

ARTES Competitiveness & Growth Full Proposal

Requirements for the Content of the Financial Proposal

Part 6

Statement of Applicability and Proposal Submission Requirements

Applicable Domain(s)			
Space	Ground	System	Application
yes ¹	yes	yes	yes

Applicable Development Phase(s)			
Definition	Technology	Product	Demonstration
yes	yes	yes	yes ¹

¹ Additional requirements specific to the Space Segment Demonstration Phase are stated in section 14.

Proposal Submission Requirements
A separate and self-contained Part 6 (Financial Proposal) shall be included for each Development Phase for which support is being requested under the ARTES C&G Call for Proposals.

Notes on the Content of this Document

- ¿ This style is used for explanatory notes and guidance to help you to develop the Full Proposal content.*
- 1 This numbered style in bold font identifies the main sections to be completed in this Part of the Proposal.**
- 1.2 This numbered style identifies requirements for the Full Proposal content for each of the main sections of this Part of the Proposal.

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Requirements for the Content of the Financial Proposal	
1	Cost and Price Summary
1.1	The Tenderer shall identify the specific Development Phase to which the Financial Proposal applies.
1.2	The Tenderer shall provide a breakdown of the proposed cost and price for each member of the Bidding Team (i.e. for the Tenderer and all Subcontractors). <i>ⓘ The price of the contract is defined as the funding requested from ESA.</i>
1.3	The Financial Proposal shall be compliant with the maximum funding levels specified in Table 1 on page 8 of this document.
1.4	The Tenderer shall confirm that the proposed cost does not include any costs associated with marketing or commercialisation activities.
2	PSS Forms
<i>ⓘ</i>	<i>PSS (cost breakdown) forms are included in the General Conditions of Tender as Annex 5(3). The latest version are available on EMITS (http://emits.sso.esa.int/) under “Reference Documentation” ... “Administrative Documents”.</i>
<i>ⓘ</i>	<i>A spreadsheet tool for completing the PSS forms is available on the ARTES web site (https://artes.esa.int/documents) under the heading “Templates for Competitiveness & Growth (C&G) Projects”.</i>
<i>ⓘ</i>	<i>The management effort should be less than 10% of the overall effort and commensurate with the complexity of the activity.</i>
2.1	For the Full Proposal the following PSS forms shall be completed for the Tenderer and for each of the proposed Subcontractors, showing, per entity, the total cost of the proposed work, i.e. including the entity’s share: <ul style="list-style-type: none"> - PSS-A1; - PSS-A2 (including Exhibits A and B, where applicable); - PSS-A8; - PSS-A15.1.
2.2	The completed PSS forms shall be signed and shall be included in the hardcopy of the Proposal and in Excel® file format in the electronic version of the Proposal.
3	Travel and Subsistence Plan
3.1	The Tenderer shall submit a travel and subsistence plan for the activity, including the related cost details, in Exhibit B to form PSS-A2 for each member of the project consortium. <i>ⓘ The travel and subsistence plan should take account of the fact that the Negotiation Meeting should be attended by the Tenderer and, as far as possible, by all Subcontractors. The Negotiation Meeting and the Final Presentation will normally be held at ESA premises (ESTEC or ECSAT).</i>
4	Third Party Licence Costs
4.1	The Tenderer shall indicate whether licences of intellectual property rights owned by any third party are to be purchased for the execution of the activity.
4.2	The fees of licences of intellectual property rights shall be included in the total price of the Tenderer’s Financial Proposal and itemised in Exhibit A to the PSS-A2 form.

