

Schedule of Prices

[Project Name]

NZTA Contract No. **[Contract Number]**

<<This page is to be left blank>>

Guidance Notes for preparing the Schedule of Prices (SoP)

1. When preparing the SoP, the Consultant shall consider how the Contractor can use it during the construction phase to help with efficient financial management. To this end:
 - a. The schedule should be in Excel Format, and in a form that can be issued to tenderers electronically
 - b. The Consultant shall, as far as practicable:
 - structure the items in the SoP in accordance with the “standardised costing model” used in Waka Kotahi NZ Transport Agency’s (Transport Agency) SM014 *Cost Estimation Manual*.
 - Arrange the items sequentially in the SoP so as to follow the construction sequence of the works.
 - Structure items in the SoP so as to assist the contractor in the financial management of the project. The items should be scheduled to coincide with the sequencing of the construction of the works or the grouping together of works that are likely to be subcontracted out.
2. Each item in the SoP shall have a corresponding method of payment in the basis of payment.
3. For the Design items, ensure each “design part” identified in the clause 9.2.4 of the Principal’s Requirements has a corresponding item in the SoP.
4. Items such as legalisation surveys, as-built drawings, bridge update data, photography, accommodation works, maintenance etc. where applicable should be included in the SoP as a separate item.
5. Provision should be made in the SoP for the tenderer to add items as they wish, that apply to their particular conceptual design.
6. When preparing the SoP, the Consultant should, in consultation with their Transport Agency Project Manager, consider the need for dayworks items in the SoP. Where dayworks are used, the Transport Agency’s preferred approach to handling PLANT dayworks items is for a tendered percentage (+ or -) on cost to the Contractors Federation’s Blue Book rates. The tendered percentage shall be multiplied by a provisional sum that represents the estimated value of the PLANT dayworks items over the life of the contract. The Schedule of Prices must refer to the version of the Blue Book to which the percentage will be applied. Key LABOUR and MATERIALS inputs should also be recognised where Dayworks are used.
7. A template SoP and Basis of Measurement & Payment for lump sum type contracts is available on request.

Basis of Payment

[Project Name]

NZTA Contract No. [Contract Number]

CONTENTS

<<Ensure the Table of Contents is updated once the final revisions have been undertaken as pagination may have changed. Highlight the TOC – right click – update field – update entire table >>

1	PREAMBLE	3
1.1	Introduction.....	3
1.2	Definitions.....	3
1.3	Item Description.....	3
1.4	Item Quantity	3
1.5	Item Unit	3
1.6	Item Rate	4
1.7	Provisional Items	4
1.8	Provisional Sums.....	5
1.9	Alternative Materials or Designs.....	5
1.10	Amendments to the Schedule of Prices	5
2	CERTIFICATES AND PAYMENT	6
2.1	Contractor’s Monthly Payment Claim	6
2.2	Payment Details	6
2.3	Quality Assurance	6
3	VALUING SCOPE CHANGES.....	7
3.1	Open Book Philosophy	7
3.2	Variations.....	7
3.3	Changes to Lump Sum Amounts	7
3.4	Unscheduled Work	7
4	BASIS OF MEASUREMENT AND PAYMENT.....	8
4.1	Description of Item in Schedule of Prices	8

1 PREAMBLE

1.1 Introduction

- 1.1.1 This section outlines the basis of payment for this contract. The following overrides any basis of payment specified or implied elsewhere in the Contract Documents or in any Waka Kotahi NZ Transport Agency (Transport Agency) standard specification, other standard, manual or publication referred to.
- 1.1.2 All payments made shall have cost fluctuation and retentions applied in accordance with the conditions of contract.

1.2 Definitions

- 1.2.1 The defined terms in this Basis of Payment shall have the same meanings as defined in the Conditions of Contract.

1.3 Item Description

- 1.3.1 In the schedule of prices the item description identifies the work covered and shall be read in conjunction with the basis of payment. The Contractor shall determine the nature and extent of the work from the Drawings, Principal's Requirements, Specifications and Conditions of Contract. The chainages in the Schedule of Prices are those shown on the general arrangement and alignment Drawings included in the Tender Documents.

