LABOUR COSTING EXAMPLE

DIRECT COSTS

OVERHEAD COSTS

TYPE OF EMPLOYEE	# of employees	HOURLY RATE	Hours Per Day	Hours per Week	Hours per week all employees	Hours per Month	TOTAL DAILY COST	Total per Week	Total Per Month	Variable Overhead Rate per Hour	Fixed Overhead Rate Per Hour	One Time Fixed Cost Per Hour	**TOTAL HOURLY LABOUR RATE**	Profit %	**FINAL HOURLY LABOUR RATE**
Labour														5%	
Carpenter	1	$ 35.00	8	40	40	160	$ 280.00	$ 1,400.00	$ 5,600.00	$ 4.60	$ 3.59	$ 0.37	$ 43.56	$ 2.18	**$ 45.74**
Electrician	1	$ 40.00	6	30	30	120	$ 240.00	$ 1,200.00	$ 4,800.00	$ 5.69	$ 3.59	$ 0.37	$ 49.65	$ 2.48	**$ 52.13**
Manager	1	$ 45.00	8	40	40	160	$ 360.00	$ 1,800.00	$ 7,200.00	$ 5.28	$ 3.59	$ 0.37	$ 54.24	$ 2.71	**$ 56.95**
TOTAL	**3**	**$ 120.00**	**$ 22.00**	**110**	**110**	**440**	**$ 880.00**	**$ 4,400.00**	**$ 17,600.00**	**$ 15.56**	**$ 10.77**	**$ 1.12**	**$ 147.45**	**$ 7.37**	**$ 154.83**
	(A)	(B)	('C)	(D)	('E)	(F)	(G)	(H)	(I)	(J)/(U)	(K)/(W)	(L)	(M)	(N)	(O)

Colored cells are those where you can enter information, others are formulas

PLEASE NOTE: Use of this spreadsheet/these computations does not guarantee success in the prequalification process. Use of the spreadsheet and formulas is at your choice and discretion and to ensure it meets the needs and provides the results you intend.

INSTRUCTIONS FOR MANUAL COMPUTATIONS

(A) The number of employees in each category
(B) The rate of pay for each employee or the Blended Rate if more than one of that type is averaged in this number Or a separate line for each type can be used
('C) The number of hours that each type or person will work
(D) **MULTIPLY** the number of hours worked per day by 5 for the total hours per week. Or INPUT this if your persons work a flat number of hours per week vs. daily X 5 (C x 5)
('E) **MULTIPLY** the number of hours X the number of employees in this category/type to get the Hours per week for all employees ((D) X (A) =(E))
(F) **MULTIPLY** the number of hours for all employees from (E) by 4, for the number of weeks in (most) months to get the Hours Per Month To get the Total Hours to be worked for the Month. (E) X 4 =(F)
(G) **MULTIPLY** the number of hours for all employees from (D) by 4, for the number of weeks in (most) months. (D) X 4 =(E)
(H) **MULTIPLY** the daily rate in (G) by 5 to get the weekly rate (G) X 5 =(H)
(I) **MULTIPLY** the weekly rate in (H) by 4 to get the monthly rate (H) X 4 =(I)
(J) **VARIABLE OVERHEAD RATE (see (U) below) per each type of employee**
(K) **FIXED OVERHEAD RATE (see (W) below) same for each type of employee**
(L) ONE TIME Cost for items - the same for employee
(M) **ADD** - The total of the rate paid (B), plus variable overhead (J), plus fixed overhead (K) and one time cost (L) to get the TOTAL RATE (M)
(N) **MULTIPLY** - Total Rate (M) X the profit percentage (You can determine the profit percentage, in this example we use 5%) to compute the profit. ((M) x 5% = (N))
(O) **ADD** the TOTAL rate (M) and the Profit (N) to get the FINAL LABOUR RATE (O)

