



MINISTRY OF MINES AND ENERGY

Request for Proposal

Issued on: 19 May 2023

SECTION 4 ADDENDUM (09 JUNE 2023)

Financial Proposal - Standard Forms

for

Selection of Consultant for

PROVISION OF CONSULTANCY SERVICES FOR PRELIMINARY DESIGN, DETAILED DESIGN, DOCUMENTATION, CONTRACT ADMINISTRATION AND SITE SUPERVISION FOR THE INSTALLATION OF A ROOF-TOP SOLAR PV SYSTEM AT THE MINISTRY OF MINES AND ENERGY HEADQUARTERS.

Procurement Reference No: [CS/RP/15-02/2023]

Section 4. Financial Proposal - Standard Forms

[Comments in brackets [] provide guidance to the shortlisted Consultants for the preparation of their 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 under para. 3.6 of Section 2. Such Forms are to be used whichever is the selection method indicated in para. 4 of the Letter of Invitation.

[The Appendix “Financial Negotiations - Breakdown of Remuneration Rates” is to be only used for financial negotiations when Quality-Based Selection, Selection Based on Qualifications, or Single-Source Selection method is adopted, according to the indications provided under para. 6.3 of Section 2.]

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Form FIN-1: Financial Proposal Submission Form

[Location, Date]

To: [Name and address of Client]

Dear Sir/Madam:

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 sum of [Insert amount(s) in words and figures¹]. This amount is exclusive of the local taxes (*applicable only to consultants other than Namibian nationals*), which shall be identified during negotiations and shall be added to the above amount.

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 Paragraph Reference 1.12 of the Data Sheet.

Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below²:

Name and Address of Agents	Amount in Namibian Dollars	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

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: _____

¹ Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.

² If applicable, replace this paragraph with: "No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution."

Form FIN-2: Summary of Costs

Item	Costs [In Namibian Dollars]
Total Costs of Financial Proposal ¹	

- 1 Indicate the total costs, net of local taxes, to be paid by the Client in each currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

Form FIN-3: Breakdown of Costs by Activity¹

Group of Activities (Phase): ² _____ _____	Description: ³ _____ _____
Cost component	Costs
	In Namibian Dollars (N\$) ⁴
Remuneration ⁵	
Reimbursable Expenses ⁵	
Subtotals	

- 1 Form FIN-3 shall be filled at least for the whole assignment. In case some of the activities require different modes of billing and payment (e.g.: the assignment is phased, and each phase has a different payment schedule), the Consultant shall fill a separate Form FIN-3 for each group of activities. The sum of the relevant Subtotals of all Forms FIN-3 provided must coincide with the Total Costs of Financial Proposal indicated in Form FIN-2.
- 2 Names of activities (phase) should be the same as, or correspond to the ones indicated in the second column of Form TECH-8.
- 3 Short description of the activities whose cost breakdown is provided in this Form.
- 4 Use the same columns and currency of Form FIN-2.
- 5 Remuneration and Reimbursable Expenses must respectively coincide with relevant Total Costs indicated in Forms FIN-4, and FIN-5.

Form FIN-4: Breakdown of Remuneration¹ (Time-Based)

(This Form FIN-4 shall be used when the Time-Based Form of Contract has been included in the RFP)

Name ²	Position ³	Staff-month Rate ⁴	Input ⁵ (Staff-months)	[Namibian Dollars] ⁶
Foreign Staff				
		[Home]		
		[Field]		
Local Staff				
		[Home]		
		[Field]		
Total Costs				

1 Form FIN-4 shall be filled for each of the Forms FIN-3 provided.

2 Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, clerical staff).

3 Positions of Professional Staff shall coincide with the ones indicated in Form TECH-5.

4 Indicate separately staff-month rate and currency for home and field work.

5 Indicate, separately for home and field work, the total expected input of staff for carrying out the group of activities or phase indicated in the Form.

6 Use the same columns and currency of Form FIN-2. For each staff indicate the remuneration in the column of the currency, separately for home and field work.
Remuneration = Staff-month Rate x Input.

Form FIN-5: Breakdown of Reimbursable Expenses¹ (Time-Based)

(This Form FIN-5 shall only be used when the Time-Based Form of Contract has been included in the RFP)

N°	Description ²	Unit	Unit Cost ³	Quantity	[Namibian Dollars] ⁴
	Per diem allowances	Day			
	International flights ⁵	Trip			
	Miscellaneous travel expenses	Trip			
	Communication costs between [Insert place] and [Insert place]				
	Drafting, reproduction of reports				
	Equipment, instruments, materials, supplies, etc.				
	Shipment of personal effects	Trip			
	Use of computers, software				
	Laboratory tests.				
	Subcontracts				
	Local transportation costs				
	Office rent, clerical assistance				
	Training of the Client's personnel ⁶				
Total Costs					

1 Form FIN-5 should be filled for each of the Forms FIN-3 provided, if needed.

2 Delete items that are not applicable or add other items according to Paragraph Reference 3.6 of the Data Sheet.

3 Indicate unit cost and currency.

4 Use the same columns and currency of Form FIN-2. Indicate the cost of each reimbursable item in the column of the currency. Cost = Unit Cost x Quantity.

