



Guidance Note on Financial Proposal Evaluation

updated December 2021

Asian Development Bank

Guidance Note of Financial Proposal Evaluation

For Loans/Grants and TAs – EA and ADB Administered Consulting Firm Recruitment

Background

The purpose of the evaluation of Consultants' Financial Proposals (FPs) is to verify that the costs itemized in the FPs adequately cover the services offered in the Consultants' Technical Proposals (TPs). To maintain fairness and transparency in the ranking of Proposals, in case a debriefing is requested, it would be appropriate to explain in broad terms how the Consultant's Proposal was ranked.

For evaluation of TPs, the process is structured and well defined. A model Narrative Evaluation Criteria is provided for the Consultant Selection Committee (CSC) members, and the Request for Proposal (RFP) sent to shortlisted Consultants contain the Summary Evaluation Sheet (SES) and the Personnel Evaluation Sheets (PES) with corresponding criteria. However, for evaluation of FPs, it is important that guidance is given to ADB Staff and EAs as to the procedures to be followed for evaluating FPs.

2017 ADB Procurement Policy

Evaluators should be familiar with the 2017 ADB Procurement Policy¹ which lists ADB's core procurement principles: Economy, Efficiency, Fairness, Transparency, Quality, and Value for Money.

2017 Procurement Regulations for ADB Borrowers

For EAs, the 2017 Procurement Regulations for ADB Borrowers² provide a general description of the allowed Procurement Methods and Arrangements, and Evaluation Criteria and Methodology to be used for evaluating proposals.

Procurement Staff Instructions

ADB Staff should refer to the Procurement Staff Instructions³ (as amended from time to time) for guidance on ADB-administered procurement of consulting services and Borrower-administered procurement of consulting services.

2021 Standard RFP

The Financial Proposal Evaluation Guidance Note 2021 is applicable for the Standard RFP for Loans and Grants, December 2021 version onward, which aligns with the current FP evaluation practice for ADB TAs.

For previous versions of the RFP (prior to December 2021), please use the 2016 FP Evaluation Guidance Note.

¹ <https://www.adb.org/documents/adb-procurement-policy>

² <https://www.adb.org/documents/procurement-regulations-adb-borrowers>

³ <https://www.adb.org/documents/procurement-staff-instructions>

Procedure

1. **Check Compliance with FP Opening instructions** – refer to the Instructions to Consultants (ITC) of the issued RFP to check if instructions on opening FPs were followed.

Reference	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Opening of Financial Proposals	Section 2 – ITC 23 Public Opening of Financial Proposals for QCBS, FBS, and LCS methods	Refer to the Data Sheet 23.2 for instructions for opening FPs via CMS.	Section 3 – ITC 44

For QBS, CQS, and Direct Contracting – the FP is opened and reviewed after the technical proposal evaluation is completed.

2. **Check FIN forms used** - instructions in the RFP require that shortlisted consultants' FPs be in a format which indicates the unit cost and quantities of the various components.

Reference	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Financial Proposal (FP) preparation	Section 2 – ITC para 16	Section 2 – ITC para 16	Section 3 – ITC 32
Standard FP Forms	Section 4 <ul style="list-style-type: none"> • Detailed Price Proposal: FIN-1, FIN-2, FIN-3, FIN-4 • Fixed-Price Proposal: FIN-1 only 	Section 4 – instructs the firms to complete the CMS online forms for the FP.	Section 6

Standard RFP for Loans and Grants

Expanded Form for Breakdown of Remuneration (for EA and ADB-administered selections) - For selections that do not include cost as an evaluation factor (QBS, CQS, and Direct Contracting (SSS)), also check if the Consultant filled out the Expanded Form for Breakdown of Remuneration with social charges, overhead, other charges (such as premium for field assignments in difficult locations) and the multiplier. Expanded Form will otherwise be required from the Consultant prior to contract negotiations.

3. **Check currencies used** – confirm if the consultants' FP prices follow the currencies as listed in the RFP ITC and Data Sheet (DS).

