

Guide to Creating a Financial Proposal for a Firm-Fixed Price Subcontract

There are two documents that accompany this guide:

1. Budget Template (Excel)
2. Price Narrative (Word)

1. Budget Template. There are 3 tabs in the Budget Template: 1. Instructions, 2. Summary Budget, and 3. Main Detailed Budget. Offerors can use Tab 3. Main Detailed Budget to inform the prices they propose for each Deliverable in Tab 2., Summary Budget, however this is not required if Offeror's have a different way of calculating deliverable costs. Offerors **only need to submit the Summary Budget** in response to the cost proposal. Offerors should submit detailed budget in their own templates if Offerors have a different template to calculate deliverable costs. However, Offerors are strongly encouraged to use the deliverable cost template provided.

As this is a competitive firm-fixed price (FFP) subcontract, competition will establish price reasonableness. Resonance reserves the right to request additional cost information or back-up documentation if the evaluation committee has concerns about the reasonableness, realism, or completeness of an offeror's proposed price.

2. Price Narrative. Offerors should also submit the price narrative with the budget template. The purpose of the price narrative is to determine the reasonableness of the deliverable price.

Budget Template for a Firm-Fixed Price Subcontract

Please see attached excel.

Price Narrative for a Firm-Fixed Price Subcontract

Please summarize the work & resources required to complete each Deliverable, touching on the cost elements included and their reasonability.

Deliverable 1 [insert name]

Description of Deliverable: [insert]

Period of Performance of Deliverable: [insert]

Costs included in Deliverable Price:

1. **Salaries.** [list positions, why they are required to complete the deliverable, and how you determined proposed salaries to be reasonable based on market research, current salaries, etc. If USAID-funded confirm the salaries do not exceed USAID Maximum for the calendar year.]
2. **Direct Fringe.** [insert any direct fringe applied – what direct fringe costs and on which employees.]
3. **Consultants.** [list consultant pool/positions, why they are required to complete the deliverable, and how you determined proposed rates to be reasonable based on market research, etc.]
4. **Travel, Transportation and Per Diem.** [insert any travel, transportation or per diem requirements to complete this deliverable. Include reasonableness of price proposed, i.e., average flight costs for location A to B, DSSR rates for per diem, etc.]
5. **Allowances.** [only for USG-funded projects, insert country, rate, and who/how this is applied.]
6. **Other Direct Costs.** [insert all ODCs included in this deliverable, confirm these costs are directly allocated to this project (referencing any cost-share arrangements as applicable), and confirm reasonability of rates proposed.]
7. **Indirect Costs.** [insert any indirect costs included in this deliverable, citing audited indirect agreements. If no audited agreement, explain how proposed rates are reasonable based on Offeror's practice, other documentation, etc.]
8. **Fixed Fee.** [insert fixed fee % assigned to this deliverable based on practice/risk review.]

Add all other deliverables using the format above.