

5th Call for Outline Proposals under the Plan for European Cooperating States (PECS) in Cyprus

“How to write a good proposal?”

PROPOSAL TEMPLATE

AO/1-10838/21/NL/SC

Nicosia, 16 June 2021



DISCLAIMER

This material does not contain sufficient information to be used, in any way, in the context of the ITT (Invitation-to-Tender) AO/1-10838/21/NL/SC.

This presentation is only an introduction to explain, in a simplified manner, some of the main characteristics of the Proposal Template to be used in the context of the ITT (Invitation To Tender) AO/1-10838/21/NL/SC.

Please ensure that your Outline Proposal is compliant with the requirements contained in the AO/1-10838/21/NL/SC documentation.

PROPOSAL TEMPLATE - Summary

- 1.The proposal template Cover Letter
- 2.The proposal template Part 1 – Technical
- 3.The proposal template Part 2 – Implementation
- 4.The proposal template Part 3 - Financial
- 5.The proposal template Part 4 – Contractual
- 6.Hints & Tips - Common Mistakes to avoid

Proposal Template: Cover letter

Contains details on:

- Title
- The team submitting the proposal
- Indication if the proposal has been previously submitted
- **Cost** of the proposal
- What **type** of activity (a, b, c and d) **Duration** of the proposal (derived from the work planning)
- Who is the point of contact
- Acceptance of contract conditions
- Statement concerning export restrictions
- Statement on free competition
- Legal representative
- Validity of the proposal
- etc.

It MUST be signed

By signing the cover letter you are accepting the contract conditions – so do not, in the proposal, state that you want to modify them.

Proposal Template: Title

Each call may have many proposals. To aid reviewers, pay attention to the title of your proposal. It should prepare them for what they are about to read and clearly identify your proposal:

- **Keep it short**
- **Keep it clear**
- Make it descriptive and relevant
- Do not waste time to think up overly long titles or try to force acronyms for the project.

Examples

- Simple and concise – but OK: *“Increasing coffee sales by responding to customer demands”*
- Overly long and unnecessarily complex: *“Investigating and testing various methods of maximising financial revenue and fiscal returns resulting from bean derived hot beverages sales in a customer focused environment using direct market feedback and other methods.”*
- Trying too hard for an acronym: *“Cash maximising Objectives for increased Financial and Fiscal returns in a European Environment for HOt Beverages Sales (COFFEE HOBS)”*

Proposal Template Part 1

Technical Part



Proposal Template

Part 1 – Technical and Application Part

- 1.0 INTRODUCTION AND SCOPE
- 1.1 TECHNICAL OBJECTIVES:
- 1.2 REQUIREMENTS:
- 1.3 TECHNOLOGY READINESS LEVEL:



Proposal Template

Part 1 – Technical and Application Part

1.0 INTRODUCTION AND SCOPE

Provide the background and rationale of what you are proposing to do. **Keep it succinct (not more than half a page)**, but clear enough to provide sufficient context for your development.

1.0 INTRODUCTION AND SCOPE

*Hot beverage production has experienced a revolution in the last 10 years, where **the demand for a billion cups** of coffee brewed daily worldwide (ref) has **increased the market dominance** of **big coffee maker chains** largely due to the large output and easy operability of the **custom coffee machines**, which are often **unavailable for smaller companies**. However, **recent increase** in consumer awareness and **demand** for ever-increasing variety in choice and quality provides an **opportunity for the resurgence** of high-quality coffee providers and **creates the need** for new and **competitive solutions** for the production of hot beverages. Further, **technological advances** in high pressure systems and autonomous systems could offer significant improvements in hot beverage production, while addressing such consumer needs. Taking into consideration the known parameters and procedures defining the quality of coffee, and **utilizing recent technological improvements** (particularly in the areas of autonomous systems, microdiffusion and the safe handling of high pressure systems) in conjunction with COTS components, allows for a **rapid development** of a **competitive and efficient next generation hot beverage maker** which will be able to successfully **compete** with and improve on those used by the currently dominant large coffee shop chains. The availability of such a product will **help to save the increasingly under pressure independent retailers**.*

➤ See page 2 of example proposal

Proposal Template

Part 1 – Technical and Application Part

1.1 TECHNICAL OBJECTIVES:

The Objective is what you hope to achieve with the proposal (i.e. the end goal) and the key constraints or conditions under which that should be met. This is sometimes called the mission goal in texts. In theory, everything you propose to do should be derivable from this statement.

1. Objectives should:
 1. Be **short** (1 to 3 sentences)
 2. Be **clear and verifiable**
 3. Contain the **core essence** of what should be achieved

2. Objectives should not:
 1. Describe the work to be done, the work flow or how to do it
 2. Describe the nice to haves/ options
 3. Be overly long and descriptive

“...this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to Earth” – this was the objective stated for a 24 Billion dollar project.

In ‘**Application**’ part of the proposal you should justify **WHY** this is a good objective and how it fits the programmatic constraints!

Proposal Template

Part 1 – Technical and Application Part

HBM example:

1.1 TECHNICAL OBJECTIVES:

We propose to develop a **fully automated, high efficiency Hot Beverage Maker (HBM)** named ‘Coffee Master 2000’, **up to and including a prototype** fully representative of the final product. For a **commercially competitive development**, such design improvements will be realized **within 18 months**.

The Coffee Master 2000 shall be **more efficient and versatile** than currently available machines, as well as **competitively priced**, with the aim of a final product with a **recurring cost of less than 2000 Euros** delivering beverages at a cost of less than **25cents/cup**.

➤ [See page 2 of example proposal](#)

Proposal Template

Part 1 – Technical and Application Part

1.2 REQUIREMENTS:

For proposals, requirements are the **key measurable features** that the product or the work must meet in order to be declared successful. They should take into account what the end user needs/considers important.

Requirements are:

- Clear, verifiable, quantitative and measurable.
- Requirements tell you what needs to be achieved / realized
- Requirements are what we all use to measure if the objectives were achieved

Note: Ideally requirements will also be justified in the proposal.

Requirements are not:

- The facilities, tools, experience or personnel that you *need* to perform the work.

If you are not in a position to properly define a full set of clear, well formulated requirements then consider to either look at a preparatory activity or include an activity focused on requirement definition and include a work package to this end.

Proposal Template

Part 1 – Technical and Application Part

Example (in a cafeteria):

Well formulated requirements:

- The coffee shall be served at a temperature between 85 and 90°C.
- The coffee shall be delivered to the customer within 4 minutes of being ordered.
- The coffee shall be dispensed in 200ml +/- 10ml servings.
- The customer shall receive a biscuit with each coffee, included in the price of the coffee

Poorly formulated requirements:

- The coffee has to be a good temperature
- The coffee must be served quickly
- The coffee shall have big serving sizes
- We want people to have biscuits with their coffee

Not a requirement at all in this sense:

- We need to buy a kettle and coffee cups
- We need to hire someone to make the coffee
- We should do a trade off on what biscuits to give
- We shall get a coffee sellers license



Proposal Template

Part 1 – Technical and Application Part



Requirements RCM1 and RCM7 are considered to be key to achieving the set objectives, defining the expected output (efficiency) and the cost (competitiveness) of the hot beverage production unit.

....
....

The key design drivers are RCM2,3,4,6 and 11, as the design trade-offs to address these will have the largest influence on the main elements of the unit.

Table 1: Technical Requirements

No.	Req.	Discussion	Verification
RCM6	The HBM shall have a recurring cost of less than 2,000 Euros	Preliminary cost estimation 1700 (+/-300) EUR. Note that this is dependent on the RCM4.	Analysis
RCM7	The running costs of the HBM (excluding the salary of the operator) shall be less than 0.2 Euro per beverage.	This requirement is key to ensuring the competitiveness of the customer.	Analysis

➤ See page 3-4 of example proposal



Proposal Template

Part 1 – Technical and Application Part



1.3 TECHNOLOGY READINESS LEVEL

Indicate and **substantiate** the current TRL level of the technology.
Refer to **Annex B** to the ITT Cover Letter for the description of TRLs.
Please note that the type of activity proposed, Type a, b, c or d has to be **compatible** with the start and end TRL indicated in the **Cover Letter** of the call.

1.3 TECHNOLOGY READINESS LEVEL:

The Coffee Master 2000 will be based on our Patent #1234 for software controlled super-automation process of coffee machines, which uses high pressure steam and fully automatic end user programmable software settings to enable the optimal and rapid production of more than 5 types and variations of hot beverage.
The **current technical maturity is identified as TRL 3**. A **breadboard** has been built and has demonstrated the proof of concept of Patent # 1234. This further ensures our development is a low-risk approach. The aimed technical maturity to be reached by the end of this activity is TRL 5, for a **functional, fully representative prototype**.

➤ [See page 4 of example proposal](#)



Proposal Template

Part 1 – Technical and Application Part



1.4 ENGINEERING APPROACH

1.4.1 State of the Art

1.4.2 Technical Steps

1.4.3 Implementation aspects

NB! This is expected to be the core/bulk of the proposal



Proposal Template

Part 1 – Technical and Application Part



1.4 ENGINEERING APPROACH

1.4.1 State of the Art

Provide a brief overview of “State of the Art”.

Explain why you chose your proposed baseline instead of others, what benefit does it have over the others?

1.4.1 State of the Art

The state of the art model commercially available today is **the Caffeine Blaster 100 (CB100)** as used by Star Clucks – the market leader in this area. The Caffeine Blaster 100 can prepare **10 different types** of coffee and can prepare **2 cups simultaneously** with 1 operator.

.....

The total throughput of the proposed baseline design of our proposed CM2000 design **exceeds the performance** of CB200 by up to **20%** through our patented super-automation technology and offers **25% more product variety** to the customer.

➤ [See page 5 of example proposal](#)



Proposal Template

Part 1 – Technical and Application Part



1.4 ENGINEERING APPROACH

1.4.2 Technical Steps

Present and discuss **in DETAIL** the scientific/technical steps to achieve the set objectives. This needs to correspond to the **Work Flow Logic!** This is the text description and justification of the flow chart and the Work Breakdown Structure.

1.4.2 Technical Steps

Step 4: Preliminary design

WP304-WP306 cover the elements for the preliminary design of the HBM, based on the conceptual design presented here (Section 1.4.3) and updated during ...// ...purpose of the Preliminary Design Review shall be to review the baseline design and the breadboard demonstrator test results for completeness and for compliance with the agreed requirements. Detailed specification and prototype test plan shall be agreed at the PDR.

Step 5: Detailed design

Hardware and software design activities will run in parallel as part of the detailed design phase, encompassing all HBM sub-systems, expanding on the detail and depth provided in the preliminary design...//

➤ [See page 5-7 of example proposal](#)



Proposal Template

Part 1 – Technical and Application Part



Have you answered these questions?

1. What are the **key stages/ steps** in the work/activity?
2. What is the **goal/ purpose** of each step?
3. What will be done in each step?
4. How will each step be assessed, controlled, **reviewed** or validated?
5. How does each step relate to the others?
6. If there are subcontractors: **How** is the work broken up between companies? **Why?**
7. What are the **key trade offs**? What are the key decision points?



