

## Section 4. Financial Proposal - Standard Forms

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the Instructions to Consultants provided under para. 5.1 of Section 2. Forms FIN-1, FIN-2, FIN-3, FIN-5, and FIN-6 are to be used whatever is the selection method indicated in para. 4 of the Letter of Invitation. However, Form FIN-4 shall only be used when CQS, QBS or SSS method is adopted as detailed in para. 8.3(i) of Section 2 of the RFP.

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Costs

FIN-3 Remuneration

FIN-4 Breakdown of Remuneration

FIN-5 Breakdown of Reimbursable Expenses

FIN-6 Acknowledgment of Compliance with ADB's Guidelines

Appendix: Instructions for preparing Financial Proposal Forms FIN-1 to FIN-6

## I. 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 TA no.-country and title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures<sup>1</sup>].

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 Reference 1.12 of the Data Sheet.

Fees, gratuities, rebates, gifts, commissions or other payments or benefits paid or to be paid or provided or to be provided to agents<sup>2</sup> relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below.<sup>3</sup>

Name and Address of Agents	Amount and Currency	Purpose of Fee, Gratuity, Rebate, Gift, Commission or other Payment
_____	_____	_____
_____	_____	_____
_____	_____	_____

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: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

<sup>1</sup> Amounts must coincide with the ones indicated under Total in Form FIN-2.

<sup>2</sup> This includes person(s) employed by ADB.

<sup>3</sup> If applicable, replace this paragraph with: "No fees, gratuities, rebates, gifts, commissions or other payments or benefits have been given or received in connection with this Proposal."

# FIN-2 Summary by Costs

TA 1999-AFG: Rehabilitation of Irrigation Systems  
Asian Development Consulting

<b>Competitive Components:</b>	<b>US\$</b>	<b>JPY</b>	<b>Euro</b>
<i>Remuneration</i>			
National	22,500	n/a	0
International	376,500	42,750,000	1,695,000
<i>Out-of-Pocket Expense</i>			
	84,210	n/a	0
<hr/>			
<i>Sub-total</i>	<b>497,810</b>	<b>47,750,500</b>	<b>1,695,000</b>
<hr/>			
<b>Non-Competitive Components:</b> <sup>4</sup>			
<hr/>			
<i>Provisional Sums</i>	150,000	n/a	0
<i>Contingencies</i>	65,631	4,275,000	169,500
<hr/>			
<i>Sub-total</i>	<b>497,810</b>	<b>47,750,500</b>	<b>1,695,000</b>
<hr/>			
<b>Total<sup>5</sup></b>	<b>721,941</b>	<b>47,025,000</b>	<b>1,864,500</b>

FIN-2 1999-XYZ 29/09/06

<sup>4</sup> The amounts provided for these items in the contract will be discussed during the contract negotiations.

<sup>5</sup> Competitive and non-competitive components

## FIN-3 Remuneration

TA 1999-AFG: Rehabilitation of Irrigation Systems

*Asian Development Consulting*

### *International*

<b>Expert</b>	<b>Citizenship</b>	<b>Birth Date (dd/mm/yy)</b>	<b>Employment Status<sup>1</sup></b>	<b>Currency</b>	<b>Home Ofc Rate (per mo)</b>	<b>Months</b>	<b>Field Rate (per mo)</b>	<b>Months</b>	<b>Total</b>
Harold B <i>Civil Engineer</i>	USA	10/11/50	FT	USD	24,500	5	25,400	10	376,500
John D <i>Community Development Specialist</i>	AUS	14/07/52	OS	JPY	0	0	2,850,000	15	42,750,000
Mike A <i>Irrigation Specialist</i>	GER	12/09/46	FT	EUR	23,500	20	24,500	50	1,695,000

### *National*

<b>Expert</b>	<b>Citizenship</b>	<b>Birth Date</b>	<b>Employment Status</b>	<b>Currency</b>	<b>Home Ofc Rate (per mo)</b>	<b>Months</b>	<b>Field Rate (per mo)</b>	<b>Months</b>	<b>Total</b>
Khan, N <i>Irrigation Specialist</i>	AFG			USD		0	1,500	15	22,500

<sup>1</sup> Full-time (FT) – employee of the lead firm or Joint Venture Partner or Sub-Consultant; Other Source (OS) – an expert provided by another source that is not a joint venture partner or a Sub-Consultant firm; Independent Expert (IP) – independent, self-employed expert.



