# ENGINUITY TUTORIAL



**Non Departmental Overheads** 

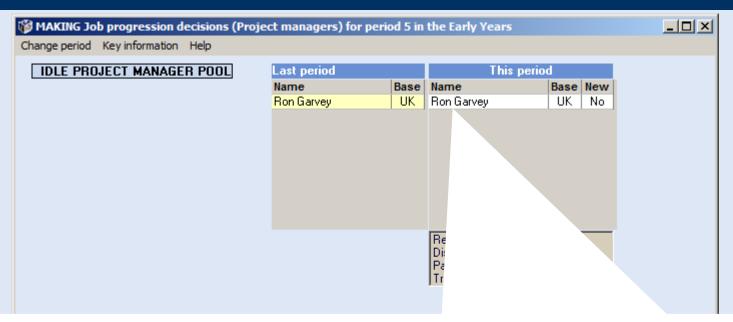


As well as the departmental overheads, there are also **non-departmental overheads**:-

- Idle project managers (Job Progression Screen)
- Idle labour pool (Job Progression Screen)
- Bidding cost (Procurement Screen)
- Management consultant report

We will take a look at each one.





#### **IDLE PROJECT MANAGERS**

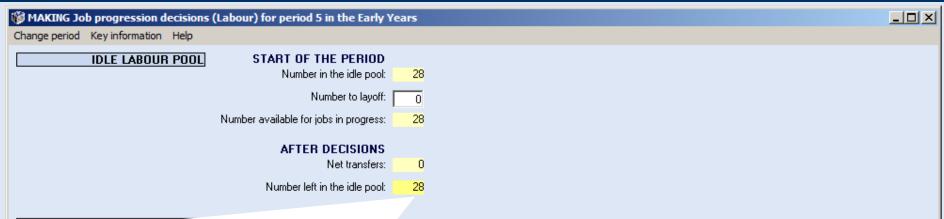
Project managers employed by the company who are not currently allocated to a job in progress are held in the **Idle Project Manager Pool**.

Project managers can reside in the pool for a number of reasons :-

- Project Managers are **automatically transferred** to the pool upon completion of a job.
- They may have been **deliberately recruited** by the personnel manager prior to being used on site, perhaps to prevent other companies from employing them (Later Years).

Project managers must be paid their salary whilst they are in the idle pool, which is a wasted cost, and it is important to try and allocate them to appropriate contracts.





#### **IDLE LABOUR**

The company's own site-based labourers who are not currently allocated to a job in progress are held in the **Idle Labour Pool**.

Labour can reside in the pool for a number of reasons :-

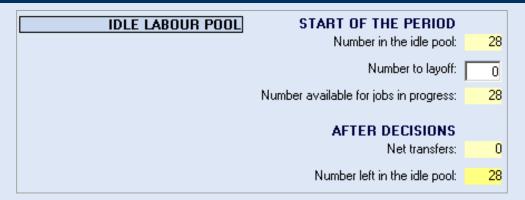
- Own labour is **automatically transferred** to the pool upon completion of a job.
- They may have been deliberately transferred there by the construction manager, and not reallocated to site.

Idle labourers incur a cost whilst they are in the idle pool, so it is always more cost-effective to keep the idle labour pool as low as possible, using the company's own fully-trained staff on contracts that are in progress.

#### **KEY POINTS**

Sometimes a decision is made to **deliberately keep excess labour** in the idle pool. This may happen if the company is expecting to win a labour-intensive job, and its cheaper to pay them for being idle in the short-term, rather than incur potentially higher costs for laying off and then retraining new staff in the future.