Reference	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Currency of Proposal	Section 2 – ITC 16.4 DS 16.4 Firms may state their price in 3 foreign currencies plus local/country currency	Section 2 – ITC 16.4 DS 16.4 Firms may state their price in 3 foreign currencies plus local/country currency	Section 3 – ITC 36 Firms may state their price in up to 4 currencies, choosing from the following: AUD, CAD, EUR, GBP, JPY, NZD, PHP, or USD
Conversion to Single Currency for evaluation	Section 2 – DS 26.1	Section 2 – DS 26.1 CMS default is <u>USD</u>	Section 3 – ITC 37

4. **Check Provisional Sums and Contingency** – to be compliant with the requirements of the RFP, the Provisional Sums and Contingency shown in the FP must be the same amount and currency as indicated in the RFP Data Sheet.

Reference	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Provisional Sums	Section 2 – DS 16.1	Section 2 – DS 16.1	Section 4 – DS 35
Contingency	Section 2 – DS 16.1	Section 2 – DS 16.1	Section 4 – DS 35

Standard RFP for Loans and Grants DS 16.1:

*If the Consultant includes Provisional Sums and Contingency that either exceeds the amount specified, or is less than the amount, or is not required, adjustments will be made by the Client during evaluation. If adjustments are applied, the adjusted Provisional Sum and Contingency amounts shall be noted and discussed during negotiations. **Please note that the Provisional Sum and Contingency amounts is at the Client's final discretion and the Client reserve the rights to apply the provisional sum and contingency amount as specified in the RFP in the final contract.***

For EA-selections delegated to ADB using CMS, and For ADB-TA selections using CMS:

Provisional sum and contingency amounts are already inputted in the FIN-forms, and changes are not allowed.

5. **Check for Commercial Compliance** – check proposal validity and examine if there are conditions to the FP.
- a. **Proposal Validity** - check if the proposal validity period accords with that indicated in the RFP Data Sheet.

Reference	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Proposal Validity	Section 2 – DS 12.1	Section 2 – DS 12.1	Section 4 – DS 15

For proposals with expiring proposal validity:

Request for extension of proposal validity from Consultants, preferably up to contract award.

- b. **Restrictive of Conditional Offer** - check if the FP contains any statements which make its contents restrictive or conditional. Any conditions and restrictions noted in the Consultant's FP should be documented in the evaluation report. For such cases, the evaluator must determine if such statements make the consultant's FP a conditional offer. Disqualification or zero-rating of FPs must be clearly explained by the evaluator and confirmed by ADB (through the assigned Procurement Specialist and PPF Director).

Sample conditions and recommendations:

1. A requirement that in addition to costs indicated in the FP, the consultant will also be reimbursed for any tax payable in the consultant's home country or in the DMC where the services are to be performed.

Recommendation: All taxes are deemed included in the Consultant's proposal (ITC 16.3, ITC 25), except for those specified in DS 25. For evaluation purposes, only these local taxes should not be included. Any tax condition proposed by the Consultant must be clarified and confirmed with the EA if consistent with the tax regulations of the borrower's country.

2. A statement advising "should the implementation period of services exceed 12 months from the date of contract signing, the Client shall increase all unit costs indicated in the Financial Proposal by 5%."

Recommendation: For evaluation purposes, no adjustment on future costs should be added. An outright proposed yearly increase is not acceptable. This should be communicated to the Consultant during contract negotiations.

General principles in the documents below for reference.