# FIN-5 Breakdown of Reimbursable Expense

TA 1999-AFG      Rehabilitation of Irrigation Systems

Asian Development Consulting

<b>Foreign</b>	<b>Unit</b>	<b>Currency</b>	<b>Unit Cost</b>	<b>Qty</b>	<b>Cost</b>
<i>Per Diem</i>	Day	USD	135	90	12,150
<i>International Air Travel</i>					
London/Kabul: Mike A	RT	USD	4,010	6	24,060
San Francisco/Kabul: Harold B	RT	USD	3,500	6	21,000
Tokyo/Kabul: John D	RT	USD	2,500	6	15,000
<i>Communications</i>	Month	USD	6,000	1	6,000
<i>Report Preparation, Production and</i>	lump sum	USD	6,000	1	6,000
<i>Provisional sums</i>					
Equipment	lump sum	USD	150,000	1	150,000
<b>Local</b>	<b>Unit</b>	<b>Currency</b>	<b>Unit Cost</b>	<b>Qty</b>	<b>Cost</b>
<i>National Air Travel</i>	RT	USD	100	5	500
<i>Office Operations, LC (Office Supplies, Support Staff)</i>	Month	USD	350	6	2,100
<i>Provisional sums</i>					
Seminars	lump sum	USD	3,500	1	3,500
Worshops	lump sum	USD	5,000	1	5,000
<i>Bi-lingual Secretary</i>	Month	USD	4,000	3	12,000

## FORM FIN-6<sup>6</sup>

### ACKNOWLEDGEMENT OF COMPLIANCE WITH ADB'S *GUIDELINES ON THE USE OF CONSULTANTS BY ASIAN DEVELOPMENT BANK AND ITS BORROWERS (GUIDELINES)*

**A.** I, \_\_\_\_\_ [*name and position of authorized signatory*] duly authorized by \_\_\_\_\_ [*name of Consulting firm/Joint Venture Partner*] (“Consultant”) hereby certify on behalf of the Consultant and myself that information provided in the Technical and Financial Proposals (collectively “Proposals”) submitted by the Consultant for [TA No.-Country: Title (“Project”)] is true, correct and accurate to the best of my knowledge and belief. I further certify that on behalf of the Consultant that (i) the Proposals have been prepared and submitted in compliance with the terms and conditions set forth in the ADB’s *Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (Guidelines)*, (ii) the Consultant has not taken any action which is or constitutes a corrupt, fraudulent, collusive or coercive practice and is not subject to any conflict of interest as defined in ADB’s anticorruption policy and as reflected in Sections 1.10-1.11 and 1.23-1.25 of the *Guidelines*; and (iii) the Consultant agrees to allow the ADB, at its option, to inspect and audit all accounts, related documents, and records relating to the Proposals and, if the Consultant is engaged, to the ensuing contract.

**B.** I certify that neither the Consultant nor any Sub-Consultant or Joint Venture Partner, or expert nominated by the Consultant in these Proposals has been sanctioned by the ADB.

**C.** I further certify on behalf of the Consultant that, if selected to undertake consulting services in connection with the Project, we shall carry out such services in continuing compliance with the terms and conditions of the *Guidelines*.

\_\_\_\_\_  
**AUTHORIZED SIGNATORY**

For and on behalf of the Consultant

Date: \_\_\_\_\_

<sup>6</sup> Failure to complete this form will result to disqualification of the Proposal.