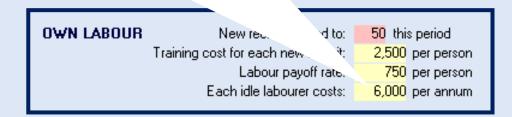




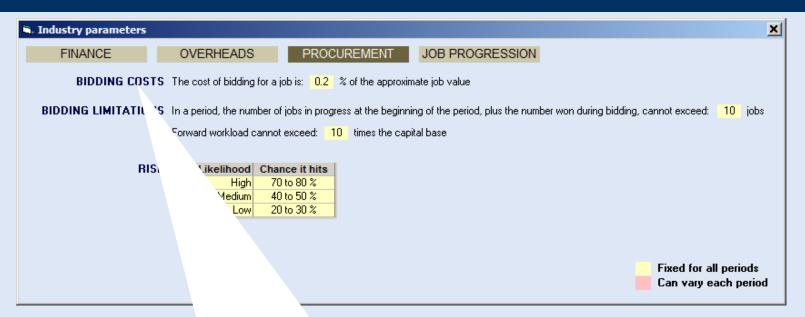
The cost per annum of keeping one idle labourer is shown in the **Industry parameters**.

In this example the cost of keeping 1 idle labourer each period is 1,500 (6,000 / 4).

Hence, for 28 idle labourers the cost in the period is  $28 \times 1,500 = 42,000$ .



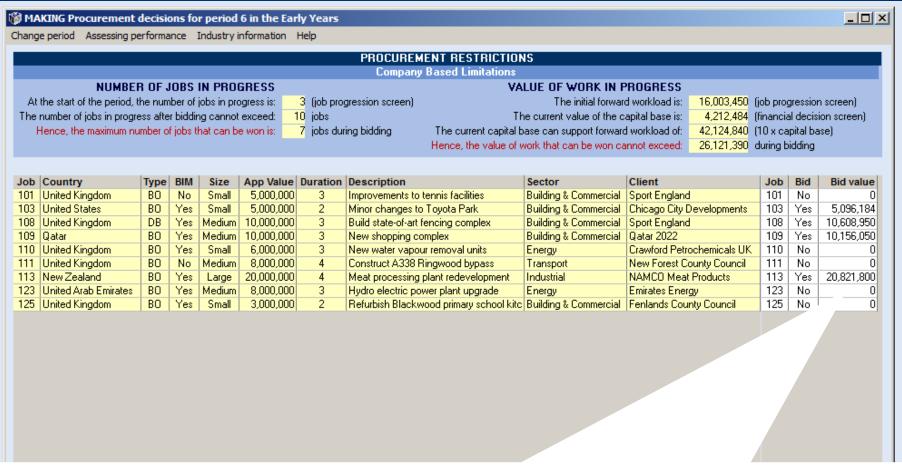




#### **BIDDING COST**

Each job that the company bids for incurs a bidding cost, depending upon the approximate value of the job, defined in the **Industry parameters.** 

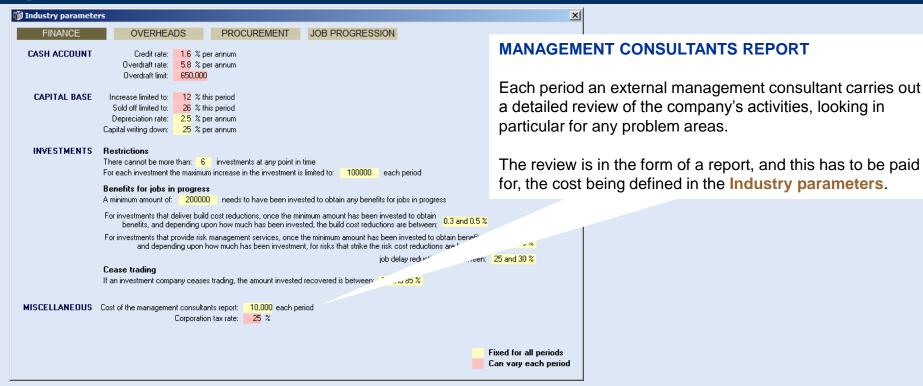




In the example shown the company have bid for 4 jobs, and the bidding cost for the period is :-

Job 103: 0.2% of 5,000,000 = 10,000 Job 108: 0.2% of 10,000,000 = 20,000 Job 109: 0.2% of 10,000,000 = 20,000 Job 113: 0.2% of 20,000,000 = 40,000 Total: 90,000