Reference	Standard RFP for Loans and Grants	ADB Technical Assistance (TA) RFP
Restrictive or Conditional Offers	<p>ITC 7.1 General Considerations In preparing the Proposal, the Consultant is expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.</p> <p>2017 Procurement Regulations for ADB Borrowers⁴ Para 73, Appendix 3: Open Competitive Bidding Procedure Examination of Bids <i>If a bid is not substantially responsive, i.e., it contains <u>material deviations from or reservations to the terms, conditions, and specifications in the bidding documents, it shall not be considered further. The bidder shall not be permitted to correct or withdraw material deviations or reservations once bids have been opened.</u></i></p>	<p>ITC 22 Compliance with RFP - A Consultant whose Proposal does not meet RFP requirements may be disqualified, may fail the minimum qualifying score for its technical proposal, or may have any offer of Contract negotiations conditioned on its submission of missing requirements or rectification of noncomplying requirements.</p> <p>ITC 32 Financial Proposals The CMS versions of the standard financial proposal forms in Section 6 of this RFP are the only acceptable format for the financial proposal. <u>Any additional material other than these completed financial proposal forms that is attached into the financial proposal field of CMS shall not form part of the Proposal but shall be reviewed by the evaluation committee solely for compliance with the general conditions of proposal submission set out in Section 3 of this RFP. Such additional material shall otherwise not influence the financial proposal evaluation.</u></p>

- c. **Discounts** – normally should not be included in the evaluation of FPs.

For Loans/Grant selections, the EA should ensure that any discount, is not conditional on anything and is in fact included in the Consultant's final price. Whether time-based or lump sum contracts, evaluators must follow:

- ITC 24.2 for detailed price proposals
- ITC 24.2 footnote 5 for fixed price proposals - where the total price specified in the Financial Proposal (Form FIN-1) shall be considered as the offered price

For TA selections, Consultants cannot input discounts in the financial forms in CMS.

⁴ <https://www.adb.org/documents/procurement-regulations-adb-borrowers>

6. **Arithmetical Check** – check FIN forms for calculation errors
- Check multiplications.
 - Check summation of sub-total and total. Where plus (+) or minus (-) errors are found, corrections should be made, and details of adjustments recorded.

Guidance	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Correction of Errors	ITC 24.1 For detailed price proposals, follow ITC 24.2 For fixed-price proposals, follow ITC 24.2 Footnote 5	Section 2 – ITC 24.1, 24.1.1 and 24.2 CMS forms used (Personnel Schedule and FIN forms) <ul style="list-style-type: none"> <i>totals and subtotals are auto calculated</i> <i>based on the rates and quantities inputted by Consultants in the CMS online forms.</i> 	No clause on correction of arithmetical errors. CMS forms used (Personnel Schedule and FIN forms) <ul style="list-style-type: none"> <i>totals and subtotals are auto calculated</i> <i>based on the rates and quantities inputted by Consultants in the CMS online forms.</i>

Standard RFP for Loans and Grants:

- ITC 24** - In accordance with (DS)16.1 above, the Consultant is required to submit a **detailed price proposal**⁵. The Client's evaluation committee will
 - correct any computational or arithmetical errors, and
 - adjust the prices if they fail to reflect all inputs included for the respective activities or items in the Technical Proposal.

If there is a discrepancy between

- a partial amount (sub-total) and the total amount, or
 - between the amount derived by multiplication of a unit price with the quantity and the total price, or
 - between words and figures,
- the former will prevail.*

In case there is a discrepancy between the Technical and Financial Proposals in indicating quantities of input, the Technical Proposal prevails and the Client's evaluation committee shall

- *correct the quantity indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal,*
- *apply the relevant unit price included in the Financial Proposal to the corrected quantity, and*
- *correct the total Proposal cost.*

- ITC 24.2 Footnote 5** - *If only a fixed-price proposal is required by the Client (i.e. without any breakdown of costs), the Consultant is deemed to have included all prices in the Financial Proposal, so neither arithmetical corrections nor price adjustments shall be made.*

7. **Check Consistency between FP and TP** - unit cost items in the FP are shown as either international or local cost under two categories: remuneration and out-of-pocket expenses and checks must be made to determine if these have been provided in accordance with the RFP requirements.