## Appendix

### II. Instructions for Preparing Financial Proposal Forms FIN-1 to FIN-6

- 1 Forms FIN-1 to FIN-6 must be completed and submitted to ADB in CD and in hard copy, strictly in accordance with the Instructions to Consultants.
- 2 It is the Consultant's responsibility to ensure the correct Financial Proposal format is used for the selection method indicated in the Data Sheet.
- 3 **Form FIN-1** Financial Proposal Submission Form shall be filled in following the instructions provided in the Form.
- 4 **Form FIN-2** Summary of Costs. Form FIN-2 provides a summary of the elements of estimated costs for implementation of the proposed Consultant services.
- 5 **Form FIN-3** Remuneration
  - (i) The purpose of Form FIN-3 is to identify the monthly billing rates for each international and national expert to be fielded by the Consultant as part of its proposed team of experts.
  - (ii) The following details shall be shown for each expert:
    - a. Expert's name
    - b. International or national expert
    - c. Employment status
      - Regular full-time (FT) - employee of the Consultant or the Sub-Consultant. [Refer to provision 3.3(ii), footnote 3 of Section 2].
      - Other source (OS) - an expert being provided by another source which is not a Consultant or a Sub-Consultant.
      - Independent expert (IP) - independent, self-employed expert.
    - d. Nominated position; same as that shown on personnel schedule (Form TECH-7, Section 3)
    - e. Citizenship
    - f. Date of birth
    - g. Currency; currency or currencies in which payments are to be made to the experts.
    - h. Home office rate; remuneration rate when the expert is working in the Consultant's home country office.
    - i. Field rate; remuneration rate when the expert is working outside the expert's home country.
    - j. Months; number of months input to match that shown on the personnel schedule (Form TECH-7, Section 3).

## 6 Form FIN-4 Breakdown of Remuneration

**When FBS, LCS or QCBS is used, the expert information and remuneration rate only is to be provided whereas, when CQS, QBS or SSS is used, full details showing how the remuneration rate was determined must be provided. These include basic salary, social charges, overhead fee and other special loadings to the basic salary that may be applicable, and these shall be shown in complete detail on Form FIN-4.**

The following provides guidance as to the meaning of these terms.

- (i) **The Basic Monthly Salary** is the actual base salary payable on a regular basis by the Consultant, or its Sub-Consultant to its regular full-time employee based on the employee's contract of employment with the firm. This is before any supplemental payments or any deductions are made to or from the salary. During contract negotiations, the Consultant will be required to provide certified copies of salary slips or contracts of employment to support salaries the Consultant shows in the Financial Proposal.
- (ii) **Social Charges** represent costs to the Consultant of specific employee benefits such as paid vacation, contributions to pension funds, insurance and similar costs directly attributable to the employee. These costs should be distinguished from the generalized overhead costs of the firm.
- (iii) **The Overhead Cost** represents the Consultant's normal overhead expenditure at the home office that is attributable to its consulting activity. The Consultant and its joint venture partner or its Sub-Consultant should each show one overall average percentage figure to be applied for all of their own experts who are regular full-time employees. In the case of independent individual experts contracted from outside the Consultant's own regular full time employees, a suitably reduced overhead may be shown as a percentage of their contracted cost.
- (iv) **The Fee**, or profit to be earned by the Consultant is computed as a percentage of the summation of the basic monthly salary, the social charges and the overhead cost. A fee of 10-15 percent, depending on the magnitude of these component costs is considered usual.
- (v) **Other Allowances** provides for inclusion of any other payment the Consultant is obligated in accordance with the Consultant's employment policies, to add to the expert's home office basic monthly salary when the expert is working outside its home country. For such cases during contract negotiations the Consultant must provide a copy of the expert's employment conditions showing the Consultant's obligation to make this payment. When this allowance is accepted by ADB, it is computed at a percentage of the expert's basic salary and is not subject to social charges, overhead cost or fee additions. The maximum allowance ADB will accept is limited to 20 percent of the expert's basic salary.
- (vi) **The Multiplier** shows the ratio between the home office rate per month and the basic monthly salary. The ratio normally ranges from 2.0 to 3.0 for regular full-time employees of the Consultant or its joint venture partner or Sub-Consultant and from 1.1 to 1.3 for independent experts provided by the Consultant. These multipliers are subject to negotiation but should not exceed 3.0 for regular full-time employees [refer to provision 3.3(ii), footnote 3 of Section 2] and 1.3 for independent experts except when the basic salary is particularly low.

