

## PpP Approach (Price per Project)

*NB: Please refer to the Specimen Contract throughout, since priced items are cross-referenced by clause number.*

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### Introduction

For far too long it has been the practise for interpreters to charge based on an opportunity cost for their time.

Unfortunately this historical practice does NOT reflect the true costs for them of doing business, and only partly covers expenses, and other ancillary items: it also has the disadvantage of lacking transparency AND flexibility.

Both of these are required not just by clients, language agencies and event companies, but more importantly, are dictated by the actual realities of events themselves as they unfold: these may include several unforeseen items.

Much as though one would like to cover all eventualities in the covering contract / order, the reality is that no two events are identical, and we often thus end up with a one-size-fits-none result.

It is therefore vital to produce terms and conditions, as embodied in the governing contract, that are as tailored as possible to the actual circumstances that arise during any given event.

For this reason, we have adopted an approach based on a Specimen Contract, which forms an overall framework within which to produce pricing that is tailored to the specific project.

This may mean that it is not possible to produce an instant quotation for any job, but it is achievable within a reasonable time-frame of a few hours, and done in such a manner that all (or almost all) eventualities are covered.

The Client / Agency /organiser will only see the final *Price per Project*, with priced *Options*.

## Advantages

All (or virtually all) eventualities and circumstances in the preparation and holding of any event, anywhere (in any physical location or online) are included.

Only those eventualities that actually arise will be invoiced and paid for, but all terms are revealed to all parties (full transparency, even though itemised costings are only made available on request).

This also means that the financial impact of changes in approach can be quickly assessed and thus management decisions that affect approach can be made on an objective basis.

Clients (including language agencies and event organisers) have clarity as to what is included and what to expect.

This also makes it considerably easier to handle unforeseen circumstances if and when they arise, because they will have been given consideration and priced in advance.

## Services Included – (with Contract Clause Cross-references)

### Clause 1.

First and foremost, the most important factor to be included is the *professional qualification* of the interpreter, who will have spent several years perfecting knowledge of the languages involved, and developing the skills need in order to perform the service required, regardless of interpreting mode.

It is not possible to provide a precise price for the qualification element: certainly we cannot recommend using cut-price personnel “with lower skills”, but almost all interpreters will have witnessed the results of what happens when clients are tempted to follow this route.

We have witnessed people unable to speak at all because of the unusual stress of having to translate instantly, or people who are incapable of being understood by native speakers of the target language, because of poor knowledge of the language, poor pronunciation or both...with disastrous consequences.

### Clause 2.

2. a) The *languages* need to be specified for the event. The *number* of languages will be the main multiplier of the basic time apportioned price rate.

Each language will represent TWO (or in some circumstances of great stress / importance) THREE interpreters, working in alternation / sequence. This forms the *first major variable* in the pricing calculation, since certain languages command higher pricing (by virtue of scarcity etc.).

The nature of the event has no incidence on pricing, but upon identification only. The same also applies to location.

However, *duration* does have a material impact upon prices. Whilst time is not the sole factor in the calculation of the financial bid, as may have been the practise in the past, it is most

certainly one of the major elements in calculation; one can by and large, for example expect that an event that lasts one day will cost roughly one fifth of an event that lasts throughout a five-day working week.

2. b) Equipment shall be provided by the Client / event organiser / language agency and interpreters shall not be expected to provide any part thereof. If this does NOT apply, it will be reasonable to apply a pricing *supplement* for any items interpreters provide. But this will be truly exceptional, and even in such cases (governed by a separate endorsement / side agreement) it is expected that the interpreters shall be held harmless as under paragraph 4 of Clause 2.

2. c) The paragraph referring to chuchotage (whispered interpreting), is stated merely to identify the mode more precisely. However, it must be clear that, should whispered interpreting be required, *additional charges* may be levied in proportion to the *man-hours* spent providing that service.

The event *dates and mode* shall be the definitive means by which the event shall be identified for all parties.

### Clause 3.

3. a) The *Fee per Day per Interpreter* is the basic unit by which the majority of the charges in the project proposal are calculated: but, as can be seen above and also below, it is far from being the only criterion in the price bid. See also under Clause 2. a) above.

Since the Specimen Contract is prepared using a UK location, the fees are denominated in the GBP *Currency*. The figures may be stated in EUR or USD instead, on request. Other major currencies available may be available such as HKD, SGD or AUD. Regardless of the currency preferred, once a quotation has been prepared, the currency for the event shall remain the same until completion, invoicing and remittance in full.

3. b) The *Overtime Fee* shall not be a straight arithmetical calculation based upon an eight our day: in fact the calculation should be based on seven hours, since one hour is assumed as a lunch break, but even in that case, when unsocial hours (early morning or late night) are involved, the extra fee may be considerably higher, and up to twice as high.

3. c) The *Single Interpreter Surcharge* will usually be based on the normal daily rate, but is not always so calculated. That is the reason why separate figures are stated for *Daily Fees* and *Overtime Fees* in such circumstances.