Guidance	Standard RFP for Loans and Grants	Standard RFP for Loans and Grants – <i>modified for selections delegated to ADB up to final ranking</i>	ADB Technical Assistance (TA) RFP
Check on Consistency between FP and TP	ITC 24.1 For detailed price proposals, follow ITC 24.2 For fixed-price proposals, follow ITC 24.2 Footnote 5	Section 2 – ITC 24.1, 24.1.1 and 24.2 CMS forms used <ul style="list-style-type: none"> • <i>Consultants provide PM inputs in the TECH form</i> • <i>PM inputs are copied by CMS to the FIN form, ensuring consistency between TP and FP figures</i> • <i>Rates are inputted by Consultants in the FIN forms.</i> 	<i>No clause on checking FP/TP consistency:</i> CMS forms used <ul style="list-style-type: none"> • <i>Consultants provide PM inputs in the TECH form</i> • <i>PM inputs are copied by CMS to the FIN form, ensuring consistency between TP and FP figures</i> • <i>Rates are inputted by Consultants in the FIN forms.</i>

8. TP-FP Consistency Check and Arithmetical Check Examples – for checking Remuneration and Out of Pocket Expenses

a. Remuneration (DS 14.1.3, TECH 6A, FIN-3)

No.	Check	Instruction	Adjustment	Example
1	Check compliance with issued RFP minimum PM inputs for Key <u>International</u> Experts	<p>Note minimum PM total for Key <u>International</u> Experts listed in RFP DS 14.1.3</p> <p>Check and compare total Key Experts PM input in TECH-6A</p>	If totals do not match, load for the missing person-months by multiplying the highest remuneration rate for Key <u>International</u> Experts proposed in the consultant's own Financial Proposal and add to the total remuneration amount.	<p>RFP DS 14.1.3 minimum PM total for Key <u>International</u> Experts is 100PM</p> <p>Consultant's TECH-6A lists total for Key <u>International</u> Experts at 105PM</p> <p>Total PM proposed <i>exceeds</i> minimum required. No adjustment required.</p> <p>In case the proposal will emerge as the overall first ranked, the need for the additional PM should be discussed during contract negotiations</p>
2	Check compliance with issued RFP minimum PM inputs for Key <u>National</u> Experts	<p>Note minimum PM total for Key <u>National</u> Experts listed in RFP DS 14.1.3</p> <p>Check and compare total Key Experts PM input in TECH-6A</p>	If totals do not match, load for the missing person-months by multiplying the highest remuneration rate for Key <u>National</u> Experts proposed in the consultant's own Financial Proposal and add to the total remuneration amount.	<p>RFP DS 14.1.3 minimum PM total for Key <u>National</u> Experts is 100PM</p> <p>Consultant's TECH-6A lists total for Key <u>National</u> Experts at 95PM</p> <p>Consultant's FIN-3 Key <u>National</u> Expert highest remuneration rate is USD 3,000</p> <p>Total PM proposed is less than minimum required. 100PM - 95PM = 5PM</p> <p>Adjustment required: 5PM x USD 3,000 = USD 15,000</p>

No.	Check	Instruction	Adjustment	Example
3	Check TP-FP consistency	Check to determine if the inputs shown for each expert (international and national) on the Personnel Schedule of the TP (Form TECH-6A) <u>are the same</u> as the inputs for each expert indicated in the FP (Form FIN-3)	If the PM inputs shown on the FIN-3 do not match with the TECH-6A, adjustments should be made to the FP and details of adjustments recorded.	<p>Consultant's TECH-6A lists Engineer with 10PM</p> <p>Consultant's FIN-3 lists Engineer at 12PM with remuneration rate of USD 1,500</p> <p>Adjustment required to ensure TP-FP consistency.</p> <p>10PM – 12PM = -2PM</p> <p>-2PM x USD 1,500 = -USD 3,000</p>
4	Check TP-FP consistency	Check to determine if the inputs shown for each expert (international and national) on the Personnel Schedule of the TP (Form TECH-6A) <u>are the same</u> as the inputs for each expert indicated in the FP (Form FIN-3)	If the PM inputs shown on the FIN-3 do not match with the TECH-6A, adjustments should be made to the FP and details of adjustments recorded.	<p>Consultant's TECH-6A lists Surveyor with 20PM</p> <p>Consultant's FIN-3 lists Surveyor at 10PM with remuneration rate of USD 1,000</p> <p>Adjustment required to ensure TP-FP consistency.</p> <p>20PM – 10PM = 10PM)</p> <p>10PM x USD 1,000 = USD 10,000</p>

