

ENGINEUNITY TUTORIAL



Bidding Cost



Bidding Cost

Industry parameters

FINANCE **OVERHEADS** **PROCUREMENT** **JOB PROGRESSION**

BIDDING COSTS The cost of bidding for a job is: **0.2** % of the approximate job value

BIDDING LIMITATIONS In a period, the number of jobs in progress at the beginning of the period, plus the number won during bidding, cannot exceed: **10** jobs

Forward workload cannot exceed: **10** times the capital base

RISK

Likelihood	Chance it hits
High	70 to 80 %
Medium	40 to 50 %
Low	20 to 30 %

Fixed for all periods (Yellow box)
Can vary each period (Red box)

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**.



Bidding Cost

MAKING Procurement decisions for period 5 in the Early Years

Change period Key information Help

PROCUREMENT RESTRICTIONS

Company Based Limitations

NUMBER OF JOBS IN PROGRESS

At the start of the period, the number of jobs in progress is: 5 (job progression screen)
 The number of jobs in progress after bidding cannot exceed: 10 jobs
 Hence, the maximum number of jobs that can be won is: 5 jobs during bidding

AMOUNT OF WORK THAT CAN BE WON

The initial forward workload is: 20,831,500 (job progression screen)
 The current value of the capital base is: 4,646,073 (financial decision screen)
 The current capital base can support forward workload of: 46,460,730 (10 x capital base)
 Hence, the value of work that can be won cannot exceed: 25,629,230 during bidding

Job	Country	Type	BIM	Size	App Value	Duration	Description	Sector	Client	Job	Bid	Bid value
74	United Kingdom	DB	Yes	Medium	12,000,000	4	New aircraft hangar	Building & Commercial	The Defence Agency	74	Yes	13,166,790
75	United States	BO	No	Medium	9,000,000	4	Upgrading of road network	Transport	FIFA North America 2026	75	Yes	9,867,307
79	United Kingdom	BO	No	Medium	8,000,000	3	Tunnel work for HS2	Transport	HS Rail Connection Group	79	Yes	8,719,278
81	United Kingdom	BO	Yes	Medium	11,000,000	4	Extension to head office	Building & Commercial	Madison Bank	81	No	0
83	United Kingdom	BO	Yes	Small	3,000,000	2	Redevelopment at strip mills	Industrial	National Steel	83	No	0
87	United Kingdom	BO	No	Small	1,000,000	3	New moorings on Grand Union canal	Water & Sewage	English Waterways	87	No	0

In the example shown the company have bid for 3 jobs, and the bidding cost for the period is :-

Job 74: 0.2% of 12,000,000 = 24,000

Job 75: 0.2% of 9,000,000 = 18,000

Job 79: 0.2% of 8,000,000 = 16,000

Total: 58,000

BIDDING COSTS The cost of bidding for a job is: 0.2 % of the approximate job value

Display details for job 74

Display client details

No

Update bid



Bidding Cost

Financial Performance

Navigate to "Main menu/Assessing performance/Financial performance"

Management consultants report Graphical analysis

OPERATIONAL

SHAREHOLDERS

INVESTMENTS

Summary

Assets and liabilities

Per	Status	Year/qtr	Job performance				Company performance				Shareholders		Future outlook		
			Total value	Total cost	Gross profit	GP % cost	Overhead costs	OVH % of cost	Net operating profit	NOP % cost	Share price	Dividend % cost	Company value	Forward workload	Forward margin
1	History	2023 (Q1)	0	0	0		34,080		-30,580		0.93		4,844,420	0	0
2	History	2023 (Q2)	0	0	0		84,000		-80,522		1.06		4,646,054	21,681,700	937,916
3	History	2023 (Q3)	7,880,711	7,402,859	477,852	6.5 %	169,720	2.3 %	237,934	3.2 %	1.05	1.4 %	4,754,218	20,973,480	903,198
4	History	2023 (Q4)	12,720,600	12,293,440	427,161	3.5 %	155,000	1.2 %	212,947	1.7 %	1.04	0.9 %	4,952,955	20,931,500	905,458
5	Early Years	2024 (Q1)	13,025,880	12,384,500	641,380	5.0 %	169,720	1.3 %	237,934	1.7 %	1.04	0.9 %	4,952,955	20,931,500	905,458

The bidding cost for the period is shown in the overhead cost analysis in the **Financial performance**.

PERIOD 5

JOB PERFORMANCE

Measured value: 12,925,120 ?

COMPANY PERFORMANCE

(less) Overheads: 201,070 ? (1.6 % of job costs)

FUTURE OUTLOOK

Forward workload: 17,773,610 ?

Forward margin: 720,080

Overhead Analysis for Period 5

DEPARTMENTAL COSTS

Department	Staffing levels					Period costs				
	Company staff			Agency	Total	Company staff				
	New	Paid Off	Own			Salaries	Recruit	Payoffs	Agency	Total
Marketing	2	0	4	0	4	28,000	10,080	0	0	38,080
Head Office	1	0	4	0	4	22,000	2,640	0	0	24,640
QHSE	1	0	3	0	3	22,500	5,400	0	0	27,900
Measurement	1	0	3	0	3	26,250	7,000	0	0	33,250

NON-DEPARTMENTAL

Cost of bidding:	58,000
Idle labour pool:	0
Idle project manager pool:	9,200
Management consultant report:	10,000
	201,070