

## **Annex 2      Guide to Creating a Financial Proposal for an IQS**

The purpose of this annex is to guide Offerors in creating a budget for their cost proposal. Because the Subcontract will be funded under a United States government-funded project, it is important that all Offerors' budgets conform to this standard format. It is thus recommended that Offerors follow the steps described below.

**Under no circumstances may cost information be included in the technical proposal.** No cost information or any prices, whether for deliverables or line items, may be included in the technical proposal. Cost information must only be shown in the cost proposal.

Step 1: Create a budget for the cost proposal. Each Offeror must create a budget using a spreadsheet program compatible with MS Excel. The budget period should follow the technical proposal period. A sample budget is shown in Attachment A.

All cost information must be expressed in the Ukrainian local currency – UAH.

Step 2: Write Budget Narrative. The spreadsheets shall be accompanied by written notes in MS Word that explain each cost line item and the assumption why a cost is being budgeted as well as how the amount is reasonable. Supporting information must be provided in sufficient detail to allow for a complete analysis of each cost element or line item. Chemonics reserves the right to request additional cost information if the evaluation committee has concerns of the reasonableness, realism, or completeness of an offeror's proposed cost.

If it is an Offeror's regular practice to budget indirect rates, e.g. overhead, fringe, G&A, administrative, or other rate, Offerors must include such costs into the fully burdened **Fixed Daily Rates (FDRs)**. Separate budget line items for such costs will not be considered. Chemonics reserves the right to request additional information to substantiate an Offeror's burdening of the FDRs.