No.	Check	Instruction	Adjustment	Example
5	Check TP-FP consistency	Check to determine if the inputs shown for each expert (international and national) on the Personnel Schedule of the TP (Form TECH-6A) <u>are the same</u> as the inputs for each expert indicated in the FP (Form FIN-3)	When comparing the Financial Proposal with the Technical Proposal for internal consistency, if an expert position is not priced (no rate has been given), the highest remuneration rate from other Financial Proposals of the same position will be applied.	<p>Consultant's TECH-6A lists Key Expert with 10PM input</p> <p>Consultant's FIN-3 does not list Key Expert (no PM, and no rate)</p> <p>Consultant 2 with highest rate for the same Key Expert is USD 2,000</p> <p>Adjustment required to ensure TP-FP consistency.</p> <p>10PM x USD 2,000 = USD 20,000</p>
6	Check TP-FP consistency	Check to determine if the inputs shown for each expert (international and national) on the Personnel Schedule of the TP (Form TECH-6A) <u>are the same</u> as the inputs for each expert indicated in the FP (Form FIN-3)	ITC 24.1: Activities and items described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, and no correction is made to the FP.	<p>Consultant's TECH-6A lists additional expert not in the TOR with 10PM input</p> <p>Consultant's FIN-3 does not list additional expert (no PM, no rate)</p> <p>In this case, an <u>adjustment cannot be made</u> because the rate is not available for the proposed expert. Evaluator must note this for clarification with the Consultant during contract negotiations.</p>
7	Check proposal for experts not required in the TOR	RFP DS 1(q) "Non-Key Expert(s)" means an individual professional provided by the Consultant or its Sub-Consultant and who is assigned to perform the Services or any part thereof under the Contract and whose CVs are not evaluated individually although the Client retains the prerogative to approve or reject the CV of the Non-Key Expert based on the proposed approach and methodology.	<p>Check if there are additional experts proposed by the Consultant, not required in the TOR</p> <p>For evaluation purposes, TP-FP consistency of the proposed PM inputs of these experts should be followed. See samples 3 to 6 above.</p>	<p>Consultant proposed additional experts not required in the TOR.</p> <p>Evaluator should also note these proposed additional experts for clarification / discussion during contract negotiations. The Consultant should provide adequate justification why these additional experts are needed.</p>

b. Out of Pocket Expenses (DS 16.1, FIN-4)

No.	Check	Instruction
1	Data Sheet	<p>Data Sheet 16.1 indicates the essential out-of-pocket expense components which all consultants must include in their FP.</p> <p>If any of these are not included, no adjustment should be made except for correction or arithmetical error/s. The consultant will be expected to bear this cost at its own expense during implementation of the contract.</p> <p>In addition to the essential items, consultants may by their own choosing also include other out-of-pocket items in their FP and no adjustments shall be made to such items during evaluation.</p>
2	International Travel and Per Diem	<p>Check the number of international travel trips and calculate the per diem from the Personnel Schedule (TECH 6A) and cross check these with the quantities indicated in the FP (FIN 4).</p> <p>If the number of international trips and per diems calculated from Form TECH 2 does not match the quantities for these items shown in the FP, no adjustments will be made to the FP inputs for the purpose of evaluation, but details should be recorded.</p> <p>Similarly, no additional costs will be permitted for such omissions during contract negotiations. In the invitation to contract negotiations the Consultant shall be advised that the EA or ADB will not include in the contract cost for any missing trips or per diems as these are assumed to be included elsewhere in the consultants FP.</p>
3	Duration of Services	<p>The Terms of Reference (TOR) indicate the anticipated duration of the consulting services assignment.</p> <p><u>Proposed OPE less than Contract Duration</u> If for example the TOR indicates duration of 12 months but the Personnel Schedule (TECH-6A shows 10 months and out-of-pocket quantities for items such as communications, vehicle hire, etc. are only priced for 10 months, no adjustments to the quantities for these items. However, during contract negotiations this matter should be discussed and if it is finally agreed that the duration will be longer than that shown by the consultant in its Proposal (i.e. for this example say 12 months), the contract will not provide for increases in out-of-pocket quantities beyond those shown in the FP.</p> <p><u>Proposed OPE exceeds Contract Duration</u> If a Proposal indicates duration longer than that shown in the TOR and the FP shows quantities for out-of-pocket expenses beyond the TOR duration (say 14 months of quantities for TOR duration of 12 months) no changes shall be made during evaluation, but this matter will be identified for discussion during contract negotiations. A record of any issues concerning duration of services shown in consultant's proposal compared to the TOR should be recorded for discussion during contract negotiations.</p>
4	Other OPE Adjustments	<p>Apart from arithmetical adjustments made for circumstances described above, no other adjustments shall be made to FP OPEs without the EA first consulting ADB.</p>

