respect of your request for contract price adjustment.

It has been noted that [redacted] has requested price adjustment for Item No.5: Recoverable Expenses (disbursements) – All disciplines.

Clause 10, C2.1 Price Assumptions refers, "Tendered time-based fees (where the unit of measurement is time based) shall be adjusted in terms of clause 3.16 of the Standard Professional Services Contract. All other rates, sums, percentage fees or prices (as applicable) tendered in the Activity Schedule shall be final and binding and shall not be subject to any variation throughout the period of the contract. This is due to the fact that the fee for normal services rendered is typically developed from a construction contract value which will be subject to escalation/contract price adjustment, and the Service Provider will benefit from adjustments in this regard. In developing any other rates, (excluding time based), tenderers must make allowance for annual increases."

Therefore, based on the highlighted wording above, price adjustment for Item No. 5 cannot be approved.

I hereby confirm that the following rates (excluding VAT) will be applicable as from 1 July 2018.

Item No 4: Additional Services:

Item	Activity Description	Unit	Tendered Rate	Adjusted rate (Excl. Vat).
4.1	Act as Leader of the multi-disciplinary engineering and professional team	Months	R 10 182.00	R 12 605.32
4.2	Act as the Principal Agent of the Client		R 14 345.00	R 17 759.11
4.3	Provide a level 4 construction monitoring service as described in the Scope of Work	Months	R 55 000.00	R 68 090.00
4.4	Act as Employers agent in terms of the Occupational Health and Safety Act, 1993 (Act No 85 of 1993) and the Construction Regulations, 2003.	Months	R 15 400.00	R 19 065.20

Item	Activity Description	Unit	Tendered Rate	Adjusted rate (Excl. Vat).
4.5	Quantity Surveyor.	Months	R 16 720.00	R 20 699.36
	Experienced in power station projects.			
4.6	Corrosion Specialist (Certified NACE Coatings Inspector CP Level II)	Hours	R 385.00	R 476.63
4.7	Welding Engineer	Hours	R 990.00	R 1 225.62
4.8	Metallurgist	Hours	R 1 100.00	R 1 361.80
4.9	Contract Specialist (FIDIC)	Hours	R 1 630.00	R 2 017.94
4.1	Approved Inspection Authority (Environmental and Occupational Health and Safety)	Months	R 14 520.00	R 17 975.76
4.11	Approved Inspection Authority (Non-Destructive Testing and Pressurised Equipment)	Hours	R 715.00	R 885.17
4.12	Model and Laboratory tests and Analyses carried out on behalf of the Client. Including but not limited to Pump Turbine Hydraulic model test and Static strength and fatigue life analyses.	Sum	R 0.00	R 0.00
4.13	Detailed inspection, reviewing and checking of designs and drawings not prepared by the Consulting Engineer.	Hours	R 449.00	R 555.86
4.14	CAD Specialist	Hours	R 408.00	R 505.10
4.15	Chartered Accountants (Power Station feasibility study)	Hours	R 1 890.00	R 2 339.82
4.16	Environmental Practitioner	Months	R 10 367.00	R 12 834.35
4.17	Services related to targeted procurement	Hours	R 220.00	R 272.36
4.18	Applying for way-leave conditions and approvals from all services authorities	Hours	R 220.00	R 272.36
4.19	Preparing detailed operating, operation and maintenance manuals	Sum	R 10 000.00	R 12 380.00
4.2	Implement and Manage a Quality Assurance System for the Project	Sum	R 10 000.00	R 12 380.00
4.21	Provide Mediation, Arbitration and Litigation Services.	Hours	R 978.00	R 1 210.76

Please note that this letter does not constitute a change in the conditions of contract number 113C/2013/14, but merely confirms the implementation of the price adjustments.

Yours faithfully