5 Indicate route of each flight, and if the trip is one- or two-ways.

6 Only if the training is a major component of the assignment, defined as such in the TOR.

Appendix: Financial Negotiations - Breakdown of Remuneration Rates

(Not to be used when cost is a factor in the evaluation of Proposals)

1. Review of Remuneration Rates

- 1.1 The remuneration rates for staff are made up of salary, social costs, overheads, fee that is profit, and any premium or allowance paid for assignments away from headquarters. To assist the firm in preparing financial negotiations, a Sample Form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.
- 1.2 The Client is charged with the custody of government funds and is expected to exercise prudence in the expenditure of these funds. The Client is, therefore, concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, it expects to be able to review audited financial statements backing up the firm's remuneration rates, certified by an independent auditor. The firm shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny. Rate details are discussed below.
- (i) **Salary**
This is the gross regular cash salary 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) **Bonus**
Bonuses are normally paid out of profits. Because the Client does not wish to make double payments for the same item, staff bonuses shall not normally be included in the rates. 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 downward accordingly. Where national policy requires that 13 months' pay be given for 12 months' work, the profit element need not be adjusted downward. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.
 - (iii) **Social Costs**
Social costs are the costs to the firm of staff's non-monetary benefits. These items include, *inter alia*, social security including pension, medical and life insurance costs, and the cost of a staff member being sick or on vacation. In this regard, the cost of leave for public holidays is not an acceptable social cost nor is the cost of leave taken during an assignment if no additional staff replacement has been

provided. Additional leave taken at the end of an assignment in accordance with the firm's leave policy is acceptable as a social cost.

(iv) Cost of Leave

The principles of calculating the cost of total days leave per annum as a percentage of basic salary shall normally be as follows:

$$\text{Leave cost as percentage of salary}^1 = \frac{\text{total days leave} \times 100}{[365 - w - ph - v - s]}$$

Or

$$\text{Leave Cost} = [(\text{salary} + \text{bonus} + \text{housing subsidy} + \text{transport})/260 \times \text{leave credit days}]$$

It is important to note that leave can be considered a social cost only if the Client is not charged for the leave taken.

(v) Overheads

Overhead expenses are the firm'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 (partner's time, no billable time, time of senior staff monitoring the project, rent, support staff, research, staff training, marketing, etc.), the cost of staff 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 staff who are not permanent employees of the firm. In such case, the firm shall be entitled only to administrative costs and fee on the monthly payments charged for subcontracted staff.

(vi) Fee or Profit

The fee or profit shall be based on the sum of the salary, social costs, and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of procurement of equipment is required. The firm shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of the contract.

¹ Where *w* = weekends, *ph* = public holidays, *v* = vacation, and *s* = sick leave.

(vii) **Away from Headquarters Allowance or Premium**

Some Consultants pay allowances to staff working away from headquarters. Such allowances are calculated as a percentage of salary 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. For concerned staff, this allowance, where paid, shall cover home education, etc.; these and similar items shall not be considered as reimbursable costs.

(viii) **Subsistence Allowances**

Subsistence allowances are not included in the rates, but are paid separately and in local currency. No additional subsistence is payable for dependents—the subsistence rate shall be the same for married and single team members.

Government DSA standard rates may be used as reference to determine subsistence allowances.

2. Reimbursable expenses

- 2.1 The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursable expenses. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rental, mobilization and demobilization, insurance, and printing. These costs may be either unit rates or reimbursable on the presentation of invoices, in foreign or local currency.

3. Bank Guarantee

- 3.1 Payments to the firm, including payment of any advance based on cash flow projections covered by a bank guarantee, shall be made according to an agreed estimated schedule ensuring the firm regular payments in local currency, as long as the services proceed as planned.

Sample Form

Consulting Firm:
Assignment:

Country:
Date:

Consultant's Representations Regarding Costs and Charges

We hereby confirm that:

- (a) the basic salaries indicated in the attached table are taken from the firm's payroll records and reflect the current salaries of the staff members listed which have not been raised other than within the normal annual salary increase policy as applied to all the firm's staff;
- (b) attached are true copies of the latest salary slips of the staff members listed;
- (c) the away from headquarters allowances indicated below are those that the Consultants have agreed to pay for this assignment to the staff members 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 latest three 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 Consulting Firm]

Signature of Authorized Representative

Date

Name: _____

Title: _____

Consultant's Representations Regarding Costs and Charges

(Expressed in Namibian Dollars)

Personnel		1	2	3	4	5	6	7	8
Name	Position	Basic Salary per Working Month/Day/Year	Social Charges ¹	Overhead ¹	Subtotal	Fee ²	Away from Headquarters Allowance	Proposed Fixed Rate per Working Month/Day/Hour	Proposed Fixed Rate per Working Month/Day/Hour ¹
Home Office									
Field									

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