9. **Check if Adjusted Total Price exceeds Maximum Budget** – for selections where maximum budget is indicated in the RFP, evaluators must follow the relevant paras in the ITC and DS in evaluating the proposal.

Guidance	Standard RFP for Loans and Grants	ADB Technical Assistance (TA) RFP
Maximum Budget	<p>Section 2 – ITC 14.1.4 and DS 14.1.4</p> <p>DS 14.1.4 options for the EA:</p> <p><i>Option 1:</i></p> <p><i>The Client shall disqualify the technical and financial proposal if an evaluated FP (Adjusted Total Price) exceeds the maximum budget.</i></p> <p><i>Option 2:</i></p> <p><i>If an evaluated FP (Adjusted Total Price) exceeds the maximum budget, such proposal will be held non-responsive and be given a zero score.</i></p> <p><i>Note:</i></p> <p><i>In such cases, if the firm submitting a Financial Proposal exceeding the maximum budget still obtains the highest combined score in final ranking, this winning firm will be required, as a condition of contract negotiations, to reduce the Financial Proposal to the maximum budget without compromising the TOR for the assignment (and without modification of proposed unit rates).</i></p> <p><i>If negotiations fail, the Client can seek approval from ADB to negotiate with the next-ranked firm.</i></p> <p><i>Option 3:</i></p> <p><i>If an evaluated FP (Adjusted Total Price) exceeds the maximum budget, the EA will consider the financial proposal, providing a score in the financial evaluation, using the formula in DS 27.1.</i></p>	<p>Section 3 – ITC 35 Section 4 – DS 35</p> <p>ITC 35: Financial proposals are not allowed to exceed the budget figure if the figure is "maximum" — <i>CMS will not allow the Consultant to submit its financial proposal in this case.</i></p>

10. Follow tax-related provisions for financial evaluation – for loan/grant selections evaluators must follow the relevant paras in the ITC and DS in evaluating the proposal.