1.4 Item Quantity

- 1.4.1 Metric units shall be used for measurement throughout this contract. All Drawings shall be developed using the metric system.
- 1.4.2 The Contractor shall not rely on the quantities provided in the schedule of prices, or the dimensions provided on Drawings provided by the Transport Agency for ordering Materials or pricing.
- 1.4.3 Quantities have been developed under a design philosophy that may be different to that which the Contractor proposes to use. As such, the Transport Agency does not guarantee the completeness of such information. The Contractor shall carry all risks if they make use of any part of these quantities when developing a price for the work.
- 1.4.4 For items not measured as Lump Sums, the quantity shall be measured net from the dimensions stated in the contract. No allowance shall be made for over excavation, laps, cutting, waste, etc. unless specifically stated. All cubic metre measurements shall be on a solid measure basis unless stated otherwise. <<Guidance Note: Only include this clause if non Lump Sum items are scheduled>>

1.5 Item Unit

- 1.5.1 Units of measurement shown in the "unit" column of the schedule of prices have been abbreviated as follows:

ABBREVIATION	DESCRIPTION
PS	Provisional Sum
LS	Lump Sum
Mth	Month
Day	Calendar Day
m	Linear metre
m2	Square metre
m3	Cubic metre
No.	Number
Hr	Hour
t	Tonne
%	Percent
Km	Kilometre
[Others - consultant to nominate]	

1.6 Item Rate

- 1.6.1 Each item in the schedule of prices shall have a rate entered against it. Rates shall be in NZ Dollars to two decimal places. Where no rate is entered, it shall be deemed to be \$0.00.
- 1.6.2 The rate tendered in the schedule of prices shall be deemed to include the costs of meeting all conditions, obligations and liabilities in the Contract Documents. It shall be deemed to be inclusive of, but not limited to, supplying all Plant, labour, Materials and transportation required to complete the item of work.
- 1.6.3 All rates for items in the Schedule of Prices shall include all of the costs associated with matters such as miscellaneous items, accommodation, supervision, contingencies, normally expected risks, transport of equipment, incidental work, temporary works, survey, setting out, inspections, reporting, attendances at meetings, communications, programming, records, quantity measurement, claims for payment, testing and quality control measures, permits, administration, as well as On-Site Overheads and Off-Site Overheads and Profit, except that, if any one of those matters is scheduled separately as a result of an item description expressly identifying that particular matter, that matter will not be included in the rate for that item.
- 1.6.4 In addition to the payments made to the Contractor under this Schedule of Prices, the Transport Agency will pay the applicable Goods and Services Tax. Payment schedules shall be issued in the form in accordance with the Clause 12.13 of the conditions of contract.

1.7 Provisional Items

- 1.7.1 Provisional items provide for work that may or may not be carried out by the Contractor, shall be priced by all tenderers. This work shall only be performed on the written instruction of the Engineer.
- 1.7.2 The amount payable to the Contractor for provisional items shall be for the quantity of work directed by the Engineer, at the tendered rate.

- 1.7.3 The tendered rate for provisional items shall fully compensate the Contractor for all their costs for that item, including but not limited to: labour, Plant, Materials, On-Site Overheads, Off-Site Overheads and Profit.

1.8 Provisional Sums

- 1.8.1 Provisional sums are amounts of money the Principal enters in the Schedule of Prices. These sums provide for work that may or may not be carried out by the Contractor. Such work shall only be performed on the written instruction of the Engineer.

1.9 Alternative Materials or Designs

<<Guidance Note: This section relates to alternatives proposed during the contract period and not those submitted as an Alternative Tender. It may be desirable to use this section even if Alternative Tenders are not considered.>>

- 1.9.1 The Contractor may propose alternatives to the specified Materials provided they meet the contract requirements in terms of time, cost and quality. The Contractor shall submit their proposed alternatives to the Engineer for review. The Engineer will provide their recommendations on the proposal to the Principal and the Contractor.
- 1.9.2 Where the Engineer accepts the equivalent product or Material in place of the one identified or specified, the tendered rate in the Schedule of Prices shall be deemed to include the replacement in the Contract Works. This includes the Contractor's Design, provision of data, Drawings, specifications, certificates, approvals, re-submissions and modifications and amendments to the Contract Works.
- 1.9.3 Where the contract allows a choice of alternatives, the tendered rate shall be deemed to cover any of the permitted alternative Materials, or Contractor's Design the Contractor chooses. In all cases the rates in the Schedule of Prices shall be deemed to include any adjustments of the work content, rates, costs and the like made necessary by the Contractor's choice of alternative.

1.10 Amendments to the Schedule of Prices

- 1.10.1 Tenderers are invited to use the interactive tender process to discuss amendments to the Schedule of Prices to provide a schedule that better matches their Conceptual Design, methodology, financial reporting methods and ease of use in calculating interim payments.
- 1.10.2 **No changes shall be made to the Schedule of Prices without the Principal's written approval.**

2 CERTIFICATES AND PAYMENT

2.1 Contractor's Monthly Payment Claim

2.1.1 Unless the Principal and the Contractor agree otherwise in writing, the Contractor shall each month submit to the Engineer a progress payment claim. The first claim shall be submitted within one month after the date the Contract Works begins. The progress payment claim shall:

- a) Claim the appropriate payment for each item identified in the Schedule of Prices.
- b) Include an editable electronic file version of the claim.