Requirements for the Content of the Financial Proposal	
4.3	The Tenderer shall indicate whether any licenses of intellectual property rights acquired within the activity are expected to be required for the use of the deliverables and, in this case, whether licenses purchased during the activity can be transferred to the Agency at the end of the activity, or licenses must be purchased by the Agency.
4.4	The Proposal shall contain an optional binding price for such licenses. The price of licenses shall be supported by a copy of the supplier's proposal in this respect.
5	Source of the Entity Contribution
<i>i</i>	<i>The Tenderer is not allowed to include its contribution in overheads included in rates charged to the Agency for the contract, or any other contract with the Agency, or sub-contract awarded under an Agency's contract.</i>
5.1	The source of the entity contribution to the overall development costs shall be explicitly stated in the Tenderer's Proposal. In this context, the "entity contribution" shall be deemed to include third party sources, if any.
5.2	The Tenderer shall explicitly state that the source of the entity contribution excludes third party public funds.
5.3	The Tenderer shall explicitly state that the entity contribution excludes overheads included in rates charged to the Agency for the contract, or any other contract with the Agency, or sub-contract awarded under an Agency's contract.
6	Statement of Profit
6.1	The Tenderer shall explicitly state that the offer is exclusive of profit.
7	Currency and Conversion Rates
7.1	Financial Proposal(s) shall be presented in Euro.
7.2	For any Tenderer or proposed Subcontractor(s) located in countries not participating in the Euro, the exchange rate shall be stated in the PSS forms and shall be clearly explained in Exhibit A to form PSS-A2. Any other factors (e.g. hedging costs, forward buying rates, etc.) used for the purpose of its calculation shall be indicated.
7.3	The Tenderer shall summarise, in this section, the conversion rates applied (if any) and explicitly state that the required details have been provided in form PSS-A2 and its Exhibit A for the country(ies)/entity(ies) concerned.
7.4	Should the country(ies) to which Tenderer(s) belong adopt the Euro following the submission of the Proposals, the applicable conversion rates shall be those then adopted by the appropriate European Authorities.
7.5	The Tenderer shall state its acceptance of the definition of the applicable conversion rates should the countries to which Tenderers belong adopt the Euro following the submission of the Proposals.

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8	Type of Price
8.1	The Proposal shall be made on the basis of Firm Fixed Price. <i>ï Pursuant to Section 3.1 of Annex II of the GCC, the Agency may require a Ceiling Price at its discretion in case the definition status of the product and/or service to be developed is considered not sufficiently mature and/or a high potential of re-orientation is apparent.</i>
9	Quotations Free of Taxes and Customs Duties
9.1	Prices shall be quoted free of taxes and customs duties.
9.2	In cases where the Tenderer considers that it will remain subject to the payment of taxes or customs duties, it shall indicate separately the applicable rates, the corresponding estimated total tax or customs duty amount, and the reason why it believes exemption from tax or customs duties cannot be obtained. <i>ï Attention is drawn to Clause 29 of the GCC. If a Contractor is entitled to a VAT exemption from ESA (or similar procedure), it is only the Contractor that will have the benefit of the VAT exemption, and not the Subcontractors. All Subcontractor invoices should be addressed to the Contractor and must include VAT or any other taxes or duties required by the relevant national rules for the entities involved. Any VAT costs which are payable under such subcontracts shall not be included in the price quoted to ESA.</i>
10	Milestone Payment Plan
<i>ï</i>	<i>The proposed payment plan should be consistent with the information supplied in the PSS A15.1 form and the proposed milestone payments should reflect the “economic reality” of the project (i.e. the monetary value of the technical achievement).</i>
10.1	The proposed payment plan shall take into account Article 3 of the Draft Contract and the following provisions: - All claims for payment shall be linked to the achievement of defined schedule milestones. - These milestones are to be in the form of significant events in the programme, to be selected on the basis of providing a check point for progress of the work performed. <i>ï Examples of such milestones are the satisfactory completion of design reviews (e.g. a critical design review), satisfactory completion of tests, hardware deliveries and closure of the contract.</i>
10.2	The payment plan shall consist of progress and final payment milestones only, adding up to the total contract price.
10.3	The final payment shall not be less than 20% of the total contract price. <i>ï For Space Segment Demonstration Phase (Atlas) cases see 14.1</i>
<i>ï</i>	<i>If the Tenderer is an SME then it may request up to 35% advanced payment. For non-SMEs, advance payment(s) may be proposed if the Tenderer can demonstrate a significant need for cash disbursement at the beginning of the execution of the contract. Advance payment(s) will not be granted automatically.</i>
10.4	The amount of any proposed advance payment and the corresponding amount(s) to be offset against the relevant milestone payment(s) shall be clearly stated in Euro, along with a justification for the need for cash disbursement at the beginning of the execution of the contract.

