

Consultant's / Service Contractor's Representation of Costs and Charges

Expanded Form to FIN-3 - QBS,CQS, and SSS (ADB RFP Standard Forms)

Name/Position	Basic Remuneratioin per month (22 working days minus public holidays)	Social Charges	Overheads related to the basic remuneration	Subtotal = BUYING Rate of Freelancers / Costs of Employees	Profit referred to Subtotal	Incidental Expenditure Budget > Away from Home Office Allowances (per diem, pocket money)	Monthly Rate / SALES Rate to Client	Remarks
Description	1	2	3	4	5	6	7	8
	Reference				15%	profit on subtotal 165%		
International / National Experts	100,0%	35,0%	30,0%	165,0%	190,0%	25,0%	215,0%	
					25%	profit on Basic Remuneration 100%		
National / International Experts	46,5%	16,3%	14,0%	76,7%	88,4%	11,6%	100,0%	
	social charges					for Employees on Site	sales price	
National Expert, Salary	4.651	1.628	1.395	7.674	8.837	1.163	10.000	Local Currency
.	Basics			Profit Salary	1.163	LC	sales price	
International Expert: Basic Salary 10.000 Euro; Free Lance with a factor of 1,65 = 16.500 Euro	10.000	Factor 1,65		16.500	19.000	EU per diem rate, here : = 2.500 Euro only (long term missions, more than 3 months duration)	21.500	Euro
		The factor 1,65 comprices		Profit Freelance	2500	Euro		
Freelance FL covers all their own expenditures for social charges and overheads, which they are able to earn within 10 months annually.	Income / CorporatonTax		unpaid Sick Leave					
	+ Medical Aid		non paid Annual Leave					
	+ Pension Fund		own Equipment , wear & tear					
	provisions for		own costs for Laptop & Software					

1st issue:

Financial Package : **Salary + Allowances / Fee + per diem**

www.ppe61.de/S+RFP-FinancialProposal.pdf

/S+Fee.pdf

2nd issue:

Price Escalation defined in the written Contract

www.ppe61.de/S+PriceEscalation-FC+LC.pdf

3rd issue

Late Payment Interest

www.ppe61.de/14.8+DelayedPayment.pdf

Section 4. Financial Proposal - Standard Forms

[Notes to Consultant shown in brackets and italics provide guidance to the Consultant to prepare the Financial Proposals; they should not appear on the Financial Proposals to be submitted.]

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided in Section 2.

NOTE: The authorized representative of the Consultant who signs the Proposal is advised to initial all pages of the original Financial Proposal.

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Costs

FIN-3 Breakdown of Remuneration

FIN-4 Other Expenses, Provisional Sums and Contingency

FORM FIN-1 FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: *[Name and address of Client]*

Dear Sirs:

We, the undersigned, offer to provide the consulting services for *[insert title of assignment]* in accordance with your Request for Proposal dated *[insert date]* and our Technical Proposal.

Our attached Financial Proposal is for the amount of *[Insert amount(s) in words and figures - [in the event the proposal involves multiple currencies, indicate the corresponding amount for each currency].], excluding* all indirect local taxes in accordance with Clause 25.2 in the **Data Sheet**. The estimated amount of local indirect taxes is *[insert currency amount in words and figures]* which shall be confirmed or adjusted, if needed, during negotiations. *[Please note that all amounts shall be the same as in Form FIN-2].*

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Clause 12.1 of the **Data Sheet**.

Commissions, gratuities or fees that we have paid or will pay to an agent or any other party relating to preparation or submission of this Proposal and Contract execution, paid if we are awarded the Contract, are listed below:

Name and Address of Agent(s)/Other party	Amount and Currency or Gratuity	Purpose of Commission

If no payments are made or promised, add the following statement: "No commissions, gratuities or fees have been or are to be paid by us to agents or any other party relating to this Proposal and, in the case of award, Contract execution."

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature *[In full and initials]:* _____

Name and Title of Signatory: _____

In the capacity of: _____

Address: _____

E-mail: _____

[FOR A JOINT VENTURE, EITHER ALL MEMBERS SHALL SIGN OR ONLY THE LEAD MEMBER OR CONSULTANT, IN WHICH CASE THE POWER OF ATTORNEY TO SIGN ON BEHALF OF ALL MEMBERS SHALL BE ATTACHED.]