Proposal Template

Part 1 – Technical and Application Part

1.4 ENGINEERING APPROACH

1.4.3 Implementation aspects

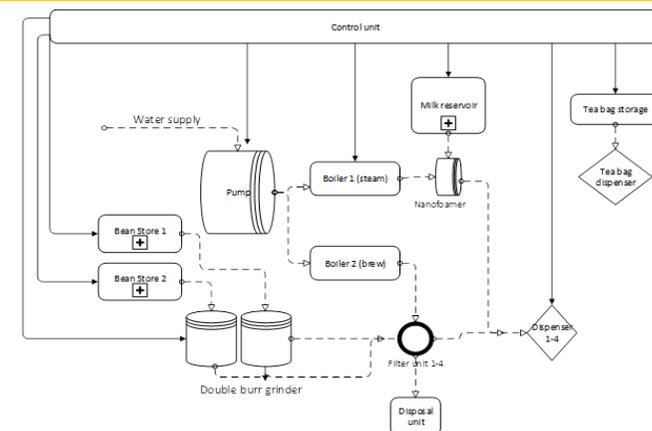
Present a first iteration of the technical solution/baseline design or concept and discuss the trade-offs that need to be taken into account. What evidence is there that it will work?

Provide sufficient **DETAIL** for it to be understood by someone else (e.g. what technique, what waveband, what key technology?). Include a block diagram!

1.4.3 Implementation aspects

We aim to develop Coffee Master 2000 hot beverage production unit, based on our Patent #1234 for software controlled super-automation process of coffee machines, which uses high pressure steam and fully automatic end user programmable software settings to enable the optimal and rapid production of more than 5 types and variations of hot beverage. It is capable of producing 4 ready-to-consume beverages simultaneously without the need of a specialized operator.

➤ See page 7-10 of example proposal



Proposal Template

Part 1 – Technical and Application Part



1.5 TECHNICAL FEASIBILITY, PROBLEM AREAS AND DEVELOPMENT RISK :

The problem areas and risks discussions are intended to cover primarily TECHNICAL (and PROGRAMMATIC where there is a key dependency/ timeliness issue), problem areas and risks that may arise DURING the work and cannot be pre-emptively resolved prior to the start of work.

Correct identification of risks and potential problems **shows you understand** the work you are proposing and can manage it properly.

Discussion of risks and problems should include a mitigation and prevention actions:

- What is the potential impact if the problem/risk arises?
- Prevention: What actions will you take to minimize the risk of it becoming a reality?
- Mitigation: What will you do if the worst case happens, how will you ensure the project can continue (can it?)?
- Provide details to show those mitigating actions are credible and feasible.
- **DO** include technical issues, risks and problems
- **DO** include planning issues related to critical path items
- **DO NOT** focus on manpower issue, management issues

TIP: Use a basic risk assessment table / matrix for the proposal and throughout the life of the activity!



Proposal Template

Part 1 – Technical and Application Part

1.5 TECHNICAL FEASIBILITY, PROBLEM AREAS AND DEVELOPMENT RISK :

Table 2. Potential Problem and Risk Areas

Problem	Description	Impact	Mitigation	Prevention
Nanofoamer cannot produce bubbles of less than 30microns at the set power limits.	Creation of bubbles less than 30microns, might increase power consumption to excessive levels.	Low	Relax the requirement to 40microns or 50% efficiency.	Design replaceable foam inducer head for the foamer unit with an option to size up to 40micron bubbles. Early testing of the nanofoamer.

Bad Examples:

“We don’t have someone who is an expert in nanofoamers and are not sure to be able to hire someone.”

“The project might be late”

Common, useless one:

“A key person might leave – we would hire a new key person”

➤ See page 10-11 of example proposal

Proposal Template

Part 1 – Technical and Application Part



1.6 APPLICATION OF TECHNOLOGY DEVELOPMENT

This is very strongly linked to the objectives and the requirements (in particular the user requirements).

1. Who will use the technology developed?
2. What will they use it for?
3. Why is it needed?
4. What are the competing technologies/ methods?
5. Why could this be better?
6. Is there a valid business case for continuing after this activity?
7. Does it match the programmatic constraints of the call? (BE EXPLICIT WRT COVER LETTER)

If you don't know the answers to all these and can't convince us then why should we finance the development? Think about a preparatory activity.



Proposal Template

Part 1 – Technical and Application Part



1.6 APPLICATION OF TECHNOLOGY DEVELOPMENT

The prevalence of coffee shop big name chains (e.g. Star Clucks), with their custom hot beverage machines have made it difficult for independent and private companies to compete. This is largely due to **the unavailability of high end**, high efficiency, reliable and flexible **hot beverage production units** on the market. There exists therefore a clear **market opportunity** which needs to be filled.

We **have identified 5 small privately** owned coffee shops in 3 major European cities (Amsterdam, London, Paris), who have showed interest in the proposed development. Considering the customisability and easy operability of the HBM, **large companies** in Estonia (Swedbank, T&C Consulting) and **governmental organizations** (Tallinn City Council) have further expressed their interest in the development, **for supplying local and international offices**. The **letters of intent** have been included **in Annex**.

➤ See page 11 of example proposal



Proposal Template

Part 1 – Technical and Application Part



1.7 TECHNICAL IMPLEMENTATION / PROGRAMME OF WORK

1.7.1 Proposed Work Logic

1.7.2 Contents of the proposed work

1.7.2.1 Work Breakdown Structure (WBS)

1.7.2.2 Work Package Description (WPD)

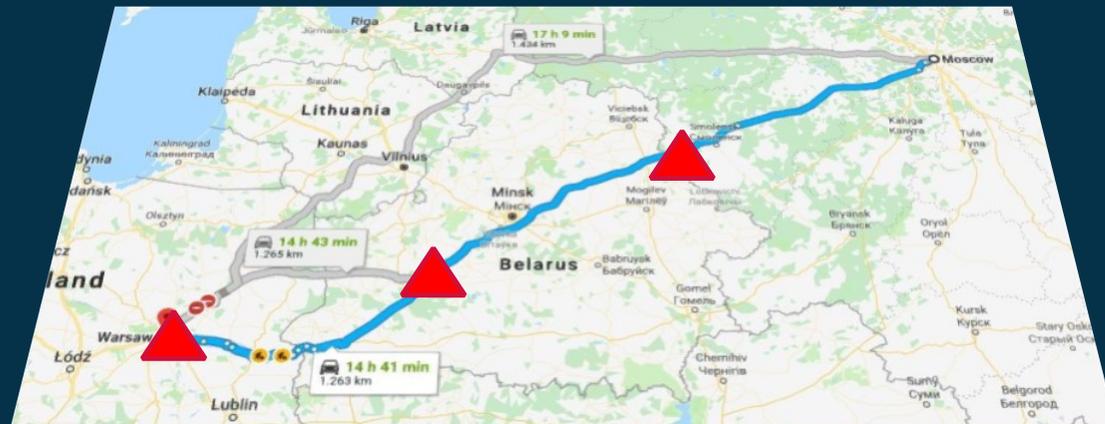


Proposal Template

Part 1 – Technical and Application Part

Consider a roadtrip from Moscow to Warsaw

The **Flowchart** is intended to show **the order** in which the work needs to be performed (i.e. the logic) and the **checks and balances** put in place, i.e. work flow, dependencies, reviews (internal/ external).



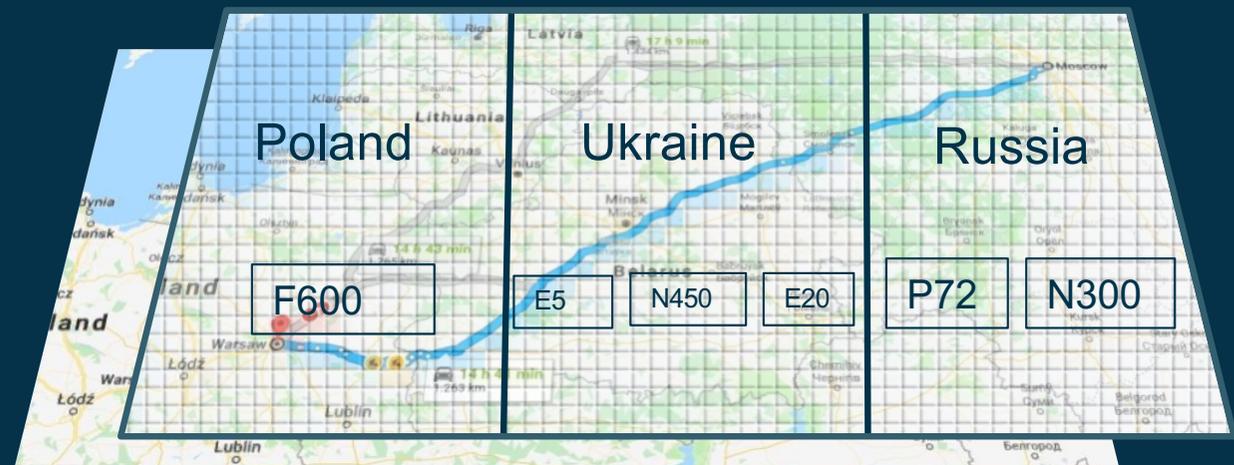
Proposal Template

Part 1 – Technical and Application Part



Consider a roadtrip from Moscow to Warsaw

The **Work Breakdown Structure** is a management tool to assist the effective definition, monitoring, management, payment and running of the activity.



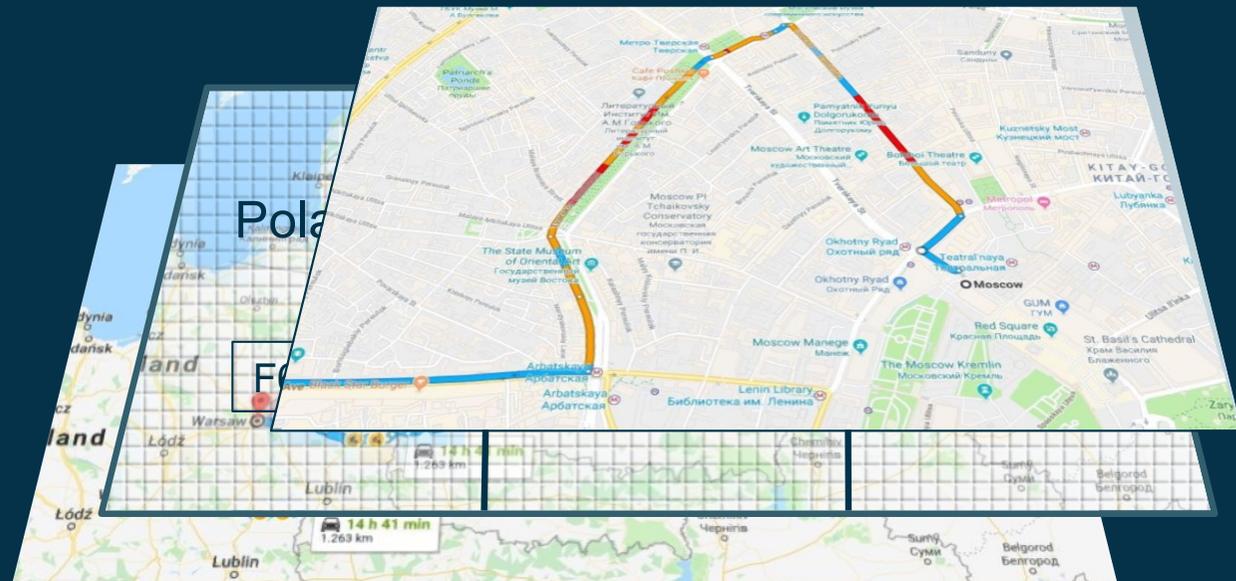
Proposal Template

Part 1 – Technical and Application Part



Consider a roadtrip from Moscow to Warsaw

The Work Package description form the detailed description of the work that will be performed.