#### 🌃 Management Consultants Report Navigate to "Main menu/Measuring performance/Assessing performance/Management consultants report" CLICK ON A REPORT LINE TO SEE IF ADDITIONAL HELP IS AVAILABLE [ALL] ▼ [ALL] ▼ [[ALL] lpro. Job Sub Category Category Per Status Year/gtr In Nature PRO Early Years | 2025 (Q1) 78 QAT The expertise of The PW Partnership noticeably reduces build costs BIDDING POSITIVE PRO Early Years | 2025 (Q1) 78 QAT The BIM experience of The PW Partnership noticeably reduces build costs BIDDING POSITIVE Early Years | 2025 (Q1) PRO 78 QAT The job location compared to where the consultant is based slightly increases build costs BIDDING NEGATIVE PRO Early Years | 2025 (Q1) POSITIVE 78 QAT Bid accepted on price BIDDING PRO Early Years 2025 (Q1) 83 Bid rejected due to capital base not supporting the projected workload BIDDING NEGATIVE:



Navigate to "Main menu/Measuring performance/Assessing performance/Financial analysis" Financial Performance Management consultants report Graphical analysis **OPERATIONAL** SHAREHOLDERS INVESTMENTS Summary Assets and liabilities Job performance Company performance Shareholders Future outlook Net Share Dividend Company GP% Overhead OVH % of NOP % Gross Forward Forward Per Status Year/qtr Total value Total cost operating profit costs price % cost value workload cost cost cost margin profit 2024 (Q1) 34,080 -29,080 0.93 4,845,920 History 2 2024 (Q2) 70,000 -65,645 1.06 4,662,431 19,783,380 826,173 History 2024 (Q3) 6,904,933 6,780,843 124,090 1.8% 127,720 1.9% -2470.0% 0.94 1.6 % 4,534,196 15,051,310 627,212 History 11,039,530 10,451,260 5.6% 129,000 1.2% 350,539 3.4 % 0.9% 4,781,791 20,822,000 886,934 2024 (Q4) 588,273 1.09 History 2025 (Q1) 11,037,440 10,801,880 235,563 2.2% 204,270 1.9% 30,162 0.3% 1.12 1.5% 4,630,569 30,512,920 1,265,528 Early Years 2025 (Q2) 13,261,360 12,764,620 496,739 3.9 % 201,170 1.6% 221,333 1.7% 1.20 4,717,664 28,166,920 Early Years 0.9% 1,130,604 Early Years | 2025 (Q3) 11,878,210 11,106,770 771,437 6.9% 209,310 1.9 % 424,535 3.8 % 1.39 11% 4.997.540 30.131.270

> The breakdown of overhead costs for the period, both departmental and non departmental is shown in the Financial performance.

PERIOD 8

COMPANY PERFORMANCE

4.4 %

(less) Overheads:

FUTURE OUTLOOK

25,775,640 ? Forward workload: 1.024.003 Forward margin:

Overhead Analysis for Period 8

JOB PERFORMANCE

Measured value:

Early Years | 2025 (Q4) | 17,959,820 | 17,206,740

18,118,240 ?

237,720 ? (1.4 % of job costs)

DEPARTMENTAL COSTS

753,074

	Staffing levels						Period costs				
	Company staff					Company staff					
Department	New	Paid Off	Own	Agency	Total	Salaries	Recruit	Payoffs	Agency	Total	
Marketing	1	0	9	0	9	63,000	5,040	0	0	68,040	
Head Office	2	0	6	0	6	33,000	5,280	0	0	38,280	
QHSE	1	0	4	0	4	30,000	5,400	0	0	35,400	
Measurement	1	0	4	0	4	35,000	7,000	0	0	42,000	

#### NON-DEPARTMENTAL

Cost of bidding: 44,000 Idle labour pool: 0 Ide project manager pool: Management consultant report: 10,000 237,720