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10.5	Proposed advance payments shall, under no circumstances, exceed 15% (35% for SMEs) of the total price of the associated Development Phase. <i>ⓘ The Agency may grant, at its discretion, advance payment within these limits on the basis of the spending profile (PSS A15.1 form) and the proposed milestone payment plan.</i>
11	Prior Work <i>ⓘ “Prior Work” is defined as work carried out and related expenditure incurred prior to Full Proposal submission.</i>
11.1	The proposed Prior Work shall comply with all of the nine (9) conditions stated in Table 2 on page 9.
11.2	If Prior Work is proposed, the Tenderer shall state compliance to all of the conditions for Prior Work and shall provide references to the relevant sections of its Full Proposal to substantiate this statement.
12	In Kind Contribution (IKC)
12.1	The Tenderer shall explicitly state whether or not an in kind contribution is proposed.
12.2	Any proposal for IKC shall be compliant with its definition as hardware, including any software, assembly, integration and test needed to make the product a functional unit, that is made available for use in the activity.
12.3	If an IKC is proposed, the Tenderer shall clearly state the type of IKC proposed, the IKC value at the start of its usage and the residual value at the end of the usage of the IKC.
12.4	The residual value at the end of the usage of the IKC shall be at least 20% of the value at the start of the usage.
12.5	If an IKC is proposed, the IKC cost quoted for the proposed activity shall be no greater than the difference between the value of the IKC at the start of the usage of the IKC and the residual value at the end of the usage of the IKC.
12.6	For it to be acceptable as a cost element for depreciation, any proposal for an IKC shall be compliant with all of the following requirements: <ul style="list-style-type: none"> - The expenditure has actually been incurred and separately recorded as being company funded product development. - The IKC has not been paid by any public funds. - Confirmation that the item or depreciation related to the item (in case the item has been capitalised) has not been recovered through the rates (including overhead rates) or other cost elements. - Confirmation of the direct benefits to the proposed activity. Payments related to an IKC shall only take place upon use of the IKC and shall otherwise be forfeited. - The IKC cost quoted for the proposed activity is at least 2/3 directly attributable to hardware elements. The remainder, at the maximum 1/3, may be for the software, assembly, integration and test to make the hardware a functional unit. - The maximum depreciation for IKC shall not exceed 20% of the overall cost of the activity.

Requirements for the Content of the Financial Proposal	
13	<p>Use of ESA Technical Assets</p> <p><i>Other requirements applicable to the use of ESA Technical Assets can be found in:</i></p> <ul style="list-style-type: none"> - <i>Requirements for the Content of the Project Team and Resources Proposal, Part 4B Project Resources, section 4 (Use of ESA Technical Assets).</i> - <i>Requirements for the Content of the Contractual Proposal, Part 7, section 4 (Use of ESA Technical Assets).</i>
13.1	<p>Since the provision of the ESA Technical Assets cannot be guaranteed by the Agency, if the use of ESA Technical Assets is proposed, the Tenderer shall include an option for the commercial procurement of equivalent technical assets and the associated cost.</p>
14	<p>Specific Requirements for the Space Segment Demonstration Phase</p> <p><i>The requirements stated in this section only apply if this part of the Full Proposal includes a Space Segment Demonstration Phase (otherwise known as Atlas).</i></p>
14.1	<p>In the Milestone Payment Plan, the Acceptance Review payment milestone shall not be less than 30% of the total contract price. Furthermore, the milestone payment plan shall include not less than 10% payment upon completion of Commissioning Results Review and not less than 10% as the final payment. Requirement 10.3 above shall not apply.</p>
14.2	<p>For a Passenger case, the Tenderer shall identify the financial contribution of the proposed activity to the launch costs (as a shared resource between the main mission and the flight item).</p>
14.3	<p>For a Passenger case, the Tenderer shall indicate how the financial contribution to the launch costs has been calculated.</p>
14.4	<p>For a Passenger case, the Tenderer shall identify to whom the financial contribution to the launch costs shall be paid.</p>
14.5	<p>For a Passenger case, the Tenderer shall identify the financial contribution of the proposed activity to the costs of resources provided by the host spacecraft (as shared resources between the main mission and the flight item).</p> <p><i>For example, costs associated with the shared use of DC power resources, propellant, telemetry/telecommand channels, etc.</i></p>
14.6	<p>For a Passenger case, the Tenderer shall indicate how the financial contribution to the costs of the host spacecraft resources has been calculated.</p>
14.7	<p>For a Passenger case, the Tenderer shall identify to whom the financial contribution to the costs of the host spacecraft resources shall be paid.</p>