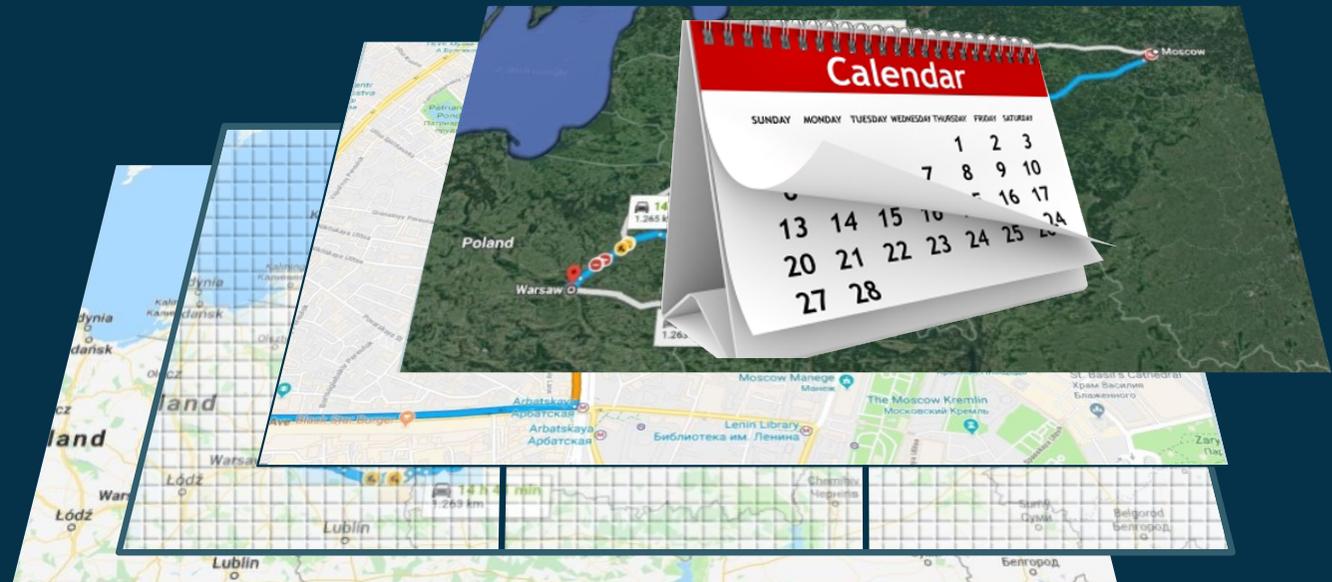


Proposal Template

Part 1 – Technical and Application Part

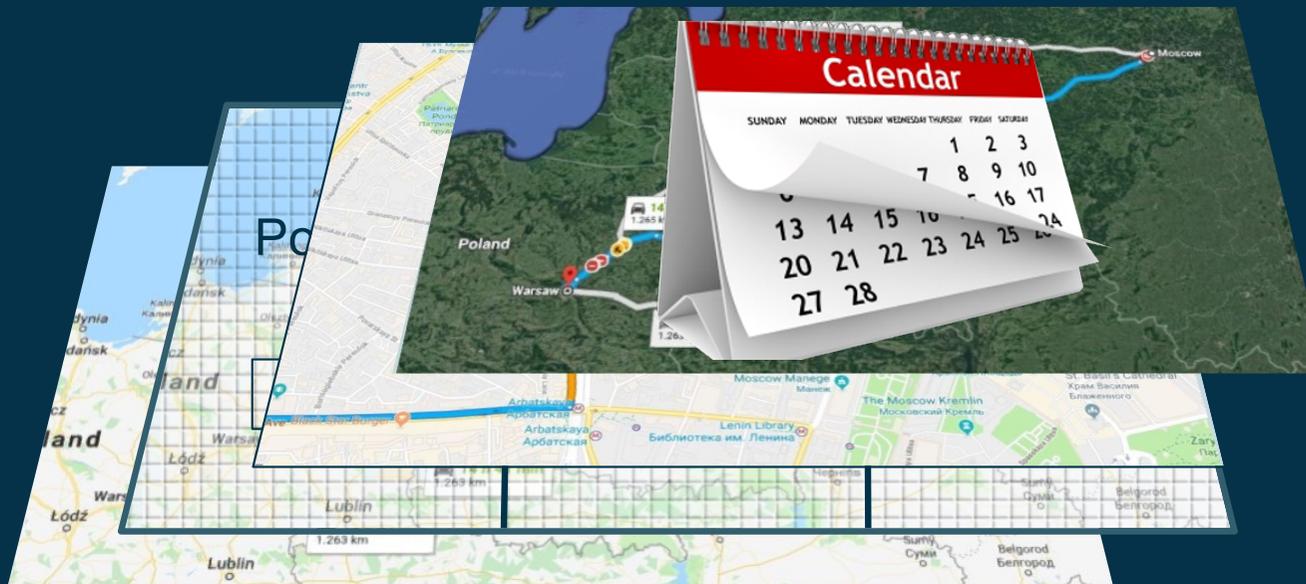


The **GANTT chart** shows you can organise your work, provides a tool to monitor the work, to communicate key dates and to *show what drives the schedule*.



Proposal Template

Part 1 – Technical and Application Part



➔ GANTT Chart

➔ WPDs

➔ WBS

➔ Flow Chart



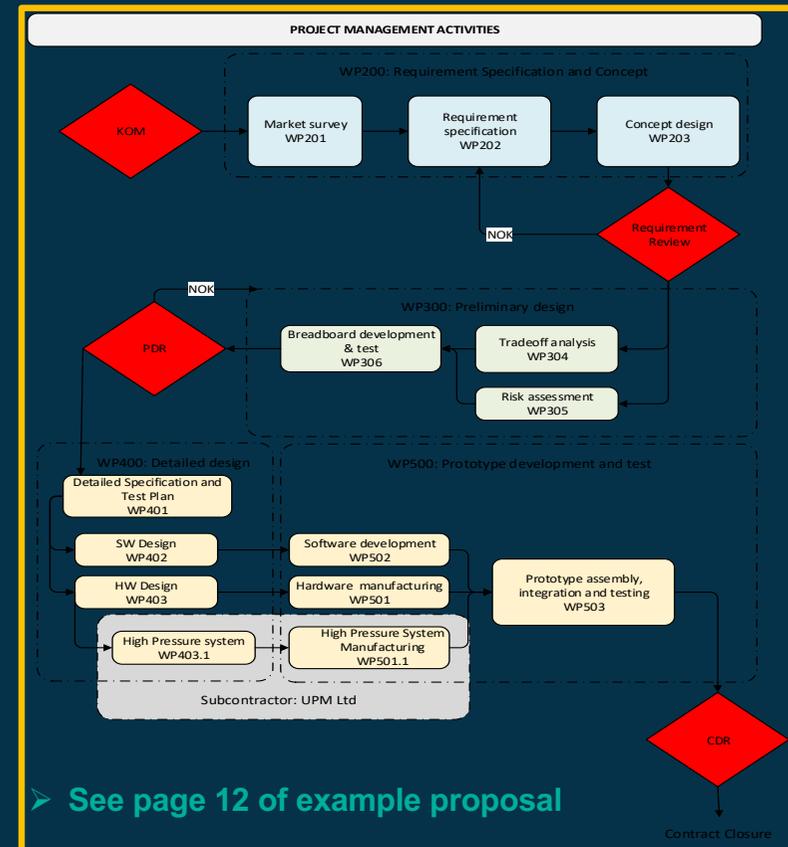
Proposal Template

Part 1 – Technical and Application Part

1.7 TECHNICAL IMPLEMENTATION / PROGRAMME OF WORK

1.7.1 Proposed Work Logic

- Include the **reviews** and decision points
- Consistency with WBS (and easy traceability)
- Parallel/serial consistency is logical (consistent with GANTT chart)
- **Sub-contractor work** is clear
- Dependencies clear



Proposal Template

Part 1 – Technical and Application Part



1.7.2 Contents of the proposed work

1.7.2.1 Work Breakdown Structure (WBS)

- Logically structure the main Work Packages following the main tasks of the work flow (preferably 'gated' by reviews)
- Include **WP for management**
- Ensure **each company** has separate **(sub)work packages**
- Ensure all tasks in one work package 'belong together'



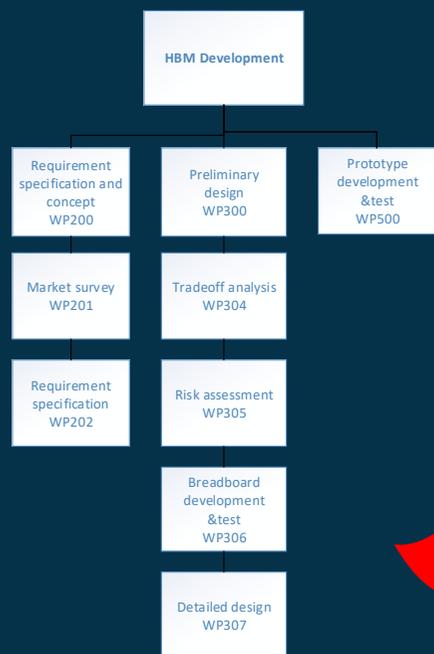
Proposal Template

Part 1 – Technical and Application Part



1.7.2 Contents of the proposed work

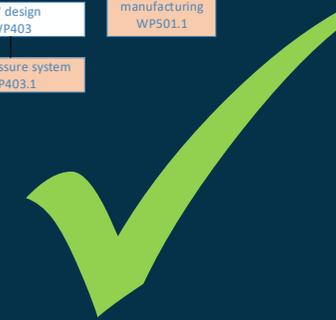
1.7.2.1 Work Breakdown Structure (WBS)



- No Management
- No split by company
- Not organised by core Task/Phase (WP307 is major WP not sub-WP)
- Insufficient detail in WP500 for Planning



Company responsible: HIQ beverages Ltd
 Company responsible: Under Pressure Manufacturing Ltd



➤ See page 13 of example proposal



Proposal Template

Part 1 – Technical and Application Part



1.7.2 Contents of the proposed work

1.7.2.2 Work Package Description (WPD)

- The WPDs form the **detailed description** of the work that will be performed
- They **scope the work** and the deliverables
- They allow a **basis for the costing**
- They **discriminate the work** and responsibilities of the different companies/ entities

Note that the ECSS propose a standard template for a WBS and WPD (for the WPD the ESA PSS A20 form can be used)



Proposal Template

Part 1 – Technical and Application Part



1. Essential Data:

- a. Work Package (WP) Title, WP Manager, Company
- b. Start and end dates (T0+) and/or EVENT (PDR, CDR)
- c. Inputs
- d. Description of work (e.g.: tasks and sub-task)
- e. Outputs (each WP will result in a number of technical documents, for example output of WP1 (task 1.1 and task 1.2), there will be TN1.1 and TN1.2)

2. TIPS:

- a. WP Manager should be responsible for the work (e.g. have suitable experience)
- b. Duration (Start: T0 + 1, End: T0 +5).
- c. Describe work (bullets) at sufficient detail to understand level of analysis performed, work flow within the WP, reviews to be held etc. Avoid generic ambiguous high level descriptions (e.g. 'Perform design')
- d. Outputs are all deliverables produced, ensure consistency with Deliverables list and deliverable identifiers.