- (vii) **Support Documentation** in the form of salary slips or contract of employment to support basic salaries shown by the Consultant in the Financial Proposal and a copy of the Consultant's (or Sub-Consultant latest set of annual statement of income and expenditure certified by an independent auditor will be required for review by ADB during contract negotiations.

**7 Form FIN-5** Breakdown of Reimbursable Expenses (refer to the attached sample of Reimbursable Expenses Entry Screen, Attachment 2)

- (i) The purpose of Form FIN-5 is to identify all out-of-pocket expenditures in foreign and local currencies considered by the Consultant necessary to carry out the assignment.
- (ii) All required out-of-pocket expenditure is an international or a local expenditure (all per diems of international experts are considered to be foreign expenditures).
- Type - whether the expenditure is an international or local expenditure (all per diems of international experts are considered to be foreign expenditures).
  - Unit - type of unit (monthly, daily lump sum, etc.)
  - Currency - currency of expenditure
  - Per unit cost - unit rate for the item
  - Quantity - quantity of the item
- (iii) Per Diems
- For International experts, the weighted average per diems (i.e., one per diem rate for all locations) need to be computed (per diems are calculated on the basis of 30 days per calendar month). The per diem comprises room costs and subsistence allowance for meals and other similar expenses.
  - For National experts, when the experts are required to work away from the Consultant's project office, the weighted average per diems (i.e., per diem rate for all locations) of the National experts calculated on the basis of 30 days per calendar month need to be shown.

(iv) International Travel

International travel costs will show the return airfares needed by international experts to travel from their home office, or regular place of work, to the field. The number of round trips, the cost for each trip and destinations should be shown under "air travel". A separate item "miscellaneous travel expenses" should be shown to cover a lump sum allowance for processing necessary travel documents, inoculations, and transport to and from airports on a round trip basis.

(v) Provisional Sums and Contingencies

The amounts indicated as "provisional sums" (e.g. workshops, seminars, etc.), which are reimbursable, and the contingency amount must be the same as those specified in the Data Sheet.

**8 Form FIN-6.** Acknowledgement of Compliance with ADB's Guidelines

The Consultant's authorized representative must sign and date this acknowledgement in the blank space in Form FIN-6 on behalf of the Consultant and the Consultant's stamp or seal should be embossed or stamped over such signature.

### SAMPLE FORM A FOR CQS, QBS AND SSS

BREAKDOWN OF SOCIAL CHARGES  
(As claimed in Form 1 Column 2 and Shown  
as a Percentage of Total Salary Cost of  
Firm's Regular Professional Staff)

<u>Item Description</u>	<u>Reference</u> <sup>1</sup>	<u>Amount</u> <u>(Currency)</u>	<u>As % of Total</u> <u>Basic Salary</u> <sup>2</sup>	<u>Comments</u>
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	Total <sup>3</sup>	0.00%
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<sup>1</sup> You may refer to an income statement or an equivalent financial report (e.g. page 14).

<sup>2</sup> An independent auditor should also certify these figures as correct.

<sup>3</sup> This figure should correspond to the total percentage for social charges claimed in Form 1 Column 2 for the experts shown.

**ILLUSTRATIVE EXAMPLE OF COMPUTING  
SOCIAL CHARGES (FORM A)**

**BREAKDOWN OF SOCIAL CHARGES**  
(As claimed in Form 1 Column 2 and Shown  
as a Percentage of Total Salary Cost of  
Firm's Regular Professional Staff)<sup>1</sup>

<b>Item Description</b>	<b><u>Reference</u></b> <sup>2</sup>	<b><u>Amount</u></b> <b><u>(Currency)</u></b>	<b><u>As % of Total</u></b> <b><u>Basic Salary</u></b>	<b><u>Comments</u></b>
Statutory Holidays	n/a	n/a	3.84% <sup>4</sup>	
Vacation Leave	n/a	n/a	7.69% <sup>5</sup>	
Sick Leave	n/a	n/a	1.92% <sup>6</sup>	
13 <sup>th</sup> month pay	IS (1)	1,605	0.74%	
Incentive pay	IS (2)	1,350	0.62%	
Retirement/Super-Annuation Fund	IS (3)	5,958	2.76%	
Social Security Contribution	IS (4)	3,670	1.70%	
Health and Medical Expense	IS (5)	2,025	0.94%	
Meal Allowance	IS (6)	1,826	0.84%	
Education/Training Benefits	IS (7)	1,675	<u>0.77%</u>	
	IS (T) <sup>3</sup>	Total	<u>21.82%</u> <sup>7</sup>	

<sup>1</sup> Certified correct by an independent auditor.