Table 1: Maximum ESA Funding Levels for ARTES Competitiveness & Growth Activities

Development Phase	Maximum Funding Level ^a		
	Industrial Entities	Universities & Research Institutes: No Commercial Interest ^{c, d}	Universities & Research Institutes: With Commercial Interest ^e
Definition Phase ^b	50%	50%	50%
Technology Phase	75%	100%	75%
Product Phase ^f	50%	50%	50%
Demonstration Phase	50%	not applicable	50%

- a. Percentages are the maximum financial amounts that can be contributed by ESA (the maximum “ESA Price”), expressed relative to the total eligible costs of the associated Development Phase.
- b. The maximum financial amount that can be contributed by ESA for the Definition Phase is 250 k€.
- c. The term “No Commercial Interest” means that the university or research institute will retain no commercial (i.e. financial) interest in the future exploitation of the final product.
- d. The total ESA financial contribution for all universities and research institutes having no commercial interest in the product is limited to a maximum of 30% of the eligible costs of the Development Phase.
- e. The term “With Commercial Interest” means that the university or research institute will retain a commercial (i.e. financial) interest in the future exploitation of the final product.
- f. The Product Phase may include studies on spacecraft communication systems or parts thereof for up to 25% of the total cost of the Product Phase, if not preceded by a Definition Phase.

Table 2: Conditions for Prior Work

1	Prior Work shall be of direct relevance to the implementation of the contract.												
2	Prior Work may only begin within a maximum of 12 months prior to submission of an acceptable Full Proposal.												
3	Prior Work has not been covered by any public funding.												
4	Prior Work did not progress beyond the first review milestone of the Development Phase.												
5	Prior Work is only allowed for the first Development Phase of an ARTES C&G contract, except Definition Phase.												
6	The Full Proposal includes technical specifications of the product to be developed.												
7	The Full Proposal includes a development plan.												
8	The proposed Prior Work is presented separately in the Full Proposal with its own work packages, cost sheets (PSS forms) and the description of the Prior Work activities.												
9	Expenditures for Prior Work amount to no more than the maximum percentage of the cost of the activity as specified below:												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Development Phase</th> <th style="width: 50%;">Maximum Percentage of the Development Phase Cost</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Definition Phase¹</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: center;">Technology Phase</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">Product Phase</td> <td style="text-align: center;">15%</td> </tr> <tr> <td style="text-align: center;">Demonstration Phase</td> <td style="text-align: center;">15%</td> </tr> <tr> <td style="text-align: center;">Activities with a “confirmed business case”</td> <td style="text-align: center;">20%</td> </tr> </tbody> </table>		Development Phase	Maximum Percentage of the Development Phase Cost	Definition Phase ¹	0%	Technology Phase	10%	Product Phase	15%	Demonstration Phase	15%	Activities with a “confirmed business case”	20%
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Activities with a “confirmed business case”	20%												
¹ Prior Work cannot be proposed for Definition Phase activities.													