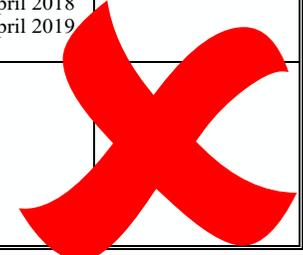
Proposal Template

Part 1 – Technical and Application Part

PROJECT: CM2000 Development	PHASE: 1	WP: 201
WP Title: Market Survey		Sheet 1 of 1
Company: HiQ Beverages Ltd WP Manager: Mr. Bean		Issue Ref: 1
Start Event: KOM	Planned Date: T0	Issue Date: 15.08.2018
End Event: RR	Planned Date: T0+3	
Inputs: <ul style="list-style-type: none"> • SoW • Approved proposal • KOM Minutes of Meeting • AD1 • RD1 Tasks: <ul style="list-style-type: none"> • Perform a survey of all current HBMs available on market • Compare key requirements and capabilities • Compare key performance indicators (efficiency, lifetime, reliability) • Compare and analyse cost (unit cost, running cost) • Identify and analyse customer requirements (coffee provider) • Assess the current annual demand for hot beverages in Europe • Perform trend analysis for hot beverage demand in Europe • Identify most popular hot beverages and key end-user requirements • Collect and analyse new and emerging requirements for popular hot beverages • Assess the potential future market for any evolving requirements • Identify consumer needs not currently addressed by HBM Specifically Excluded Tasks: <ul style="list-style-type: none"> • No competitor machines will be procured and tested • No taste testing/ surveying will be performed Outputs: D01: Current and Future Market Assessment Report D02: Emerging Hot Beverage Requirement Report		



PROJECT: CM2000 Development	PHASE: 1	WP: 200
WP Title: Requirement Specification and Concept		Sheet 1 of 1
WP Manager: Mr. Bean		
Start Event: KOM	Planned Date: 1 st April 2018	
End Event: End of project	Planned Date: 1 st April 2019	
Tasks: <ul style="list-style-type: none"> • Do market survey • Write Requirement Specification Outputs: Technical Note		



Note: The outputs to the Work Package Descriptions shall be included in the List of Deliverables!

- Too high level
- Too open to interpretation
- Scope undefined
- Deliverable undefined
- Company missing
- No inputs
- Actual dates used
- Not linked to planning (events)

➤ See page 14 of example proposal

Proposal Template

Part 1 – Technical and Application Part



1.8 BACKGROUND OF THE COMPANY(IES)

We are only interested in RELEVANT background and experience.

Coffee Example:

1. **Directly relevant** experience for a Coffee maker: Having made coffee before for themselves or having made multiple types of coffee in a café
2. Partially relevant experience for a Coffee maker: Having made other (non-coffee) hot beverages, having worked in a café where coffee was made, but not actually making the coffee.
3. Non-relevant experience for a Coffee maker: Cleaning the café, playing football, driving a car

Do not waste space in the proposal with non-relevant experience.
Relevant patents, papers or publications could be included in Annex(es)

If the people or bidding team is missing key background, experience or knowledge – **identify this yourself and explain how you will get it.**



Proposal Template

Part 1 – Technical and Application Part



- Overview of company: (size, age, years of experience and general heritage)
- Key relevant **technical knowledge** mentioned
- Key relevant **customers** mentioned
- **Key facilities** (relevant to this project) mentioned (or reference to Annex)

Prime contractor: HiQ Beverages Ltd

HiQ Beverages is one of the leading process innovators in Eastern Europe in beverage production software and machinery. Founded in 1990, the company has more than 20 years of experience in specialized beverage production systems and over 10 years of experience in automation software.

We specialize in full automation software for liquid mixing and dispensation, for which we hold multiple patents (Patent #1234, Patent#5566).

We are dedicated to research, development and manufacturing of small to medium scale beverage handling and production units to customers worldwide. Our products are in accordance with international quality standards and we have ISO-9001 certification since 2007.

HiQ Beverages Ltd customers include market leading soft drink producers (Not-A-Cola Company, Sipsy Co).

HiQ Beverages Ltd operates on Unix-based OS with internal servers and has the full software licenses (RoboQ, EXent 5.0, SinTouch) required for the foreseen work.

HiQ Beverages has a full mechanical workshop, in-house pressure test chamber and a lifetest facility. See Annex for details.

➤ See page 14-15 of example proposal



Proposal Template

Part 1 – Technical and Application Part



1.9 FACILITIES

Facilities are the things needed **in order to complete the work proposed**. You need to identify *what you need* for the proposed work and *whether you have it*, or *how you gain access* to it.

1. Example Facilities
 1. Test equipment
 2. Specialist design and analysis software
 3. Specialist computing facilities
 4. Specialist manufacturing facilities

2. Examples of things **NOT** considered Facilities:
 1. Your building and address
 2. Your car park
 3. Your desks and office furniture
 4. Standard computers, office s/w and printers

NOTE: The programme does NOT purchase infrastructure items. Entities should demonstrate access to the facilities and tools (e.g. h/w and s/w) necessary for the programme of work proposed. If new infrastructure is to be procured, it should be funded by the company.



Proposal Template

Part 1 – Technical and Application Part



1.9 FACILITIES

HiQ Beverages Ltd. has a 20-people office, and a shop with chairs and tables, we have toilets for customers, a cash desk, brush and several mops. We will need to buy more coffee cups and get some software.



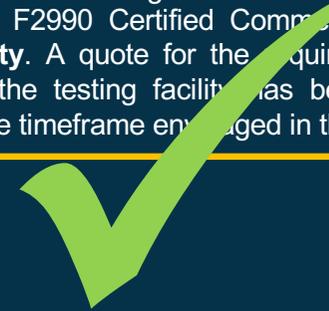
1.9 FACILITIES

All the required facilities for the proposed work are **available** to the prime and subcontractor.

HiQ Beverages Ltd operates on Unix-based OS with internal **servers** and has the full **software licenses** (RoboQ, EXent 5.0, SinTouch) required for the foreseen work.

HiQ Beverages has a full **mechanical workshop**, in-house **pressure test chamber** and a **lifetest facility**.

Critical performance testing shall be carried out in Brewzone, Italy at ASTM F2990 Certified Commercial Coffee Brewers **Testing Facility**. A quote for the required testing has been received and the testing facility has been confirmed to be available for the timeframe envisaged in the proposal.



➤ See page 15 of example proposal



Proposal Template Part 2

Management Part



Proposal Template

Part 2 – Management Part



2.1 TEAM ORGANISATION AND PERSONNEL

2.1.1 Proposed team

2.1.1.1 Overall team composition, key personnel

Describe the overall team composition, including participants from all **Sub-contractors**, if any, and including all **key** (i.e. having a major role within the team and/or being responsible for one or more WPs) personnel.

2.1.1.1 Overall team composition, key personnel

The team consists of 10 people, 4 of which are considered key due to their expertise significant contribution to the key project tasks.

The project manager is Mr. Bean from HiQ Beverages Ltd. Mr. Bean will be the main contact point with ESA as well as the subcontractor and supplier, and will oversee all management tasks and contractual aspects of the project, including sub-contractor management, scheduling, project control and risk management.

Software lead engineer D.U. Code is responsible for developing the main software architecture and proposed modifications to Patent#1234, as well as integration with hardware and co-verification.

➤ See page 16 of example proposal



Proposal Template

Part 2 – Management Part



2.1 TEAM ORGANISATION AND PERSONNEL

Clarity and consistency throughout a proposal demonstrates credible project management. The proposal should give anyone reviewing it for the first time confidence that the activity will be kept on track, **on schedule** and **on cost** to lead to a successful conclusion, with every aspect under control and **traceable** for the entire duration.

Things to communicate:

- a) Team organisation - including roles and responsibilities of key personnel and sub-contractors.
- b) How is technical progress monitored and controlled? (e.g. Progress reports and meetings)
- b) How are tasks given to people?
- c) How is schedule and cost controlled?
- d) How are actions traced?
- e) How are risks identified, traced, managed and controlled?
- f) What configuration and version control is done?
- g) How is the project status communicated to ESA and how often?



Proposal Template

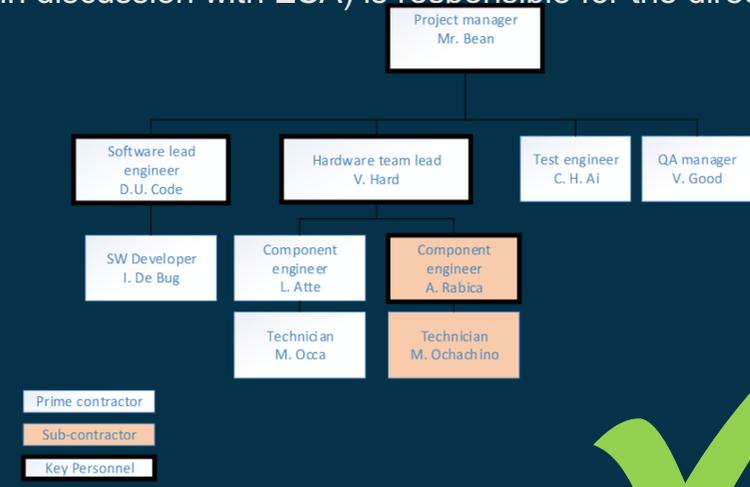
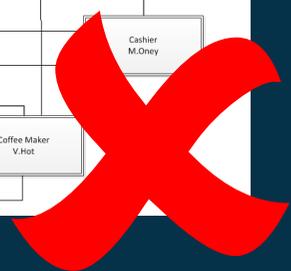
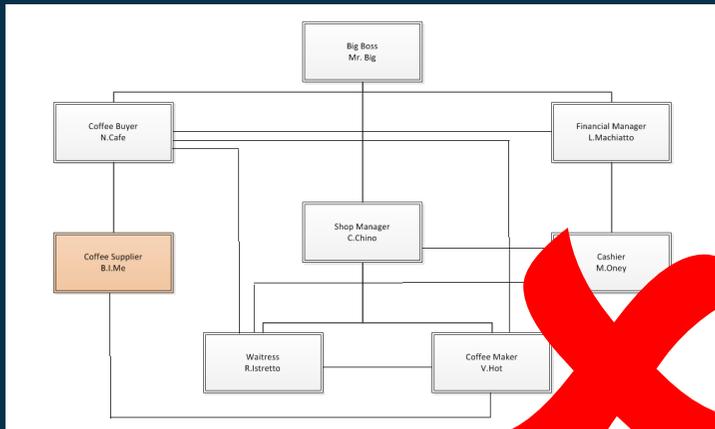
Part 2 – Management Part

2.1 Proposed team

2.1.1.1 Reporting lines within the team

Provide an organigramme for the Project Team, this is intended to show the reporting lines and responsibility/delegation. It does not show who talks to whom on a daily basis.

- Each sub-contractor should have 1 formal contact point
- NO steering committees in ESA contracts – Project Manager (in discussion with ESA) is responsible for the direction, quality of work, decisions and timeliness.



➤ See page 16-17 of example proposal

Proposal Template

Part 2 – Management Part



2.1.1.2 Rationale of the proposed industrial organisation

The **rationale of the team composition** should be clearly detailed. The rationale of the split of work between the prime and the subcontractor(s) (if any) should be explained. In case of Subcontractor(s), provide a justification for the choice of the subcontractor(s) and ensure compliance with ITT Cover Letter.

