

ENGINEUNITY TUTORIAL



Late Completion Penalty



Late Completion Penalty

If the duration of a job exceeds its planned duration, the company is **charged a penalty** for each late period.



Late Completion Penalty

Client information

Navigate to "Main menu/Industry information/Client information"

[ALL]

[ALL]

Name	Base country	Type	Current relationship	Procurement restrictions		Payment terms		
				From period	Minimum relationship required to continue bidding	Retention	Late completion penalty	Early completion bonus
AeroPower	United States	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Al Mahran Developments	United Arab Emirates	Private sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
American Steel Corporation	United States	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Amrail	United States	Public sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
ANZ Water	New Zealand	Private sector	satisfactory		no restriction	1.2 %	1.3 %	0.6 %
Auckland City Developments	New Zealand	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Australian Sport Institute	Australia	Public sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
AustRoads	Australia	Public sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Beijing Development Group	China	Public sector	satisfactory		no restriction	1.0 %	1.3 %	0.5 %
Breeze Energy	United Kingdom	Private sector	satisfactory		no restriction	1.4 %	1.6 %	0.7 %
Cane and Beet Sugars	United Kingdom	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Chicago City Developments	United States	Public sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
Crawford Petrochemicals UK	United Kingdom	Private sector	satisfactory		no restriction	1.4 %	1.6 %	0.9 %
Dales Water Services	United Kingdom	Public sector	satisfactory		no restriction	1.2 %	1.3 %	0.6 %
Devon and Cornwall Water	United Kingdom	Public sector	No relationship		no restriction	1.2 %	1.3 %	0.6 %
Doha Development Group	Qatar	Private sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
Dubai Holdings Plc	United Arab Emirates	Private sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
East Coast Rebuild	United States	Public sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
East Midlands County Council	United Kingdom	Public sector	satisfactory		no restriction	0.8 %	1.0 %	0.4 %
Electragen	United Kingdom	Public sector	No relationship		no restriction	1.4 %	1.6 %	0.7 %
Emirates Energy	United Arab Emirates	Private sector	satisfactory		no restriction	1.5 %	1.7 %	0.9 %
English Waterways	United Kingdom	Public sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
Fenlands County Council	United Kingdom	Public sector	poor		no restriction	0.8 %	1.0 %	0.4 %
FIFA North America 2026	United States	Public sector	fairly good		no restriction	1.5 %	1.6 %	0.7 %
First Wind USA	United States	Public sector	satisfactory		no restriction	1.4 %	1.6 %	0.8 %

AEROPOWER

AeroPower is a US-based aerospace manufacturer with global service operations... technologies (UT). Its aircraft engines are widely used in both civil and military aviation. Its headquarters are in Houston, Texas.

Late completion penalties vary by client, and are expressed as a percentage of the tender value (bid entered) for the job.

KEY POINTS

The the variation by client of late completion penalties can affect the company's marketing strategy in deciding upon which sectors/jobs to target.

...though it has also formed joint ventures with all of these marine turbines, and rocket engines. The company's



Late Completion Penalty

Job performance Navigate to "Main menu/Measuring performance/Assessing performance/Job performance"

Management consultant report Graphical analysis

ALL JOBS IDENTIFIED

JOBS WON

- Summary
- Risk analysis (Cost)
- Risk analysis (Delays)
- Retention analysis

TERMINOLOGY

[Completion Ratio] Measure of how efficiently a job is completed in its final period based upon the labour allocated (0=worse possible; 1 is perfect)