(1) OVERHEAD - VARIABLE COSTS (Detail)		PR Tax	Social Insurance	Health Insurance *	Pension	TOTAL VARIABLE COSTS	Hours per week	**VARIABLE OVERHEAD HOURLY RATE**
EXAMPLE WITH BERMUDA GOVERNMENT OBLIGATIONS				$ 214.62				
Weekly	WEEKLY COST	1.75%	35.92	$ 53.66	5%			
Carpenter	$ 1,400.00	$ 24.50	$ 35.92	$ 53.66	$ 70.00	$ 184.08	40	**$ 4.60**
Electrician	$ 1,200.00	$ 21.00	$ 35.92	$ 53.66	$ 60.00	$ 170.58	30	**$ 5.69**
Manager	$ 1,800.00	$ 31.50	$ 35.92	$ 53.66	$ 90.00	$ 211.08	40	**$ 5.28**
	(H)	(P)	(Q)	('R)	(S)	(T)	(D)	(U)

429.24 * Total Health insurance; assume employer paying half employee paying half

(P) **MULTIPLY** the Employer's PR Tax Rate by the weekly pay ((H) X (1.75% for this example) = (P))
(Q) Weekly Social Insurance Rate (Employer's portion)
('R) In this exanple HIP Insurance is used. $429.24 per month,. Employer's portion (1/2) $214.62. **DIVIDE** the employer's monthly cost by 4 (for 4 weeks of the month) = (R)
(S) **MULTIPLY** the Weekly Rate by 5$ to obtain the pension amount. (5% used as the standard pension rate)
(T) **ADD** - PR Tax, Social Insurance, Health Insurance and Pension to compute tht TOTAL Variable Costs for the Week
(U) **DIVIDE** the Total Variable costs (T) By the total hours for the Weej (From (D) above) to arrive at the VARIABLE OVERHEAD HOURLY RATE to use the the overall conputation (above)

(2) OVERHEAD - FIXED COSTS (Detail)

	MONTHLY			
Rent	$ 1,000.00			
Phone	$ 100.00			
Utilities	$ 100.00			
Insurances	$ 75.00			
Permits Licer	$ 55.00			
MISCELLANE	$ 250.00			
				FIXED COST OHD RATE PER HOUR
		Hours per month		
TOTAL	**$ 1,580.00**	440	**$**	**3.59**
	(V)	**(F)**		**(W)**
ONE TIME				
Training	$ 500.00			
Uniforms/PP	$ 155.00			
				ONE TIME OHD COST PER HOUR
TOTAL	**$ 655.00** (a)		**$**	**0.37**

(a) = divided by the total hours over a 4 month contract

	(X)		(Y)
	Number of months of the contract/proje		
FOR REFERENCE			
440	4	1760	
(F)	**(Z)**	**(AA)**	

staff 3 $ 218.33 Total one time divided by number of staff as an alternative costing

life of the contract (total hours that the contract is expected to continue)

(V) **ADD** All the Fixed Overhead costs for the month
(W) **DIVIDE** The total overhead costs (V) by the hours per month (From (F) above) for the FIXED RATE OVERHEAD PER HOUR RATE
(X) **ADD** any one time costs that will be required for the enployees to begin
(Y) **DIVIDE** the total of the one time costs (X) by the total number of hours that will be worked for the life of the contract (AA) for the hourly rate for one time costs (X)I (X0+)/ (AA) = (Y)
(Z) Insert the number of months that the contact will cover (4)
(AA) **MULTIPLY** this by the number of hours the enployees will workj

(3) BLENDED RATE

** Note

If there are multiple persons of the same type paid at different rates you can show them separately
Or you can combine and average them as a "Blended" rate
Therefore, If there are 2 persons at $40 per hour and 3 at $30 per hour

					TOTAL
$ 40.00	$ 40.00	$ 30.00	$ 30.00	$ 30.00	$ 170.00
				# of employees	5
				Avg "blended" rate	**$ 34.00**

ASSUMPTIONS

Employer's portion of Payroll taxes (Using the lowest rate)
Cost of social insurance (based on monthly at 4 weeks per month)
Employer's cost - 1/2 of at least HIP coverage
Employees eligible for Pension and at the 5% rate
Total Hourly Rate X hours per week X 4