2.1.1.3 Position and responsibilities of the Key Personnel

A Key Personnel is someone playing a **leading role** in the activity OR providing **irreplaceable** experience and expertise.

1. Anyone contributing <<10% of their time is being used very inefficiently and is by definition not playing a leading role (unless due to unique expertise).
2. If someone is claimed to be a key personnel because they have irreplaceable experience and expertise – **explain the role** they play, what this is and how it will be exploited.
3. High numbers of claimed key Personnel does not make the proposal any better. Demonstrated good and **effective use of people** with the right background and with clear roles is better.
4. The percentage of the working time that each key personnel will dedicate to each Work-package (WP) shall be given. **For the management task, if the consortium is not large, the percentage should not be higher than ~10%.**



Proposal Template

Part 2 – Management Part



2.1.1.4 Time dedication of key personnel

For each **key personnel** identified in 2.1.1.1 above, provide a time percentage dedication per year

- **Percentage working time** is reasonable for their activities?
- Note the 13% would likely be picked up and questioned by the TEB
- **Total number of hours** is for the key persons. It is not expected to be the same as the total hours for the project but difference must be explained in the proposal.
- If project manager hours don't match the project management role, it needs to be explained

Key Personnel	Total Hours dedicated to the Project	Total Working Hours during Project Timeframe	% of Total Working Hours dedicated to the Project
Project manager Mr. Bean	530	1600	33
SW lead engineer D.U.Code	760	1800	42
HW team lead V. Hard	660	1800	37
Component engineer A. Rabica	240	1800	13
TOTAL	2190		

➤ See page 17 of example proposal



Proposal Template

Part 2 – Management Part



2.2 CURRICULA VITAE

One summary resume per **key** person

Include:

- Role
- Relevant experience w.r.t. work performed
- Very summarised version of other experience

Full CV can be included in an Annex, but is not explicitly required.

Dean Umberto Code (Software lead engineer)

Relevant experience:

2014- ...: Software Developer, HiQ Beverages, Estonia

- Software quality monitoring in C++ and SQL in Unix and Linux environments
- Develop automation scripts to test storage appliances in Python and C/C++
- Development of base framework with Java, JSP, Struts, CSS, HTML, JavaScript, Oracle, and MS SQL Server

2008 – 2014: Automation Engineer, Smartest Vacuum Cleaners GmbH, Germany

- Design, development and testing of microcontroller-based embedded systems in Raspberry Pi Platforms using automata-based programming for building smart home appliances.
- Design of protocol stacks for SoC HW/SW Interfaces

2007-2008; Junior Software Developer, Robocop Technologies OÜ, Estonia

- Basic function design in LISP and HDL
- Schematic capture and PCB layout software Design with sensors, encoders, SPI, I2C, CAN and EtherCAT devices

Education:

2005-2007: MSc Technical University Of Matrix, Automation Engineering

2001-2005: BSc Technical University Of Matrix, Computer Science & Mechatronics

➤ [See page 17-18 of example proposal](#)

2.3 MANAGEMENT OF SUBCONTRACTOR(S)

Present your management plan and procedures for this activity to exercise monitoring and control over the subcontractor(s) (if any). Please put Not Applicable in case no subcontractor is included. This should be consistent with the Work Breakdown Structure / Work Package Descriptions.



Proposal Template

Part 2 – Management Part



2.4 PLANNING

2.4.1 Gantt chart

2.4.2 Proposed Schedule

2.4.3 Meeting and Travel Plan



Proposal Template

Part 2 – Management Part



2.4.1. Gantt chart

The GANTT chart shows you can organise your work, provides a tool to monitor the work, to communicate key dates and to ***show what drives the schedule***.

It shows you understand the work involved in what you are proposing.

Some tips for GANTT charts:

1. It should link clearly to WBS and Flow Chart
2. It should show milestones, reviews and **key** deliverables
3. It should show the **key** dependencies between tasks
4. Include to a 'sensible' level (not too much, not too little) – ask can you monitor progress?
5. Is there a critical path? Is it shown and discussed?

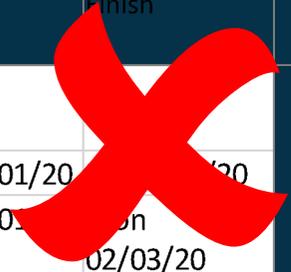


Proposal Template

Part 2 – Management Part



ID	Task Name	Duration	Start	Finish	Qtr 1, 2020			Qtr 2, 2020			Qtr 3, 2020	
					Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	CM2000 Development											
2	Management	153 days	Wed 01/01/20	Wed 01/01/20		[Bar spanning Dec, Jan, Feb, Mar, Apr, May, Jun, Jul]						
3	Requirement Specification	44 days	Wed 01/01/20	Wed 02/03/20		[Bar spanning Dec, Jan]						
4	Design Work	111 days	Wed 12/02/20	Wed 15/07/20			[Bar spanning Feb, Mar, Apr, May, Jun]					
5	Testing	20 days	Thu 11/06/20	Wed 08/07/20						[Bar spanning Jun, Jul]		



Names not matching WBS titles

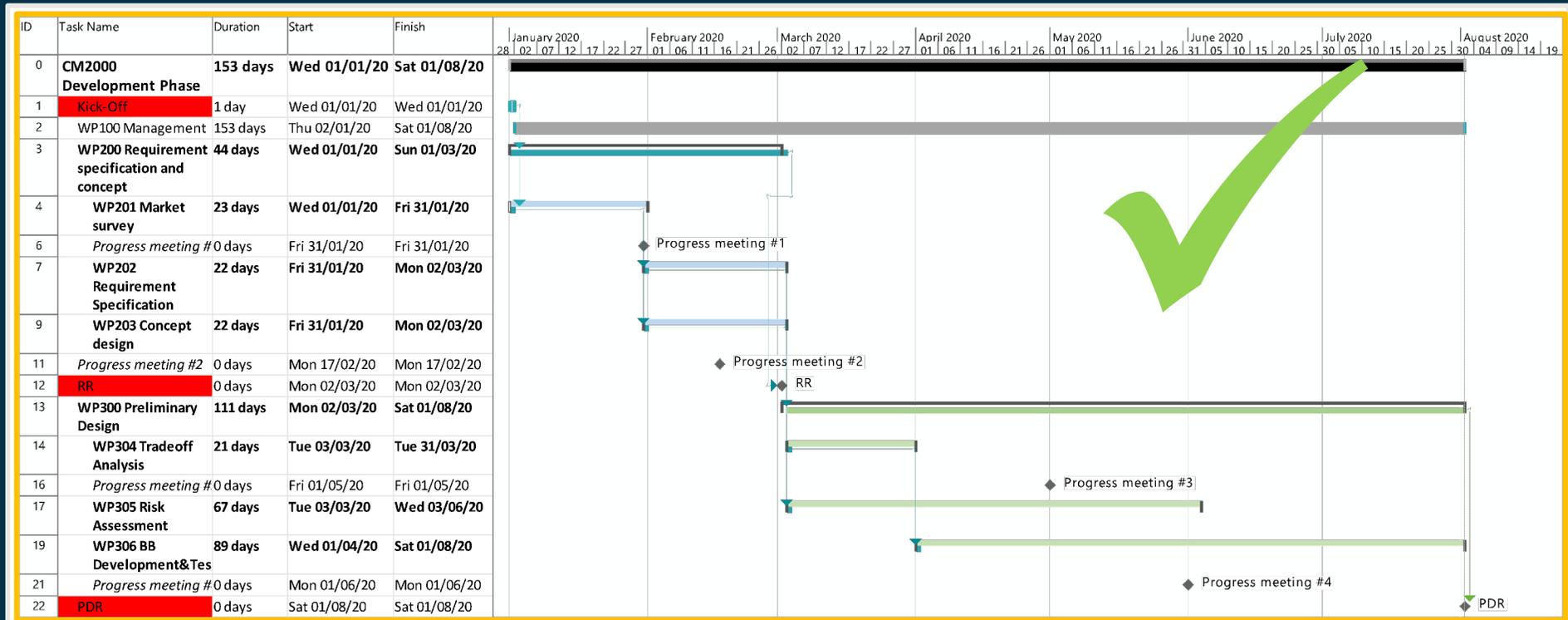
Insufficient granularity (not matching WBS)

No dependencies or critical path shown
 No discrimination between entities
 No meetings/ key points



Proposal Template

Part 2 – Management Part



➤ See page 19 of example proposal



Proposal Template

Part 2 – Management Part



2.4.2 Proposed Schedule

Provide a synthetic **summary** of the schedule including duration, planning assumptions (e.g. envisaged **start date**, **holidays** etc.) and identifying and explaining **key planning drivers** and dependencies.

2.4.3 Meeting and Travel Plan

Should be **consistent** with the cost given in **PSS A2, Exhibit B** and shall include not only meetings with the Agency but also meetings with sub-contractors involving travel, **field trips**, travels to test houses.

- All meetings with ESA (e.g. progress meetings – note these may be via telecon)
- All reviews, both internal and with ESA (e.g. Requirements Reviews, Design Review, Test Readiness...)
- All meetings with sub-contractors or potential customers (e.g. progress meetings, working meetings, requirement definition meetings)
- All travels to facilities (e.g. Test houses, Ground truth measurement areas)

Final Presentation (at ESA premises)

NOT to include:

- Any meeting or travel not **DIRECTLY** needed for progression of the activity (e.g. conferences, promotional activities...)
- Ad-hoc meetings to resolve problems (e.g. supply problems)



Proposal Template

Part 2 – Management Part



- Includes all reviews
- Includes all meetings with Sub-contractors
- Includes all tests where travel is needed
- Includes all meetings with ESA (irrespective of travel need)

Meeting	Purpose	Attendees	Date	Location
KoM	Kick-Off Meeting	ESA, HiQ	T0	Teleconference
Progress meeting #1	Results and conclusions of market survey	HiQ	T0 + 4w	HiQ, Estonia
Progress meeting #2	Progress assessment of requirement specification and concept design	HiQ	T0 + 6w	HiQ, Estonia
RR	Requirements Review	ESA, HiQ	T0 + 2mo	HiQ, Estonia
Progress meeting #3	Review of trade-off analysis, consolidation for breadboard development and test plan	HiQ	T0 + 4mo	HiQ, Estonia
Progress meeting #4	Breadboard development progress	HiQ	T0 + 5mo	HiQ, Estonia
PDR	Preliminary Design Review	ESA, HiQ	T0 + 7mo	HiQ, Estonia
Co-engineering meetings (8)	HW and SW consolidation for detailed design	HiQ, UPM	T0 + 7mo (4weeks)	HiQ, Estonia; teleconference
Progress meeting #5	Progress of design activities	HiQ, UPM	T0 + 9mo	UPM, Latvia
Internal review #3	Detailed design review and prototype development planning	HiQ, UPM	T0 + 13mo	HiQ, Estonia
Progress meeting #7	Prototype development and test progress	HiQ, UPM	T0 + 15mo	Teleconference
Critical performance testing	Test at ASTM F2990 Certified Commercial Coffee Brewers Testing Facility	HiQ, UPM	T0 + 16mo	Brewzone, Italy
Internal review #4	Prototype development and test results review	HiQ, UPM	T0 + 18mo	Teleconference
CDR	Critical Design Review	ESA, HiQ, UPM	T0 + 18mo	HiQ, Estonia
Final Review	Final Presentation of Project Outcome	ESA, HiQ	T0 + 18mo	ESTEC, ESA, Netherlands

➤ See page 20 of example proposal



Proposal Template

Part 2 – Management Part



2.5 DELIVERABLE ITEMS

The List of Deliverable Items shall be grouped in **Documentation, Hardware and Software** and shall include sufficient **explanation** to unambiguously represent the **scope** of the deliverable.

