

VOLUME 4.2

FINANCIAL OFFER TEMPLATES

LUMP SUM CONTRACTS

Content

4.2.1 — Introduction

4.2.2 — Summary

4.2.3 — Breakdown of the lump-sum price

4.2.4 — Daily work schedule

4.2.5 — Detailed breakdown of prices

VOLUME 4.2.1 — INTRODUCTION

1. General

- 1.1 The breakdown of the lump-sum price (Volume 4.2.3) is the itemised list of prices showing the build-up of the price in a lump-sum contract. This breakdown of the lump-sum price does not derogate in any way to the clause stating that, in a lump-sum contract, the total contract price remains fixed irrespective of the quantity of work actually carried out.

The amounts due will be calculated:

The amounts due will be calculated:

by the tranches specified in Articles 49(1) and 50.7 of the special conditions.

- 1.2 The detailed breakdown of prices (Volume 4.2.5) is the list which contains the basic costs, net costs and mark-ups, from which each price on the breakdown of the lump-sum price and on the daywork schedule results. The detailed breakdown of prices does not derogate in any way to the clause according to which, in a lump-sum contract, the total contract price remains fixed irrespective of the quantities of work actually carried out.

The detailed breakdown of prices provides the coefficients for applying the price revision formula referred to in Article 48.2 of the special conditions and can provide the basis for valuation of additional work ordered referred to in Article 37.5 of the general conditions.

- 1.3 Provisional sums for use when works are to be executed on a daywork basis (Volume 4.2.4) can only be executed by administrative order of the supervisor, in accordance with the terms of the contract.

2. Specific to Volumes 4.2.2, 4.2.3 and 4.2.4

- 2.1 The item description given in the breakdown of the lump-sum price in no way limits the contractor's obligations under the contract to provide all the works described elsewhere.
- 2.2 The prices of the breakdown of the lump-sum price include all incidental and contingent expenses and all risks necessary to construct, complete and maintain all works in accordance with the contract. Unless separate items are provided in the breakdown of the lump-sum price, prices include all costs involved in the various items of the breakdown.
- 2.3 The lump-sum price and the prices of the breakdown of the lump-sum price and of the daywork schedule are all-inclusive and include any non-exonerated tax or fiscal duty.
- 2.4 The unit prices in Volumes 4.2.3 and 4.2.4 are obtained by multiplying the net cost of Volume 4.2.5 - Table D, on the one hand, with the coefficient K, on the other hand.

The coefficient K represents the proportions between the Site costs (Fc) of Volume 4.2.5 - Table E and the Total net costs (Ps) and between the General costs (Fg) of Volume 4.2.5 - Table F and the Contract price (Pv): $K = (1+A)/(1-B)$ whereby

$$A = Fc/Ps$$

$$B = Fg/Pv$$

VOLUME 4.2.2 — SUMMARY

Description	Amount [EUR] [local currency]
Total of lump-sum price	
Total of dayworks — provisional sum	
TOTAL PRICE	

VOLUME 4.2.3 — BREAKDOWN OF THE LUMP-SUM PRICE

Item	Description	Unit	Unit price	Firm quantities	Lump-sum price [EUR [
			- - - -	- - - -	
				- - - -	
	Total lump-sum price				

VOLUME 4.2.4 — DAYWORK SCHEDULE

Item	Description	Unit	Unit price	Estimated quantities	Provisional sum EUR
	Labour Materials Equipment				
	Total dayworks provisional sum				

VOLUME 4.2.5 — DETAILED BREAKDOWN OF PRICES

**A) Breakdown of the basic prices for labour
(converted into local currency or €/hour)**

NO	Qualification	Monthly pay (1)	Hourly pay (2)	Overtime (3)	Soc. security contributions (4)	Travel time (5)	Hourly total (6)
A1	Labourer, Cat 1						
A2	Skilled worker, Cat. 3						
A3	Skilled worker, Cat. 5						
A4	Foreman, Cat. 7						
A5	Site manager						
A6	HGV driver						
A7	Heavy plant driver						
A8	Clerk of works						
A9	Mechanic, Cat. 7						
A9	Land surveyor						
A10	Planning draughtsman						
A11	...						

The above list is given by way of example and is not exhaustive.

- (1) Salary if the employee is paid monthly.
- (2) Hourly pay if the employee is paid hourly, otherwise monthly salary divided by the legal working hours (... hours/month).
- (3) Average cost of overtime, i.e. hourly pay times the overtime coefficient.
Average coefficient to be applied to the salary to take account of overtime..... (= total gross salary/gross salary without overtime).
- (4) Percentage of the social security contributions (including social welfare, leave, etc.) times the gross salary (this percentage may vary according to the category of employee).
- (5) Average monthly or daily travel time divided by the number of daily or monthly legal working hours.
- (6) = (2) + (3) + (4) + (5).