<<Guidance note: delete clauses (c) and (d) if using D&C (basic)>>

- c) Claim for any Materials stored off Site for which ownership of the property has been vested in the name of the Principal in accordance with the Contract Documents and their value. Payment shall be made at **80%** of the value of Materials on presentation of the supply subcontractor's invoice, net of all discounts and certified by the Contractor, or as agreed between the Contractor and the Engineer. <<Guidance Note: Only include if the Contractor is to be paid for materials off site, refer 12.1.3(b)(iv) of the first schedule of the Conditions of Contract. >>
- d) Claim for Materials delivered to Site, but not yet used in the Contract Works. Payment shall be made at **80%** of the value of Materials on presentation of the supply subcontractors invoice, net of all discounts and certified by the Contractor, or as agreed between the Contractor and the Engineer. <<Guidance Note: Only include if the Contractor is to be paid for materials on site. Inclusion of this clause is recommended if the value of materials to be delivered to site is significant, and will be stored before use. >>
- e) Comply with the requirements of clause 12.1 of the General Conditions of Contract, and as amended by the Special Conditions.

2.1.2 Before payment, the Engineer will check all amounts claimed by the Contractor for work, and process the payment claim in accordance with 12.2 of the General Conditions of Contract as amended by the Special Conditions.

2.2 Payment Details

2.2.1 Progress payments will be made in accordance with clauses 12.1 and 12.2 of the General Conditions of Contract (NZS 3916), and as amended by the Special Conditions of Contract.

2.2.2 All payments will be by direct credit only.

2.3 Quality Assurance

2.3.1 Unless scheduled separately, all costs incurred by the Contractor in undertaking and completing all quality assurance testing as outlined in the Contract Documents shall be deemed to be included in the tendered rates.

2.3.2 Further to clause 12.1.3 of the Conditions of Contract, payment of 80% of the tendered rate will be made for any item for which the compliant test results are available, but have not been submitted to the Engineer. Full payment will be completed once all records and IANZ, or other approved, certified test results required by the Contract Documents have been submitted and accepted by the Engineer.

3 VALUING SCOPE CHANGES

3.1 Open Book Philosophy

- 3.1.1 In the event of a disputed contractual claim(s) or variation(s) the parties through mutual agreement consistent with partnering, shall use first principles for substantiating the claim. This may mean the Contractor shall make available to the Principal, on a reasonable basis, their tender pricing information.
- 3.1.2 Commercial and price sensitive information provided by the Contractor to the Principal will be treated with the utmost confidentiality.

3.2 Variations

- 3.2.1 Variations, including Dayworks, that constitute a change to the detailed design must be ordered by the Engineer in writing and shall be valued according to the procedures outlined in section 9 of the General Conditions of Contract.
- 3.2.2 Variations may be valued as positive (increased scope), or negative (reduced scope)

3.3 Changes to Lump Sum Amounts

- 3.3.1 Lump sum amounts in the schedule of prices shall not be changed because of any extensions in the due date for completion, or ordered variation to the Contract Works. The value of any changes to lump sum items will be paid as variations to the contract
- 3.3.2 Where the Contractor identifies a possible change in scope of a lump sum item they shall advise the Engineer in writing prior to carrying on with the revised scope of work.

3.4 Unscheduled Work

- 3.4.1 In general, payment for unscheduled work shall be made on a lump sum basis. No payment shall be made for any unscheduled work without the Engineer's written approval.
- 3.4.2 Where payment is made on Dayworks, the Contractor's representative shall certify and provide to the Engineer the priced "daily job record sheet(s)" for all unscheduled works undertaken to meet the project specification. The representative must provide the original record sheet within 24 hours of the work being carried out.
- 3.4.3 Each record sheet shall contain:
- a) Description of the work undertaken, including date undertaken, location and extent
 - b) Labour hours,
 - c) Type of plant, total plant hours, rate and total value claimed for each item of plant
 - d) All invoices for Materials used, certified by the contractor as being accurate. Invoices for materials used which are not available within 24 hours of the work being carried out shall be forwarded to the Engineer within 48 hours of receipt of these invoices from the supplier
 - e) Signature and name of the Contractor's personnel supervising the work.

4 BASIS OF MEASUREMENT AND PAYMENT

4.1 Description of Item in Schedule of Prices

SoP Item(s) <<give SoP item reference numbers here>>

<<Guidance Note: **The Consultant must tailor this part of the document to project specific needs.** The intention is that the order of the SoP follows the construction sequence. The order item split, is up to the Consultant to develop to best meet the needs of their project. No lump sum should be greater than 5-10% of the Engineers Estimate for the contract. Each item in the Schedule of Prices must have a corresponding basis of payment describing what work is included, and how it will be measured and paid. In writing this section consideration should be given to the particular method of measuring progress for each item.

Where Clauses 105.3 (a), (c), and /or (e) are used in the IFT, the Consultant shall ensure the percentage for on-site overheads, off-site overheads and profit are measured against the Provisional Sum included in the Schedule of Prices and have a corresponding basis of payment.>>