FORM FIN-2 SUMMARY OF COSTS

Item	Cost			
	<i>[Consultant must state the proposed costs in accordance with Clause 16.4 of the Data Sheet. Payments will be made in the currency(ies) expressed. Delete columns which are not used.]</i>			
	<i>Insert foreign currency # 1</i>	<i>Insert foreign currency # 2, if used</i>	<i>Insert foreign currency # 3, if used</i>	<i>Insert local currency, if used and/or required (16.4 Data Sheet)</i>
Competitive Components				
Remuneration, Key Experts				
Remuneration, Non-Key Experts				
Reimbursable Expenses				
Sub-Total				
Non-Competitive Components				
Provisional Sums				
Contingency				
Sub-Total				
Total Cost of the Financial Proposal ⁷				
Indirect Local Tax Estimates ⁸				
(i) [insert type of tax: e.g., VAT or sales tax]				
(ii) [e.g., income tax on non-resident experts]				
(iii)[insert type of tax]				
<u>Total Estimate for Indirect Local Tax:</u>				

⁷ Should match the amount in Form FIN-1.

⁸ To be discussed and finalized at the negotiations if the Contract is awarded.

FORM FIN-3 BREAKDOWN OF REMUNERATION ⁹

When used for Lump Sum Contract assignment, information to be provided in this Form shall only be used to demonstrate the basis for the calculation of the Contract's ceiling amount; to calculate applicable taxes at contract negotiations; and, if needed, to establish payments to the Consultant for possible additional services requested by the Client. This Form shall not be used as a basis for payments under Lump Sum Contracts

No.	Name	Nationality	Currency	Person-Month Remuneration Rate (Home)	Time Input in Person/Month (from TECH-6) (Home)	Currency 1- as in FIN-2	Currency 2- as in FIN-2	Currency 3- as in FIN-2	Local Currency- as in FIN-2
	Position (as in TECH-6)	Firm		Person-month Remuneration Rate (Field)	Time Input in Person/Month (from TECH-6) (Field)				
KEY EXPERTS (International)¹⁰									
1.									
2.									
Sub-Total Costs									
KEY EXPERTS (National)									
1.									
2.									
Sub-Total Costs									
Total Costs: Key Experts (International and National)									
NON-KEY EXPERTS									
1.									
2.									
Total Costs: Non-Key Experts									
TOTAL COSTS: KEY AND NON-KEY EXPERTS									

⁹ In the case of selections that do not include cost as an evaluation factor (i.e., QBS, CQS, and SSS), the Client may use an expanded version of this Form to add columns to request social charges, overhead, other charges (such as premium for field assignments in difficult locations) and the multiplier.

¹⁰ As identified in the Summary and Personnel Evaluation Sheet.

**CONSULTANT’S REPRESENTATIONS REGARDING COSTS AND CHARGES
(EXPANDED FORM TO FIN-3 – QBS, CQS, AND SSS) – N/A**

(EXPRESSED IN [INSERT NAME OF CURRENCY*])

<i>Personnel</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
<i>Name</i>	<i>Position</i>	<i>Basic Remuneration Rate per Working Month/Day/Year</i>	<i>Social Charges¹</i>	<i>Overhead¹</i>	<i>Subtotal</i>	<i>Profit²</i>	<i>Away from Home Office Allowance</i>	<i>Proposed Fixed Rate per Working Month/Day/Hour</i>	<i>Proposed Fixed Rate per Working Month/Day/Hour¹</i>
<i>Home Office</i>									
<i>Client's Country</i>									

* If more than one currency is used, use additional table(s), one for each currency

1. Expressed as percentage of 1
2. Expressed as percentage of 4

Sample Form

Consultant:
Assignment:

Country:
Date:

Consultant's Representations Regarding Costs and Charges

We hereby confirm that:

- (a) *the basic fees indicated in the attached table are taken from the firm's payroll records and reflect the current rates of the Experts listed which have not been raised other than within the normal annual pay increase policy as applied to all the Consultant's Experts;*
- (b) *attached are true copies of the latest pay slips of the Experts listed;*
- (c) *the away- from- home office allowances indicated here are those that the Consultant has agreed to pay for this assignment to the Experts listed;*
- (d) *the factors listed in the attached table for social charges and overhead are based on the firm's average cost experiences for the last 3 years as represented by the firm's financial statements; and*
- (e) *said factors for overhead and social charges do not include any bonuses or other means of profit-sharing.*

[Name of Consultant]