2.5.1 Documentation

Doc ID	Title	Milestone	Description of document
D1a	Requirements Specification	MS1	The Requirements Specification shall contain the full set of high level technical requirements to be met by the HBM. Each requirement shall be numbered and shall include the validation method and a justification/ reasoning for the requirement
D1b	Current and Future Market Assessment Report	MS1	Assessment of Current competitor. Assessment of competitor specifications and prices. Assessment of evolution of HBM machines.
D1c	Emerging Hot Beverage Requirement Report	MS1	Assessment of beverage types currently on offer, assessment of sales per type and evolution of these year by year from 2000 to 2017.

Ensure there is a description of each deliverable to avoid later discussion!

Ensure consistency with WPDs!

Do NOT include routine progress reporting!

2.5.2 Other Deliverables (Hardware, Software, Models, Data, etc.)

➤ See page 21 of example proposal



Proposal Template

Part 2 – Management Part



European Cooperation for
Space Standardization

ESA implements the European Cooperation for Space Standardization (ECSS) in its programs. This implementation is **not required** for PECS projects, but it is **recommended** to implement them at least partially to better understand the way ESA programs work and the terminology used and resulting requirements.

ECSS documentation is available for free download from www.ECSS.nl. Registration on the website is free.

The key document to start with for project management is:

- **ECSS-M-ST-10C Project Planning and Implementation (Chapter 4,5 and Annex A)**



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Proposal Template Part 2

Financial Part



Proposal Template

Part 3 – Financial Part



3.1 PRICE QUOTATION FOR THE CONTEMPLATED CONTRACT:

[Enter here the total amount quoted as a Firm Fixed Price (FFP), in Euro without cents, delivery duty paid, exclusive of import duties and value added taxes in ESA Member States, etc., in pursuance of the pricing conditions fixed in the “Draft Contract” included in the ITT]

Remarks concerning certain price elements:

a) Charging of royalties and licence fees:

ESA will only accept to pay royalties or licence fees on the condition that they are:

- clearly identified in the tender, with the financial basis for their calculation, method of application and total amount, and
- demonstrated to be of direct and necessary benefit to the work to be performed (thus not merely the consequence of a general agreement or commitment to a Third Party), and
- applied only to that part of the effort to be performed by a Contractor or Sub-contractor that is directly related to the subject matter of the licence or royalty agreement.



Proposal Template

Part 3 – Financial Part



(cont.)

3.1 PRICE QUOTATION FOR THE CONTEMPLATED CONTRACT:

Remarks concerning certain price elements:

b) Quotations free of taxes and custom duties:

Prices shall be quoted free of any value added taxes (VAT) and import duties in the Agency's Member States. Please note that subcontractor are not VAT exempt. In this connection you shall pay attention to the provisions stated in Article 3 of the Draft Contract (Appendix 1 to the ITT). In case you consider that you and/or your Sub-contractor(s) will remain subject to payment of taxes or custom duties, you shall indicate separately the applicable rates, the corresponding estimated amounts, and the reason why exemption from such taxes or duties cannot be obtained.

c) Currency and conversion rate:

For any Tenderer or proposed Sub-contractor located in countries outside of the Euro zone, the exchange rate used to quote their prices in Euro shall be indicated by the company (or institute) in its costing form PSS-A2. Any other factors (such as hedging costs, forward buying rates) used for the purpose of the calculations shall also be indicated]



Proposal Template

Part 3 – Financial Part



Hints and tips: Price Quotation

1. The price of the Contract will be a **Firm Fixed Price without VAT**.

The EU provides International Organisations the privilege to be exempted from VAT for intra-community transactions. ESA, as an International Organisation, is classified as non-taxable. ESA applies this privilege by issuing a VAT EXEMPTION CERTIFICATE for its contract. ESA does therefore not have a EU VAT-ID number

=> **The VAT Exemption certificate will be provided with the original contract.**

- ❖ **The Prime Contractor is the only one receiving the VAT EXEMPTION CERTIFICATE** as it is the supplier in direct contractual relationship with ESA. It is the Prime Contractor to invoice ESA directly.
- ❖ Sub-contractors will not receive the VAT EXEMPTION CERTIFICATE as they do not stand in a direct contractual relationship with ESA; they are paid by the Prime.



Proposal Template

Part 3 – Financial Part



2. The price of the proposed activity must be transparent, clear and credible.

- ✓ **TRANSPARENT:** Where does the money go? (e.g: the cost structure, hardware etc.)
 - ✓ **CLEAR:** Level of details is important => PSS forms
 - ✓ **CREDIBLE:** Are the cost credible to achieve the objectives of the proposed activity ?
- ❑ After the contract is signed by both party, ESA does not require financial reporting on the evolution of the spending.
 - ❑ All financial details are set in the proposal & at negotiation. The proposal and the minutes of meeting will be part of “the rules of the game” together with the Contract for the all duration of the contract.
 - ❑ The financial envelopes given per category in the ITT are **CEILING limits** – they are **NOT goals**. Price must be fair and reasonable for the scope of work described in the proposal.



Proposal Template



Part 3 – Financial Part

3.2 DETAILED PRICE BREAKDOWN

3.2.1 Procedures Specifications and Standards (PSS) costing forms:

[On the basis of the corresponding instructions to each form, complete and insert in Annex to your Proposal the costing form(s) requested below):

- **PSS A1** Company Cost Rates and Overheads
- **PSS A2** Company Price Breakdown Form
- **PSS A2** Exhibit A – Other Cost Element Details (if applicable)
- **PSS A2** Exhibit B – Travel and subsistence plan
- **PSS A8** Manpower & Price Summary per WP

Note that the PSS form templates can be downloaded from EMITS at <http://emits.sso.esa.int/emits/owa/emits.main> under Reference Documentation / Administrative Documents / PSS Forms / Issue 5. **Each of the PSS forms must be signed.**

The profit shall not exceed eight percent (8%) of the base cost defined in item no. 9 of PSS A2 form, issue 5 (“Company Price Breakdown Form”).

In case of participation of Sub-contractor(s) in the contemplated Contract, each Sub-contractor shall fill in the same forms with respect to its share of the activity and the Tenderer shall fill in forms corresponding to its own share and to the total.

Any PSS forms including those concerning your Sub-contractor(s) are to be signed by the authorised representative of the company (or institute) concerned]



Procedures Specifications and Standards (PSS)

- PSS A1 Company Cost Rates and Overheads
- PSS A2 Company Price Breakdown Form
- PSS A2 Exhibit A – Other Cost Element Details (if applicable)
- PSS A2 Exhibit B – Travel and subsistence plan
- PSS A8 Manpower & Price Summary per WP

Proposal Template

Part 3 – Financial Part: PSS costing forms



emits

ENTITIES LOGIN ESA Home Page Industry Information Entity Registration Service Desk Help

User: Guest

To get PSS Forms

ESA PSS-A Forms Templates

...d in the General Conditions of Tender for ESA Contracts ESA/REG/001, rev.3, Annex IV. These tables are used the total price of an industrial proposal.

...cedures Specifications and Standards, to which is added an 'A' series of tables, or costing forms.

...pliers can find the original templates of the required PSS-A forms in this page. The users are recommended to in each template.

PSS	Type of listing	Forms
PSS-A1	COMPANY COST RATES AND OVERHEADS	
PSS-A2 Incl. Exhibit A&B	COMPANY PRICE BREAKDOWN FORM	
PSS-A4	PROJECT MANPOWER AND PRICE BREAKDOWN FORM	
PSS-A6	CONTRACT PRICE SUMMARY FORM	
PSS-A8	PROJECT MANPOWER AND PRICE SUMMARY PER WP	
PSS-A10	COMPANY MANPOWER AND COST PLAN	
PSS-A15	CONTRACT PRICE PROJECTION in THOUSANDS EURO	
PSS-A15.1	COMPANY PRICE PROJECTION VS. PAYMENT PLAN in THOUSANDS EURO	
PSS-A20	WORK PACKAGE DESCRIPTION	
PSS-A40	HIGH-RELIABILITY PARTS PROCUREMENT QUESTIONNAIRE	
PSS-A45	PRODUCT TREE AND HARDWARE BREAKDOWN	

<http://emits.esa.int>

For projects where the use of [ECOS](#) (ESA Costing Software) is required, these forms shall be printed using the ECOS reports.



Proposal Template

Part 3 – Financial Part: PSS costing forms



Why do we use PSS Forms ?

- ❑ **Fairness:** PSSs are standard tools used for all ESA activities/ITT. All costs are presented the same way to allow systematic evaluation.
- ❑ **Clarity:** PSSs allow to review clearly where the money is allocated.
- ❑ **Evaluation tool:** e.g number of hours spent per key personnel per Work Package, cost per category, hardware cost...

Check carefully the Instruction Page

BE AWARE: We evaluate into details the cost. We will challenge the number of hours and the cost allocation to verify that the cost are true and credible.



PSS A1

- ✓ Present the labour Cost per Category (Project Manager, Mechanical Engineer, Senior scientist, PhD, Engineer ...)
- ✓ No Names
- ✓ ONE hourly rate for ONE labour cost category
- ✓ Fill in the Internal Facilities' part only if cost will be allocated to it.

➤ See page 30 of example proposal

PSSA2

- ✓ Full vision of the cost allocated to the activity
- ✓ If applicable, do not forget to include profit and cost of subcontractors
- ✓ **Exhibit A** : Details the cost allocated to hardware, services and miscellaneous
 - TIPS: Cost must be detailed and verifiable against current market price
- ✓ **Exhibit B**: Details the **travel costs**
 - No conference unless strictly linked to the need of the activity. We promote teleconference whenever possible. Not everyone need to come to the Final Presentation.
- ✓ The instruction provides all the definitions related to OTHER DIRECT COST ELEMENTS.

Proposal Template

Part 3 – Financial Part: PSS costing forms



Total # hours

Total # FTE

- Are these reasonable for the duration and scope of work?
- Do they match the # and time allocation of key people?