Guidance	Standard RFP for Loans and Grants	ADB Technical Assistance (TA) RFP
<p>Taxes and Taxes – Financial Evaluation</p>	<p>Section 2 – ITC 16.3 and DS 16.3 Section 2 – ITC 25 and DS 25</p> <p>DS 16.3 and 25 Standard Text:</p> <p><u>Taxes - Exemption</u></p> <p><i>[If the Client has obtained a tax exemption applicable to the Contract, insert</i></p> <p><i>“The Client has obtained an exemption for the Consultant from payment of _____ [insert the tax description] in the Client’s country as per [insert reference to the applicable official source that issued an exemption].</i></p> <p><i>If there is no tax exemption in the Client’s country, delete above.]</i></p> <p><u>Taxes - Reference</u></p> <p><i>“Information on the Consultant’s tax obligations in the Client’s country can be found [insert reference to the appropriate official source].”</i></p> <p><u>Taxes - Evaluation</u></p> <p>(ITC 25) Except as set out below, <u>all taxes are deemed included</u> in the Consultant’s Financial proposal, and, therefore, included in the evaluation.</p> <p>The Client does not take into account the following taxes during financial proposal evaluation. Therefore, the Consultant <u>shall not include</u> the following taxes in its Financial Proposal:</p> <p>(a) all local identifiable indirect taxes such as sales tax, excise tax, VAT, or similar taxes levied on the contract invoices; and</p> <p>(b) all additional local tax on the remuneration of services rendered by non-resident experts of the Consultant in the Client’s country.</p> <p>If the Consultant nevertheless includes the above taxes in its Financial Proposal, no adjustments will be made by the Client for the purposes of evaluation.</p> <p><u>Taxes - Negotiation</u></p> <p>At contract negotiations, the above-described local taxes will be discussed and agreed (using the itemized list as guidance) and added to the contract amount in separate lines, as needed, also indicating which taxes shall be paid by the Consultant and which are withheld and paid by the Client on behalf of the Consultant.</p>	<p>Template on ADB-Administered Firm Contract for Consultant’s Services⁵ General Conditions Article XII - Exemptions and Facilities Section 12.01 and Section 12.02</p> <p>General Conditions Article XII - Exemptions and Facilities</p> <p>Section 12.01 <i>The maximum amount payable under the agreement has been fixed on the understanding that the Government provides the Consultant the exemptions, assistance, services, facilities, documents, and information listed in Section 12.02 below and in Specific Assurances of the Government. If the Government is unable or fails to meet its obligations, the parties decide any additional allowance for the Consultant.</i></p> <p>Section 12.02. (first para) <i>ADB obtained the Government’s confirmation that:</i> <i>(a) The Consultant and the personnel have the status of experts performing missions for ADB and that they shall be entitled to the privileges, exemptions, and immunities for such experts by the provisions of the Agreement Establishing the Asian Development Bank; and that without limiting the generality of those provisions, the Government confirms that:</i></p>

⁵ <https://asiandevbank.sharepoint.com/teams/ppfd/SitePages/Contract-Templates.aspx>

11. Follow selection method for overall ranking of proposals – see table below with reference to the *Standard RFP ITC for Loans and Grants*

	QCBS	LCS	FBS	Direct Contracting (SSS)	CQS	QBS
RFP issued to	Multiple Firms	Multiple Firms	Multiple Firms	One Firm		Multiple Firms
Technical Evaluation	<p>ITC 21.1 The Client’s evaluation committee shall assess the Technical Proposals on the basis of their responsiveness to the TOR and the RFP, applying the evaluation criteria, sub-criteria, and point system specified in the RFP. Each responsive Proposal will be given a technical score. A Proposal shall be rejected if it fails to achieve the minimum technical score indicated in the Data Sheet.</p>					<p>ITC 21.1 + ITC 22.1 Following the ranking of the Technical Proposals, when the selection is based on quality only (QBS), the top-ranked Consultant is invited to negotiate the Contract.</p>
Financial Evaluation (Combined Quality and Cost Evaluation)	<p>ITC 27.1 In the case of QCBS, the total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions in the Data Sheet. The Consultant that will achieve the highest combined technical and financial score will be invited for negotiations.</p>	<p>ITC 27.4 In the case of LCS, the Client will select the Consultant with the lowest evaluated total price among the consultants that achieved the minimum technical score, and invite the Consultant to negotiate the Contract.</p>	<p>ITC 27.2 In the case of FBS, those Proposals that exceed the budget indicated in Clause 14.1.4 of the Data Sheet shall be rejected.</p> <p>ITC 27.3 The Client will select the Consultant that submitted the Technical Proposal with the highest score that does not exceed the budget indicated in the RFP, and invite the Consultant to negotiate the Contract.</p>	<p>QBS, CQS and Direct Contracting (SSS) Only check type of budget and related provisions (corrections / adjustments) in the RFP</p>		

12. **Prepare Financial Evaluation Notes for Contract Negotiations** – the evaluator shall record any identified issues on financial proposals submitted by firms.

In the letter of invitation to contract negotiations to the first-ranked firm, Consultant shall be advised of any financial evaluation findings that will be discussed during the negotiation.

In particular, the Consultant should be made aware of any circumstances where it has been determined during evaluation that ADB or the EA will not permit the contract to include costs for any items omitted by the Consultant in its FP.