3. d) The *Unsocial Hours Supplement* is stated as an uplift percentage on the contract, applicable to the relevant (or surcharged if appropriate) *Daily Fees* and *Overtime Fees*.

3. e) *Hourly Reading-In Fees* will normally apply: but if they do not, no charge is to be expected. In fact, the calculation is expected to be made on the basis of actual time spent by each interpreter in preparation for the event, and the figure quoted is only ever an initial estimate, and is liable to deviate greatly from the actual time spent in reality.

3. f) The *License Fee for Recordings* is a separate charge, often levied as either a percentage uplift on the total fee or as a lump sum, and will usually form the scope of an endorsement or of a side or supplemental agreement.

3. g) Charges for *Travel and Other Expenses* will be prepaid on an actual cost basis, as evidenced by vouchers presented by the interpreters.

3. h) The *Daily Subsistence Allowance* (DSA) is calculated in accordance with the actual event location (only when travel is involved).

3. i) The *Loss of Earnings Allowance* (MAG) is similarly levied only if appropriate, calculated on the basis set out in Contract Clause 3.

Event timing, and any VAT shall also be calculated as specified in Contract Clause 3.

#### Clause 4.

Any *Late Payment Penalty Interest* shall be levied upon the total outstanding, calculated in accordance with the terms of Clause 4 Paragraph 1, from the date the invoice was sent, until the actual date of settlement: the Interest Due itself may also bear interest if its payment is also delayed.

#### Clause 5.

*Cancellation Fees* are only levied in accordance with the terms of Clause 5, where circumstances so dictate.

#### Clause 6.

No charges are raised for providing *Substitute Interpreters* under Clause 6, unless exceptional circumstances apply, such as where the client, language agency or event organiser changes the dates or location of the event without adequate notice (such as that due under Clause 5).

No other Clauses are deemed to have any impact on the Price Per Project.

### Transparency of Calculation (Specimen Itemised Quotation)

The following Specimen Table itemises charges for a hypothetical Event in sequence, per clause as above. USD is used as the hypothetical currency in this instance.

The purpose is to show how, by itemising and specifying hypotheses (even if not applicable), pricing calculations can be relatively simple to amend.

(NB. Not applicable / optional figures are shown in **RED**).

Clause / Item	Unit Price USD	Multiplier	Item Subtotal USD	Running Total USD
1. Professional Qualification	n/a	n/a	0.00	0.00
2. a) Languages English<>French (2 person booth)	800 x 2 = 1600	3 days	4,800	4,800
English<>Mandarin (3 person booth)	800 x 3 = 2400	5 days	12,000	16,800
English<>Arabic (2 person booth)	800 x 2 = 1600	2 1/2 days	4,000	20,800
2. b) Equipment Supplement Mandarin Booth 1 Person Remote Platform Fee	150	n/a	150	16,950
2. c) Whispered Interpreting Fee Per man/hour	125	If applicable	n/a	20,950
3. a) Fee per Day (see 2. a) Languages above)	(800 per person)	See calculation for Clause 2.a)	-	-
3. b) Overtime Fee French Mandarin Arabic	125	3 hrs 2 people 6 hrs 3 people n/a	750 2250 -	19,950
3 c) Single Interpreter Surcharge French	100	3 hours total	300	20,250
3. d) Unsocial Hours Supplement Mandarin Arabic	57.50 57.50	2 hrs x 2 days 2hrs x 1 day	230 115	20,480
3. e) Reading-In Fees French Mandarin Arabic	150 x 12 hrs =1800	5 people 7 people	9,000 12,600	29,480
				33,665

Clause / Item	Unit Price USD	Multiplier	Item Subtotal USD	Running Total USD
3. f) Recordings Fee French Mandarin Arabic	150 Flat rate 30% uplift n/a	2 persons 3 persons n/a	300 5040 n/a	34,820  <b>33,665</b>
3. g) Travel and Other Expenses Per person	(Reminder – prepaid by client)	n/a	-	-
3. h) Daily Subsistence Allowance Per person	150	2 ppl 3 days 3 ppl 3 days + 2 ppl 3 days	2250  900	37,070  <b>34,565</b>
3. i) Loss of Earnings Per person	See item 2. a) for basis	-	-	-
4. Late Payment Interest On Total Due	(Reminder – should be 0)	-	-	-
5. Cancellation Fees At 100% At 50%	16,800 / <b>20,800</b> 8,400/ <b>10,400</b>	-	-	-
6. Substitutions (at Client insistence)	(Reminder – should be 0)	-	-	-
<b>TOTALS</b>			<b>ACTUAL</b>	<b>37,070</b>
			<b>OPTIONS</b>	<b>34,565</b>
<b>SAY</b>	(PRICE PER PROJECT QUOTED)		<b>ACTUAL</b>	<b>37,000</b>
			<b>OPTIONS</b>	<b>34,500</b>
<b>N.B.</b>	<b><u>LUMP SUM CONSULTANT FEE IN LIEU OF TYPICAL 30% AGENCY UPLIFT ON TOTAL (OR MORE)</u></b>			