<sup>2</sup> IS = income statement (see page 14).

<sup>3</sup> IS reference (T) = 216,131.

<sup>4</sup> Example: 2 weeks/52 weeks = 3.84%.

<sup>5</sup> Example: 4 weeks/52 weeks = 7.69%.

<sup>6</sup> Example: 1 week/52 weeks = 1.92%.

<sup>7</sup> Corresponds to the total percentage for social charges claimed in Form 1 Column 2 for the experts shown.

**SAMPLE FORM B**

**BREAKDOWN OF OVERHEAD COSTS**  
 (As claimed in Form 1 Column 3 and Shown  
 as a Percentage of Total Salary Cost of  
 Firm's Regular Professional Staff)

<u>Item Description</u>	<u>Reference</u> <sup>1</sup>	<u>Amount</u> <u>(Currency)</u>	<u>As % of Total</u> <u>Basic Salary</u> <sup>2</sup>	<u>Comments</u>
		Total <sup>3</sup>	0.00%	

<sup>1</sup> You may refer to an income statement or an equivalent financial report. (e.g. page 14).

<sup>2</sup> Copies of the firm's recent annual statements of income and expenditure should support these figures, where relevant items of cost including the total basic salaries used in the computation can be shown. An independent auditor should also certify these figures as correct.

<sup>3</sup> This figure should correspond to the total percentage for overhead cost claimed in Form 1 Column 3 for the experts shown.

**ILLUSTRATIVE EXAMPLE OF COMPUTING  
OVERHEAD COSTS (FORM B)**

**BREAKDOWN OF OVERHEAD COSTS**  
(As claimed in Form 1 Column 3 and Shown  
as a Percentage of Total Salary Cost of  
Firm's Regular Professional Staff)<sup>1</sup>

<u>Item Description</u>	<u>Reference</u> <sup>2</sup>	<u>Amount</u> <u>(Currency)</u>	<u>As % of Total</u> <u>Basic Salary</u>	<u>Comments</u>
Amortization Expense	IS (A)	13,587	6.29%	
Depreciation Expense	IS (B)	12,097	5.60%	
Rent	IS (C)	24,000	11.10%	
Insurance Expense	IS (D)	9,594	4.44%	
Professional Fees	IS (E)	18,000	8.33%	
Light, Power and Water	IS (F)	19,521	9.03%	
Telephone/Communications Facilities	IS (G)	9,117	4.22%	
Travel and Transportation	IS (H)	11,726	5.42%	
Data Processing Costs	IS (I)	12,735	5.89%	
Federal/State Taxes and Licenses	IS (J)	1,814	0.84%	
Representation	IS (K)	12,503	5.78%	
Office Supplies	IS (L)	12,496	5.78%	
Advertising and Promotion	IS (M)	10,255	4.74%	
Repairs and Maintenance	IS (N)	7,891	3.65%	
Personnel Training and Development	IS (O)	5,145	2.38%	
Research and Development	IS (P)	8,675	4.01%	
Subscription Dues	IS (Q)	1,275	0.59%	
Membership Dues	IS (R)	4,600	2.13%	
Salary - Non-Billable/Administrative Staff	IS (S)	43,483	20.12%	
	IS (T)	Total <sup>3</sup>	<u>110.34%</u> <sup>4</sup>	

<sup>1</sup> Certified correct by an independent auditor.

<sup>2</sup> IS – Income Statement (see page 14).

<sup>3</sup> Reference (T) = 216,131.

<sup>4</sup> Corresponds to the total percentage for overhead cost claimed in Form 1 column 3 for the experts shown.