VOLUME 4.2

FINANCIAL OFFER TEMPLATES

**LUMP SUM CONTRACTS**

**Content**

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**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:

by the tranches specified in Article 49(1)(a) 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 day-work 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 day-works — 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] [local currency]** |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  | - | - |  |
|  |  |  | - | - |  |
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|  |  |  |  |  |  |
|  | **Total lump-sum price** |  |  |  |  |
|  |  |  |  |  |  |

**VOLUME 4.2.4 — DAYWORK SCHEDULE**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item** | **Description** | **Unit** |  **Unit price** | **Estimated quantities** | **Provisional sum****[EUR] [local currency]** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | Labour |  |  |  |  |
|  |  |  |  |  |  |
|  | Materials |  |  |  |  |
|  |  |  |  |  |  |
|  | Equipment |   |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | **Total day-works 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).

1. 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).
2. 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 | m3 |  |  |  |  |  |  |  |
| C3 | Sand for concrete 2/4 | m3 |  |  |  |  |  |  |  |
| C4 | Cement | T |  |  |  |  |  |  |  |
| C5 | Steel for reinforced concrete | Kg |  |  |  |  |  |  |  |
| C6 | Annealed wire  | Kg |  |  |  |  |  |  |  |
| C7 | Timber formwork  | m2 |  |  |  |  |  |  |  |
| C8 | Plywood | m2 |  |  |  |  |  |  |  |
| 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).

1. Duties and taxes charged to the contractor on lubricants and spare parts
2. Manpower price (man/day).
3. Daily basic prices of piece of equipment = (5)+(6)+(7)+(8)+(9)+(10).
4. Hours of operations (average)
5. 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 WORKSDESIGNATION | 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 €/m³ |  |  |  |  |

**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 supervisorA2 EngineerA3 Clerk of worksA4 SecretaryA5 DriversA6 OrderliesA7 |  |  |  |
|  |
| Subtotal labour |  |
| **Equipment** |  |  |  |
| B1 4x4 vehicleB2 Saloon carB3 Van-type people carrierB4… |  |  |  |
| Subtotal equipment |  |
| **Materials** |  |  |  |
| C1 GasoilC2… |  |  |  |
| Subtotal materials |  |
| **Other**  |  |  |  |
| D1 RentalsD2 TelephoneD3…  |  |  |  |
| 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).