Have facilities been described in proposal? →

COMPANY PRICE BREAKDOWN FORM					Form No. PSS A2	Page no. 1 of 1	Issue 5
RFQ/ITT No.:	18.187.04				COMPANY		
Proposal/Tender No.:	1				Name:	HiQ Beverages Ltd	
Type of Price:	FFP	Firm Fixed Price			Country:	Estonia	
Economic Condition:	2018				Representative		
National Currency (NC):	EUR				Name and Title:	Mr. Bean	
Exchange Rate (X):	1 EURO =	1.00000	EUR		Signature:		
Contractual Phase:	N/A				Project/Work Package(s):		
					TOTAL (NC) EUR		TOTAL (EURO) NC / X
LABOUR							
Direct Labour cost centres or categories Code / Description	No. of FTE (calculated) U = W / V	Sold Hours per ManYear V	Manpower Effort No. of Hours W	Gross Hourly Rate in NC			
Project Manager	0.2	1,600	300	39.24		11,772.00	11,772.00
Senior Engineer	0.9	1,800	1,550	57.84		89,652.00	89,652.00
Junior Engineer	0.3	1,800	550	36.72		20,196.00	20,196.00
Technician	0.2	1,800	400	28.44		11,376.00	11,376.00
QA Manager	0.0	1,800	80	48.72		3,897.60	3,897.60
						0.00	0.00
						0.00	0.00
						0.00	0.00
						0.00	0.00
						0.00	0.00
						0.00	0.00
						0.00	0.00
1 Total Direct Labour Hours and Cost	1.6		2880.0		A	136,893.60	136,893.60
INTERNAL SPECIAL FACILITIES							
Code	Description	Type of unit	No. of units	Unit rates in NC			
	Pressure testing Chamber	Day	1	1,000		1,000.00	1,000.00
						0.00	0.00
						0.00	0.00
						0.00	0.00
						0.00	0.00

➤ See page 28 of example proposal



Proposal Template

Part 3 – Financial Part: PSS costing forms



2	Total Internal Special Facilities Cost				B	1,000.00	1,000.00
	OTHER DIRECT COST ELEMENTS	Base amounts in NC	+ OH %	OH amounts in NC			
3.1	Raw materials	1,455	5.0%	73		1,527.75	1,527.75
3.2	Mechanical parts	1,973	5.0%	99		2,071.65	2,071.65
3.3	Semi-finished products					0.00	0.00
3.4	Electrical & electronic components	733	10.0%	73		806.30	806.30
3.5	HIREL parts						
	a) procured by company					0.00	0.00
	b) procured by third party					0.00	0.00
3.6	External Major Products					0.00	0.00
3.7	External Services	3,000	15.0%	450		3,450.00	3,450.00
3.8	Transport and Insurances					0.00	0.00
3.9	Travel and Subsistence	3,180	10.0%	318		3,498.00	3,498.00
3.10	Miscellaneous	600	5.0%	30		630.00	630.00
3	Total Other Direct Cost	10,941.00		1,042.70	C	11,983.70	11,983.70
4	SUB-TOTAL DIRECT COST				(A+B+C) D	149,877.30	149,877.30
	GENERAL EXPENSES	Cost items to which % applies		Base Amount in NC	OH %		
5	General & Administration Expenses	1		136,893.60	3.75%	E	5,133.51
6	Research & Development Expenses					F	0.00
7	Other					G	0.00
8	TOTAL COMPANY COST				D+(E+F+G) H	155,010.81	155,010.81
		Cost items to which % applies		Base Amount in NC	%		
9	PROFIT	1		155,010.8	8.0%	I	12,400.86
10	COST WITHOUT ADDITIONAL CHARGE					J	0.00
11	FINANCIAL PROVISION FOR ESCALATION					K	0.00
12	TOTAL COMPANY PRICE				(H+I+J+K) L	167,411.67	167,411.67
13	TOTAL SUB-CONTRACTOR PRICE					M	23,969.90
14	REDUCTION for COMPANY CONTRIBUTION					N	0.00
15	TOTAL PRICE FOR ESA				(L+M-N) O	167,411.67	191,381.57

PSS A2

Other direct cost elements - % of overall cost reasonable? (details reviewed in Exhibits)

Profit <= 8%?

Total – less than max ceiling?



Proposal Template

Part 3 – Financial Part: PSS costing forms



COMPANY PRICE BREAKDOWN FORM		EXHIBIT "A" TO PSS A2			Issue 5	
RFQ/ITT No.: 18.187.04		Page No. 1			No. of Pages 1	
Proposal/Tender No.: 1		COMPANY NAME: HiQ Beverages Ltd				
National Currency: EUR		Name and Title: Mr. Bean				
Contractual Phase: N/A		Signature				
Applicable to PSS-A2 elements: 3.1-3.4 - 3.6 - 3.7 - 3.10 - 10 Project / Work Pac CM2000 Development; WP300, WP400, WP500						
Cost El. No.	ITEM DESCRIPTION	Type of Price	Purchase Currency	Purchase Amount	Ex change rate 1 NC =	Amount in NC
3.1	Raw Materials: Copper, Stainless Steel for component manufacturing	FFP	EUR	1,455.00	1.00000	1,455.00
3.2	Mechanical Parts: Soldering support equipment, mechanical seals, slides, hinges, toggle clamps	FFP	EUR	1,973.00	1.00000	1,973.00
3.4	Electrical & electronic components: resistors, capacitors, LEDs, transistors, etc	FFP	EUR	733.00	1.00000	733.00
3.7	External Test Facility: ASTM f2990 Certified Commercial Coffee Brewers Testing Facility at Brewzone, Italy	FFP	EUR	3,000.00	1.00000	3,000.00
3.9	Travel and Subsistence: Meeting with Subco, testing travel to Italy (see Exb. B)	FFP	FFP	3,180.00	1.00000	3,180.00
3.10	Miscellaneous: raw food material for testing (coffee, cocoa beans, tea, syrups, milk)	FFP	FFP	600.00	1.00000	600.00

Bought in items

- Justified by scope of work?
- Not representing infrastructure?
- Not representing 'normal work' items?
- Sufficiently identified?
- Reasonable cost?

External Services

- Clearly described?
- Clearly needed?
- Value for money?

➤ See page 28 of example proposal



Proposal Template

Part 3 – Financial Part: PSS costing forms



PSS A2 Exhibit B

TRAVEL PLAN AND COST DETAIL			EXHIBIT "B" TO PSS-A2										Issue 1	
RFQ/ITT No.:	18.187.04									Project:	CM2000 Development			
Proposal/Tender No.:	1									Company:	HiQ Beverages Ltd			
Contractual Phase	N/A									Type of Price:	FFP			
Economic Condition:	2018									Exchange (X): 1 EURO =	1	EUR		
National Currency (NC)*:	EUR													
WP Reference Number	WP Title	Purpose/Event	Departure	Destination	Nr. of Trips	Avg. People per Trip	Travel Cost p.p. (NC)	B / E	Avg. Days per Trip	Subsistence Cost p.d. (NC)	A / R	Total Cost (NC)	Total Cost (EURO)	
WP400	Detailed Design	Progress meeting #5	Tallinn, Estonia	Riga, Latvia	1	2	100	E	2	120	R	680	680	
WP500	Prototype Development and Test	Critical Performance test at ASTM F2990 Certified Commercial Coffee Brewers Testing Facility	Tallinn, Estonia	Brewzone, Italy	1	2	300	E	2	150	R	1,200	1,200	
WP500	Prototype Development and Test	Final Presentation of Project Outcome	Tallinn, Estonia	Noordwijk, Netherlands	1	2	250	E	2	200		1,300	1,300	
Total Cost, WBS level 1 (equal to the item 3.9 of PSS-A2)												3,180	3,180	

Meetings:

- Matching meeting plan?
- All clearly justified?

People:

- Matched to scope of meeting?

Travels:

- Flight costs reasonable?
- #days reasonable?
- Subsistence reasonable? (often too low)

➤ See page 29 of example proposal



PSSA8

- ✓ **Cost and Hours are broken down per Work Package**
- ✓ **We evaluate whether there is too much, not enough hours allocated to each WP**
- ✓ **Consistency of information is important**
- ✓ **Do not forget to sign the PSSA8**
- ✓ **Do not forget the total !**

Proposal Template

Part 3 – Financial Part: PSS costing forms



- Hours per work package
- Matching/ reasonable for scope of work described in WP?
 - Reasonable spread of hours (i.e. focus at key part)?
 - Hours spent on management reasonable?

➤ See page 31 of example proposal

COMPANY MANPOWER AND PRICE SUMMARY PER WP						Form no. PSS A8	Page X of Y	Issue 5
ITT/RFC:	18.187.04							
Proposal/Tender No.:	1						Price Type: FFP	
Company Name:	HIQ Beverages Ltd						Economic Conditions: 2018	
Contractual Phase:	N/A						National Currency (NC): EUR	
WBS-Level (Number and Title):	1	Workpackage					Exchange Rate: 1 EUR =	01-1900
WP Title	Management	Requirement Specification and concept	Preliminary Design	Detailed Design	Prototype Development & Test			Total WBS-Level
WP Number	100	200	300	400	500			
Labour Hours per category	Hours							
Project Manager	#	300						300
Senior engineer	#		190	140	680	540		1,550
Junior Engineer	#		50	100	100	300		550
Technician	#			120	40	240		400
QA Manager	#			10	10	60		80
...	#							
...	#							
Total Labour Hours	#	300	240	370	830	1,140		2,880
1. Total Labour Cost	NC	11,772.00	12,825.60	15,669.60	44,628.00	51,998.40		136,893.60
2. Internal Special Facilities Cost	NC					1,000.00		
3.1-3.4 Material Costs	NC			1,933.00		2,472.70		4,405.70
3.5 High Rel Parts Costs	NC							
3.6 External Major Products Cost	NC							
3.7 External Services Cost	NC					3,450.00		3,000.00
3.8 Transport/Insurance Cost	NC							
3.9 Travel and Subsistence Cost	NC				780.00	2,718.00		3,498.00
3.10 Miscellaneous Cost	NC					630.00		630.00
3. Total Other Costs (sum of above 3.x)	NC	0.00	0.00	1,933.00	780.00	9,270.70		11,983.70
4. Sub-Total Direct Cost	NC	11,772.00	12,825.60	17,602.60	45,408.00	62,269.10		149,877.30
5.-7. General expenses	NC	441.45	480.96	587.61	1,673.55	1,949.94		5,133.51
8. Sub-Total Company Cost	NC	12,213.45	13,306.56	18,190.21	47,081.55	64,219.04		155,010.81
9. Profit Fee	NC	977.08	1,064.52	1,455.22	3,766.52	5,137.52		12,400.86
10. Cost without additional charge	NC							
11. Financial Provision for escalation	NC							
12. Total Company Price	NC	13,190.53	14,371.08	19,645.43	50,848.07	69,356.56		167,411.67
	EURO							
13. Total Sub-Contractors Price	NC				12,943.80	11,026.10		23,969.90
	EURO							
14. Reduction for Company contribution	NC							
15. Total Price for ESA	NC	13,190.53	14,371.08	19,645.43	63,791.87	80,382.66		191,381.57
	EURO							



Proposal Template

Part 3 – Financial Part



PLEASE NOTE!

All fields in National Currency and in EURO must be filled in.
Please do not forget to fill in the exchange rate.

For non-profit organizations, no profit can be accepted. For other organisations, the profit shall not exceed 8% of the Total Company Cost shown on line 8, which excludes the base value of 3.5b. Subcontractor prices are not considered to be own company cost and, being already inclusive of profit, are shown on line 13 of the PSS A2 (Issue 5).

Final presentation shall take place at the Agency's premises. The cost of attendance/participation to conferences can only be covered if it is directly pertinent to the work being proposed, and shall be justified.

Overheads on procurements and labour rates are intended to cover admin costs and **general office supplies and overheads.**



Proposal Template

Part 3 – Financial Part



3.2.2 Milestone Payment Plan

Determines **how much** gets paid, **when** and what are the **conditions for payment**.