Signature of Authorized Representative

Date

Name: _____

Title: _____

Appendix A: Financial Negotiations - Breakdown of Remuneration Rates

1. Review of Remuneration Rates

- 1.1. The remuneration rates are made up of salary or a base fee, social costs, overheads, profit, and any premium or allowance that may be paid for assignments away from headquarters or a home office. The attached sample form in FIN-3 (Sample Form) can be used to provide a breakdown of rates.
- 1.2. If the RFP requests submission of a technical proposal only, the Sample Form is used by the selected Consultant to prepare for the negotiations of the Contract. If the RFP requests submission of the financial proposal, the Sample Form shall be completed and attached to the Financial Form-3. Agreed (at the negotiations) breakdown sheets shall form part of the negotiated Contract and included in its Appendix D or C.
- 1.3. At the negotiations, the firm shall be prepared to disclose its audited financial statements for the last 3 years to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny. The Client is charged with the custody of government funds and is expected to exercise prudence in the expenditure of these funds.
- 1.4. Rate details are discussed below:
 - (i) **Salary.** This is the gross regular cash salary or fee paid to the individual in the firm's home office. It shall not contain any premium for work away from headquarters or bonus (except where these are included by law or government regulations).
 - (ii) **Bonuses.** These are normally paid out of profits. To avoid double counting, any bonuses shall not normally be included in the salary and should be shown separately. Where the Consultant's accounting system is such that the percentages of social costs and overheads are based on total revenue, including bonuses, those percentages shall be adjusted down accordingly. Where national policy requires that 13 months' pay be given for 12 months' work, the profit element need not be adjusted. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.
 - (iii) **Social charges.** These are the costs of non-monetary benefits and may include, among others, social security (including pension, medical, and life insurance costs) and the cost of a paid sick and/or annual leave. In this regard, a paid leave during public holidays or an annual leave taken during an assignment if no Expert's replacement has been provided is not considered social charges.
 - (iv) **Cost of leave.** The principles of calculating the cost of total days leave per annum as a percentage of basic salary is normally calculated as follows:

$$\text{Leave cost as percentage of salary} = \frac{\text{total days leave} \times 100}{[365 - w - \text{ph} - v - s]}$$

Where w = weekends, ph = public holidays, v = vacation, and s = sick leave.

Please note that leave can be considered as a social cost only if the Client is not charged for the leave taken.

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- (v) **Overheads.** These are the Consultant's business costs that are not directly related to the execution of the assignment and shall not be reimbursed as separate items under the Contract. Typical items are home office costs (non-billable time, time of senior Consultant's staff monitoring the project, rent of headquarters' office, support staff, research, staff training, marketing, etc.), the cost of Consultant's personnel not currently employed on revenue-earning projects, taxes on business activities, and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overheads, shall be available for discussion, together with detailed lists of items making up the overheads and the percentage by which each relates to basic salary. The Client does not accept an add-on margin for social charges, overhead expenses, etc. for Experts who are not permanent employees of the Consultant. In this case, the Consultant shall be entitled only to administrative costs and a fee on the monthly payments charged for sub-contracted Experts.
- (vi) **Profit.** This is normally based on the sum of the salary, social costs, and overheads. If any bonuses paid on a regular basis are listed, a corresponding reduction shall be made in the profit amount. Profit shall not be allowed on travel or any other reimbursable expenses.
- (vii) **Away from home office allowance or premium or subsistence allowances.** Some Consultants pay allowances to Experts working away from headquarters or outside of the home office. Such allowances are calculated as a percentage of the salary (or a fee) and shall not draw overheads or profit. Sometimes, by law, such allowances may draw social costs. In this case, the amount of this social cost shall still be shown under social costs, with the net allowance shown separately.

FORM FIN-4 BREAKDOWN OF OTHER EXPENSES, PROVISIONAL SUMS AND CONTINGENCY

When used for Lump Sum contract assignment, information to be provided in this Form shall only be used to demonstrate the basis for calculation of the Contract ceiling amount, to calculate applicable taxes at contract negotiations and, if needed, to establish payments to the Consultant for possible additional services requested by the Client. This form shall not be used as a basis for payments under Lump Sum contracts

Type of Expenses, Provisional Sums and Contingency	Quantity	Unit	Currency	Unit Price	{Currency # 1- as in FIN-2}	{Currency # 2- as in FIN-2}	{Currency# 3- as in FIN-2}	{Local Currency- as in FIN-2}
Reimbursable Expenses								
<i>[e.g., Per diem allowances]</i>	<i>[Day]</i>							
<i>[e.g., International flights]</i>	<i>[RT]</i>							
<i>[e.g., In/out airport transportation]</i>	<i>[Trip]</i>							
<i>[e.g., Communication costs]</i>								
<i>[e.g., reproduction of reports]</i>								
<i>[e.g., Office rent]</i>								
Sub-Total: Reimbursable Expenses								
Provisional Sums								
<i>Item 1</i>								
<i>Item 2</i>								
Sub-Total: Provisional Sums								
Contingency								
Total: Reimbursable Expenses + Provisional Sums + Contingency								

* Provisional Sums and Contingency must be expressed in the currency indicated in the Data Sheet.