Done at
The tenderer (signature)

B) Breakdown of basic supply prices for materials and consumables
(in local currency or €/unit)

NO	Description	Unit	Origin (1)	Unit price origin (2)	Transport to site (3)	Tax, duties and other charges (4)	Losses		Total (6)
							%	Value (5)	
C1	Gasoil	L							
C2	Aggregates for concrete	m ³							
C3	Sand for concrete 2/4	m ³							
C4	Cement	T							
C5	Steel for reinforced concrete	Kg							
C6	Annealed wire	Kg							
C7	Timber formwork	m ²							
C8	Plywood	m ²							
C9	Plasticisers	Kg							
C10	Concrete coating	Kg							
C11	Asphalt concrete	T							
C13	Inspection ladders	U							
C14	Fencing	ml							
C15	Traffic signs	U							
C16	...								

This list is not exhaustive.

- (1) Geographical location of the supplier or quarry.
- (2) Supply or cost price at the quarry or on delivery in the country.
- (3) Cost price of transport from the quarry or delivery in the country to the site.
- (4) To be borne by the firm.
- (5) Any losses or breakages to be determined by the tenderer.
- (6) Basic prices for supply of materials: (6) = (2) + (3) + (4) + (5).

Done at

The tenderer (signature)

C) Breakdown of basic hourly prices for equipment
(in local currency or €/hour)

No	Description	Purchase date of equipment	Replacement value (RV) (1)	Duties Taxes (2)	RV + taxes (3)	nb days useful life (4)	Depreciation /day (5)	Fuel cost/day (6)	Lubricant cost/day (7)	Spare parts (SP) cost /day (8)	Lubricant & SP taxes/day (9)	Labour cost/day (10)	Total /day (11)	Average daily working time (12)	Total /hour (13)
B1	D8N bulldozer														
B2	14G grader														
B3	CAT-type crawler excavator														
B4	CAT wheeled excavator														
B5	Trencher type ...														
B5	Pump														
B6	Concrete vibrating poker														
B7	...														

- (1) Estimated purchase price (excl. tax) of a piece of equipment of same kind, but new, purchased in the country's capital at the end of machine life span.
- (2) Duties and taxes charged to the contractor at the purchase date.
- (3) = (1)+(2)
- (4) Number of depreciation years by number of days worked per year.
- (5) Daily depreciation = (3)/(4).
- (6) Average daily fuel consumption; the cost of the fuel is given with tax.
- (7) Daily cost of lubricants (excl. tax).
- (8) Daily cost of spare parts (excl. tax).
- (9) Duties and taxes charged to the contractor on lubricants and spare parts
- (10) Manpower price (man/day).
- (11) Daily basic prices of piece of equipment = (5)+(6)+(7)+(8)+(9)+(10).
- (12) Hours of operations (average)
- (13) Hourly operational price of piece of equipment = (11)/(12)

Done at

The tenderer (signature)

D) Breakdown of unit prices in the price schedule
(in local currency or €)

No of the unit price:

Output per day: m³/day

Designation of the unit price:

Quantities estimated:

COMPONENTS OF THE PRICE EQUIPMENT, SUPPLIES AND SUBCONTRACTED WORKS DESIGNATION	Quantity or time using h/day (Q)	U	EQUIPMENT				LABOUR		TOTALS €/day
			DEPRECIATION €/h (1)	MAINTENANCE €/h (2)	FUEL-LUBRICANTS €/h (3)	TOTAL €/day Qx(1+2+3)	Unit price	TOTAL €/day	
EQUIPMENT		h							
		h							
MATERIALS									
		h							
LABOUR		h							
		h							
				TOTAL €/day					
				Net cost €/m ³					

E) Detailed breakdown of site costs (Fc)
(in local currency or €)

Means deployed	Number (1)	Basic price (2)	Total net cost (3)=(1)+(2)
Labour			
A1 Site supervisor A2 Engineer A3 Clerk of works A4 Secretary A5 Drivers A6 Orderlies A7			
Subtotal labour			
Equipment			
B1 4x4 vehicle B2 Saloon car B3 Van-type people carrier B4...			
Subtotal equipment			
Materials			
C1 Gasoil C2...			
Subtotal materials			
Other			
D1 Rentals D2 Telephone D3...			
Subtotal other			
GENERAL TOTAL			

F) Detailed breakdown of the general costs (Fg)
(general overheads and profits)

No		% of the bid
1	Financial charges	
2	Insurance premiums	
3	Guarantee costs	
4	Price revision	
5	Direct taxes	
6	Other expenses	
7	Penalties	
8	Contingencies	
9	Office and agency expenses	
10	Net profits	
11	Corporation taxes	
GENERAL TOTAL		

1. Financial charges are expenses incurred outside the production process (project start-up, overdrafts, etc.).
2. Insurance is the insurance described in Article 14 of the general conditions for works contracts.
3. Guarantee costs are the bank charges for issuing the guarantee (advance, performance, retention guarantee, etc.).
4. Firms may or may not make provision under this heading, depending on their judgment concerning the quality of the price revision formula.
5. This involves VAT in the country of works, customs duties on the imported materials, etc.
7. If firms think there may be a delay in the works, they can take out cover against it.
8. Contingencies here are related to uncertainties concerning tender documents, lack of knowledge of the country, etc.
9. General and administrative expenses are made up of firms' fixed overheads such as accounts and quality control, management, various departments and office buildings and are common to all the firm's works contracts. Agency expenses are expenses common to all the works in the agency's area of responsibility.
11. These are taxes paid in the country of the works or in the country where the firm has its place of business (for international companies).