Milestone (MS) Description	Schedule Date	Payments from ESA to (Prime) Contractor (in Euro)	Country (ISO code)
Progress Payment (MS 1): Upon successful completion of WP xxx and/or successful [review] and acceptance by the Agency of all related deliverable items [Deliverable reference e.g D.1 or TN1...].	To + ... months		
Progress Payment (MS 2): Upon successful completion of WP xxx and/or successful [review] and acceptance by the Agency of all related deliverable items [Deliverable reference e.g D.1 or TN1 ..].	To + ... months		
Final Settlement (MS 3): Upon the Agency's acceptance of all deliverable items due under the Contract and the Contractor's fulfilment of all other contractual obligations including submission of the Contract Closure Documentation	To + ... months	<i>(not less than 10% of the total contract price)</i>	
TOTAL			

TIPS: Keep requested payments to not more than 2 per year. PECS pays based on work delivered. Make sure the deliverables associated with the payment are coherent with the presented schedule & deliverable table.



Proposal Template

Part 3 – Financial Part



- Acceptable Milestone Description
- Preferred description is linked to a review
- Payments should be balanced to predicted expenditure profile

Milestone (MS) Description	Schedule Date	Payments from ESA to (Prime) Contractor (in Euro)	Country (ISO code)
Progress (MS 1): Upon successful completion of the Requirements Review and acceptance of deliverables D1a, D1b, D1c, D2 and D3.	To + 2 months	75,000	LT
Progress (MS 2): Upon successful completion of the Preliminary Design Review and acceptance of deliverables D4a-c, D5, D6a-b, D7.	To + 7 months	74,570	
Final Settlement (MS3): Upon successful completion of the CDR and the Agency's acceptance of all deliverable items due under the Contract and the Contractor's fulfilment of all other contractual obligations including submission of the Contract Closure Documentation.	To +18 months	41,812	
TOTAL		191,382	

➤ See page 23 of example proposal



Proposal Template

Part 3 – Financial Part



The **advance payment** constitutes a **debt** of the Contractor to the Agency until it has been **offset** against a subsequent milestone. **The amount of the advance payment should be offset by the same amount.**

Prime (P)	Company Name	ESA Entity Code (at contract signature)	Country (ISO code)	Advance Payment (in Euro)	Offset against	Offset by Euro	Condition for release of the Advance Payment
P				<i>(not more than 35% of the total contract price for SMEs and not more than 10% for non-SMEs)</i>	MS 1	Amount	Upon signature of the Contract by both Parties

Prime (P)	Company Name	ESA Entity Code (at contract signature)	Country (ISO code)	Advance Payment (in Euro)	Offset against	Offset by Euro	Condition for release of the Advance Payment
P	HiQ Beverages Ltd		LT	66,984	MS 1	66,984	Upon signature of the Contract by both Parties

➤ See page 24 of example proposal



Proposal Template

Part 3 – Financial Part



You are requested to indicate below for information purposes only, the Milestone Payment Plan that is envisaged for Sub-contractor(s).

For Information purposes only :				
Amounts in Euro for Contractor and Sub-contractor(s)				
Milestone	Prime Contractor	Insert Country (ISO code)	Sub-contractor A	Insert Country (ISO code)
	HiQ Beverages Ltd	LT	Under Pressure Manufacturing Ltd	LV
Advance	61,984		5,000	
MS-1	8,016		0	
MS-2	55,600		18,970	
MS-3	41,812		0	
TOTAL	167,412		23,970	

➤ See page 24 of example proposal



Proposal Template

Part 3 – Financial Part



PLEASE NOTE!

- 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 in the work performed. E.G.
 - Successful completion of Reviews
 - Acceptance of deliverables
- **Progress reports are not sufficient to make payments**
- **Advance payments** to be made after contract signature, may be agreed in line with:
 - The Advance payment **constitutes a debt of the Contractor to the Agency** until it has been set-off against a subsequent milestone. The advance payment shall nominally be set-off against the 1st progress payment.
 - Advance payments for SMEs are 35% of the contract price. SMEs are classified according to the criteria of the European Commission (Recommendation 2003/361/EC of 6 May 2003 (OJ L 124, 20.5.2003, p. 36)).
- **The final payment milestone shall not be less than 10% of the contract price.**



Proposal Template

Part 3 – Financial Part



3.3 COST TO COMPLETION

3.3.1 Further steps/ Activities needed to complete the development

3.3.2 Estimated Cost per step

<i>Further Activity</i>	<i>Step/</i>	<i>Estimated cost (Euro)</i>	<i>Estimated Start date</i>	<i>Estimated end date</i>



Proposal Template Part 4

Contractual Part



Proposal Template

Part 4 – Contract Conditions Part



4.1 INTELLECTUAL PROPERTY RIGHTS

4.1.1. Background Intellectual Property and Third Party Intellectual Property Rights

4.1.2 Foreground Intellectual Property

4.1.3 Ownership of Foreground Intellectual Property



Proposal Template

Part 4 – Contract Conditions Part



1. Background IPR

- a. Intellectual property existing already BEFORE the ITT.
- b. That is USED for the work of the ITT
- c. That had no ESA financial aid to develop.
- d. Must be listed, must be able to be evidenced (e.g. via patent, notebook or other means)
- e. Impact on the deliverables must be described
 - Which deliverables is it included in?
 - How does it affect that deliverable and ESA's rights?

2. Foreground IPR

- a. Intellectual property developed DURING the Activity
- b. IP shall remain vested in the company
- c. ESA shall also have rights
- d. It shall not affect the deliverables/ rights on the deliverables



Proposal Template

Part 4 – Contract Conditions Part



4.1 INTELLECTUAL PROPERTY RIGHTS

4.1.1. Background Intellectual Property and Third Party Intellectual Property Rights

Exact name of BIPR Item	Owner, Country	Description	Reference: Patent / Issue / Revision / Version / Licence #	Contract / Funding Details under which the IPR was created	Name of the affected deliverable
Software controlled super-automation	HiQ Beverages Ltd, EE	Intelligent multi-functional and configurable precision control of hot beverage machines	Patent #1234	Self-funded	D4b -Software Preliminary Design. This document will be marked company confidential and distribution is limited to the ESA TO.

➤ See page 26 of example proposal



Proposal Template

Part 4 – Contract Conditions Part



START
We have an Idea! We have a recipe for astronaut food!

Objective: supply good tasting protein rich cereal bars to space travellers.



Original Recipe – protein rich but tastes awful



Final Recipe – Specific modifications from lessons learned result in a good tasting product

BACKGROUND IPR

'Micro-Ecological Life Support System Alternative' programme (MELiSSA) Project: spirulina recipe improved after experiments and testing.

FOREGROUND IPR



Proposal Template

Part 4 – Contract Conditions Part



4.2 IMPORT AND EXPORT LICENCES

This section is only **to be completed in case** of items or services that are **subject to** envisaged or probable inclusion of **import/export restrictions**, other than those from the Tenderer's own country, in either the body of the work performed under this activity or in a resulting product or service.

4.2.1 Import and Export Licences applicable to this Activity

[SELECT **ONE** OF THE TWO OPTIONS]

[OPTION1]

The Tenderer declares that no items subject to import or export control will be used in the execution of this activity.

[OPTION2]

The Tenderer declares that the following items, subject to import or export control will be used in the execution of this activity:

Item	Control Type and Country of Origin	Deliverable affected	Comment



Proposal Template

Part 4 – Contract Conditions Part



(Cont.)

4.2 IMPORT AND EXPORT LICENCES

4.2.2 Import and Export Licences applicable to a product or services arising from or resulting from this Activity

SELECT ONE OF THE TWO OPTIONS

[OPTION1]

The Tenderer declares that any products or services arising from or resulting from this activity will not be subject to import or export control or make use of any import/ export controlled items.

[OPTION2]

The Tenderer declares that the following items, subject to import or export control, are expected to be used in an end product or service eventually arising from or resulting from this activity.

Item	Control Type and Country of Origin	Deliverable affected	Comment



Proposal Template (and hints and tips)

The following slides draw your attention to **common mistakes** and oversights in proposals. It is not a prescriptive 'do it like this' list and the material must be sensibly applied to your particular case.

There is no substitute for a **good idea**.

This presentation will only help you to present your idea in a way it can be **understood by reviewers**.

Please ensure that your Outline Proposal is compliant with the ITT conditions of tender and cover letter – each ITT can be different. **Do NOT ever use a previous template from any other ITT.**

REMEMBER:

ESA is only allowed to evaluate what is in the 25 pages of the proposal – do not assume that the reviewers have “your common knowledge” or that “it is commonly known”. We cannot evaluate intentions, “read in-between-the-lines” or guess what you mean. We are only allowed, outside of the proposal, to consult EMITS or other ESA internal information.

The TEB members have to read typically 20+ proposals in total per TEB – the easier you make it for them to read and understand, the better.

Proposal Template: Common Mistakes

VERY BRIEF summary of SOME of the most common mistakes to avoid:

Criteria 1

1. Objectives difficult to understand or not clearly stated.
2. Poor or missing technical requirements (e.g. not covering the key points, not quantified or verifiable, not matching market need)
3. Poor or missing engineering approach (e.g. Baseline concept not described, missing reviews or checks, lack of key testing or validation)
4. Poor or inadequate programme of work (e.g. missing customer involvement, missing design or development steps) and inconsistency between text, flowchart, WPD and GANTT.
5. Missing experience or facilities – No information on relevant work done by the company, no or poor relevant CVs for the key personnel, no (or poor information) on facilities and/or having no plan to acquire it
6. Poor WPD (e.g. insufficient detail to understand the full scope of the work, no clear responsibilities, inputs and outputs of each WPD)
7. Poor WBS (e.g. spaghetti WBS and flowchart, too many/few WPD, WP not with tasks for more than one entity)

Criteria 2

1. Not meeting the programmatic constraints of the cover letter (e.g. not related to ESA needs or programmes, not space related, not credible start or target TRL, no clear benefit for the country, no user involvement in services and applications proposals)

Proposal Template: Common Mistakes

VERY BRIEF summary of SOME of the most common mistakes seen:

Criteria 3

1. Poor project management (e.g. missing how you will monitor the timely implementation of the activity, sub-contractor control or including a steering group or management 'team' instead of a Project Manager)
2. Poor planning (e.g. insufficient detail, no dependencies, too much in parallel, not matching scope of WPD)
3. Non-credible costing (e.g. hours not corresponding to described scope work in WPD, procurement of inappropriate items, excessive travel costs, price = max available envelope, procured items not detailed or justified)
4. Poor definition of deliverables (e.g. missing deliverables, not covering the full scope of work, deliverables not matching WPD outputs)
5. High/very low management hours.
6. Inconsistency between PSS forms and proposal (costed travels not in meeting plan, facilities/service costed for but not mentioned in proposal)

Criteria 4

1. Some of the documents not signed or missing (e.g. Cover Letter, PSS Forms – *ALL MUST BE SIGNED*)
2. Non compliance with tender conditions (e.g. Introducing changes to the Proposal Template or exceeding the maximum number of pages)
3. Disagreeing with the Draft Contract (that you accepted by signing the Cover Letter)
4. Leaving incomplete part of the essential information (e.g. milestone payments, deliverables, leaving empty the IPR section, management plan section or any other section – please fill it: if it is the case say that it does not apply and why)

→ PECS Questions?

Please include “CY5” in the subject line
and send the email before the 16th of 2021 to

To: Giuseppe.daquino@esa.int

Cc: Stephen.Airey@esa.int

After the 24th of June 2021 - ITT Opening

ESA-STAR

Sandy.Courtois@esa.int

Submission Deadline on **31st August 2021 @13:00**

First contracts expected **Q4 2021 / Q1 2022**