Job	In	Type	Size	Sector	Client	Status	Completion details			Progress details			
							In period	Schedule	Ratio	Periods Run	Cost incurred	Profit made	Profit % of cost
4	UK	DB	Medium	Building & Commercial	Madison Bank	Completed early	4	Early	0.97	2	9,185,998	686,861	7.5 %
5	UK	BO	Small	Transport	East Midlands County Council	Completed on time	4	On Time	0.96	2	2,099,767	67,147	3.2 %
29	UK	BO	Small	Transport	HS Rail Connection Group	Completed late	6	Late	0.37	3	1,332,505	-27,741	-2.1 %
32	US	BO	Small	Building & Commercial	FIFA North America 2026	Completed on time	5	On Time	0.96	2	5,768,797	36,079	0.6 %
34	UK	BO	Small	Energy	Breeze Energy	Completed on time	6	On Time	0.94	3	5,240,331	210,539	4.0 %
49	UK	BO	Small	Water & Sewage	English Waterways	Completed on time	6	On Time	0.98	2	1,624,010	72,299	4.5 %
52	UK	BO	Medium	Transport	HS Rail Connection Group	Completed on time	7	On Time	0.93	3	7,310,838	422,006	5.8 %
67	SYR	BO	Small	Energy	Syrian Pipelines	Completed on time	7	On Time	0.81	3	2,592,765	98,570	3.8 %
75	UK	BO	Small	Water & Sewage	Fenlands County Council	Completed late	8	Late	0.37	3	4,979,173	40,220	0.8 %
82	IRQ	DB	Medium	Building & Commercial	Iraq TranGen 2009	Completed on time	8	On Time	0.92	3	9,520,311	458,609	4.8 %
110	UAE	BO	Medium	Energy	Emirates Energy	In progress				2	8,716,389	732,417	8.4 %
118	UK	BO	Medium	Building & Commercial	Master Brewers UK	In progress				2	4,244,370	282,480	6.7 %
128	UK	BO	Small	Water & Sewage	Dales Water Services	Completed on time	8	On Time	0.96	2	2,096,243	76,554	3.7 %
137	UK	BO	Medium	Water & Sewage	The Environment Department	In progress				1	3,104,954	-51,329	-1.7 %
167	US	BO	Medium	Energy	First Wind USA	In progress							
181	UK	BO	Small	Water & Sewage	London Water Services	In progress							

Display details for job 29

Consider the following example.

A number of jobs have been completed, and 2 have completed late, jobs 29 and 75, which will have incurred a late completion penalty in the period(s) they overran.

The client for job 29 is the HS Rail Connection Group, who impose a 1.4% penalty for late completion.

We can use the **Display details for job 29** to investigate this further.



Late Completion Penalty

Job 29 (Completed late)

Navigate to "Main menu/Measuring performance/Assessing performance/Job performance/job details"

Management consultants report Risk analysis

JOB SUMMARY

JOB PROGRESS

Job progression											Profit analysis			
Planned schedule			Actual progress								By period		Cumulative	
Job period	Planned labour	Cumul % complete	Period	Status	Actual labour	Ineffect due to delays	Ineffect due to overman	Effective labour	Actual % complete	Completion status	Profit	Profit % of cost	Cumul profit	Cumul profit % of cost
1	14	40 %	4	Past	20	0.0	0.0	20.0	58.41 %	Ahead of schedule	21,894	3.0 %	21,894	3.0 %
2	21	100 %	5	Past	15	1.5	0.0	13.5	97.84 %	Behind schedule	2,048	0.4 %	23,942	1.9 %
			6	Past	2	0.0	0.0	2.0	100 %	Completed late	-51,683	-64.7 %	-27,741	-2.1 %

Total planned labour needed to complete the job is 35.

PERIOD 6 CLICK ON A LINE IN THE THE SUMMARY ABOVE TO SHOW THE DETAILS FOR EACH PERIOD THE JOB HAS BEEN PROGRESSED

LABOUR ANALYSIS	COST ANALYSIS	VALUE AND PROFIT ANALYSIS
PLANNED SCHEDULE	BUILD RELATED	Measured value: 28,146 ?
Required labour: n/a	Build cost: 21,478 ?	Early completion bonus: 0
Overmanning of: n/a % permitted	Site cost: 11,586 ?	Total value: 28,146
Effective labour limit (ELL): n/a	Risk cost: 0	Total cost: 79,829
LABOUR ALLOCATED	Late completion penalty: 18,267	Total profit: -51,683 (-64.7 % of costs)
Own: 2	ADDITIONAL LABOUR COSTS	PROGRESS TO DATE
Sub: 0	Ineffective labour due to overmanning: 0	Amount of the job completed: 100 %
Total labour allocated: 2 ?	Ineffective labour due to completing the job: 110 ?	Progress comment: (Late completing)
(less) labour lost by delays: 0 (ineffective)	Training new recruits (Own): 0	Cumulative profit: -27,741 (-2.1 % of costs)
Effective level after delays: 2.0	Labour payoffs (Own): 0	Completion ratio: 0.368
(less) overmanning above the ELL: 0 (ineffective)	Subcontractor cost: 0	
Effective labour on site: 2	PROJECT MANAGEMENT	
	Allocated power: ?	
	Overall performance: ?	
	Recruitment: (5 %)	
	Personnel: ?	

BID SUBMITTED

Estimated build cost:	1,013,761
Estimated site cost:	202,752
On cost:	38,068
Mark-up:	4 %
Bid:	1,304,764 ?

The late completion bonus paid was 1.4% of the bid value of 1,304,764, or 18,267.