Liberate V5 Mark-ups Profit Overhead and Discount

JOB MARK-UP %

Definition:
1. Mark-up is the value added on as a percentage of the cost of each resource. The mark-up is shown as a percentage on the **Cost.**
2. The Cost + Mark-up is the selling price
3. If main contractors discount is to be allowed, the selling price is the Cost + Mark-up + Allowance for discount.
4. Note that the mark-up percentages shown on the Job screen are the Global mark-ups only. You have other options to mark up each individual resource type at Item level. These details are dealt with under the title Individual Mark ups

HOW TO MARK-UP YOUR JOB

Insert the Percentages by which you wish to mark up the Costs of the Current Job The resources will be marked up by the percentage shown on the job screen.

E.g. If the materials total for a given item is £100.00 and the Mark-up is 10% the selling price is

Materials £100.00 x 10% =£10 +(the Materials) 100.00 = £110.00

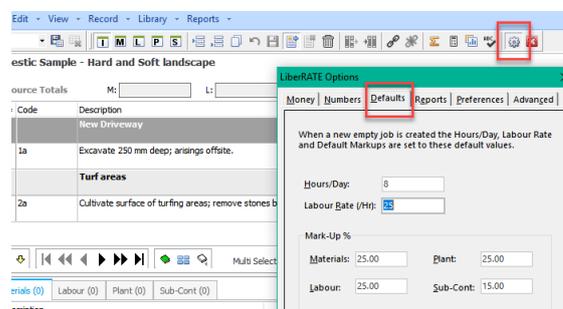Any Items with an ITEM Mark-up will be excluded from this percentage. See below

Job settings accessible from the Items screen Fly-out tabs on the RHS

DEFAULT MARK-UPS

You can insert default mark-ups in the User preferences so that all new jobs start with the defaults

ITEM OR INDIVIDUAL MARK-UP %

EXCLUDING INDIVIDUAL RESOURCES FROM THE GLOBAL MARK-UP

The Individual Resources of any Item may be marked up individually.

1. Allocating an Item Mark-up Excludes the marked-up resources from the Job Mark up
2. On the Items Screen locate the Tab in the Bottom Half of the Screen which shows Item Mark-up
3. Next to each Resource (Materials, Labour, Plant, Sub-Contractor) is a box. The following actions have effect:
4. JOB: Leaving the setting on this will mark the resource up by the Job mark-up as set in on the Job screen
5. ITEM: Setting the drop-down box to ITEM will activate the box to the right. Insert the desired percentage to mark up the resource.
6. NONE: This will exclude the resource from any mark-up. This is useful for provisional sums.
7. Items mark ups will be reported in the Mkup% box on the Job screen and shown as an average for that resource type
8. You can get a full analysis of the mark-up % for the whole job by printing the report titled
9. "Item Mark-up"
10. You may also use print to file to print this (and all reports) to a spreadsheet or word processor document.
11. Totals displayed in a print to file report are not calculated. If using in a spreadsheet, please add in the formula for the columns and the total at the bottom of the report.

COST INFORMATION AND PROVISIONAL SUMS

Job Financials — Load Layout

Domestic Sample - Hard and Soft landscape

Resource	Cost	Profit on Res. with Job MkUp	Profit on Res. with Item MkUp	Sell
Materials	£5,319.57	£1,063.91	£0.00	£6,383.48
Labour	£18,049.78	£4,512.45	£0.00	£22,562.23
Plant	£2,851.37	£712.84	£0.00	£3,564.22
Sub-Cont	£0.00	£0.00	£0.00	£0.00
All Resources	**£26,220.72**	**£6,289.20**	**£0.00**	**£32,509.92**
Provisional sums	£0.00	**Total Profit**	**£6,289.20**	

Cost Total:	£26,220.72	Sell Total:		£32,509.92
		Overhead Value:		£0.00
		Discount Value:		£0.00
Item Total:	£32,509.51	**Grand Total:**		**£32,509.92**
Item Difference:	£0.41			
Total Man Days:	**92.09**			

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Provisional Sums
1. **Cost** - The totals of all the resources for the current job at cost
2. **Mark-up %** -The percentage mark-up against each resource type. This is shown as an average and will reflect an average if any items are marked up individually at items level.
3. **Profit -** The profit value against each resource type. This includes the value if any items are marked up individually at items level.
4. **Sell -** The Cost + The Profit

Totals
Cost Total

The totals of the: Costs of the resources + Provisional sums

Sell Total

The total of the Marked-up resources + Discount if applicable + Provisional sums

Items Total

This is a unique feature of the Liberate Estimating system to ensure the highest degree of accuracy in submitting bids and quotations

This box allows a comparison between the following items
> The Materials, Labour, Plant and Sub-Contractor Resources + Profit (+ Provisional Sums) (+Discount if applicable)

> and

> The sum of the individual items on the items screen.

- The purpose of this comparison is to highlight any rounding differences.
- Rounding differences may occur especially with high quantities at very low rates where a fraction of the currency unit occurs.
- In these cases, a rounding difference will be shown
- Rectify the difference by increasing the number of decimal places shown on the Options menu (>File >Options>Money) until a minimal rounding difference is achieved.

PROVISIONAL SUMS   Liberate has a facility to flag items set as provisional sums so that they are not subjected to mark-up.

- ❑ A provisional sum is a sum set provisionally set aside for works that will be required but has not been fully defined yet.
- ❑ Provisional sums are not usually subjected to mark-up or discount.
- ❑ As with Item Mark-ups, you may individually mark up a collection of resources within an Item at the bottom of each resource screen
- ❑ You have 3 options within each resource type for any Item
- ❑ At the bottom of each resource screen you will find 3 check boxes headed

"Mark-up for all resources in this Item"

1. Job: -   This is the default and will subject these resources to the mark-up as set in on the Job screen.

2. None: -   Selecting this option will subject **this set of resources to No mark-up** or discount. The value of these resources will be shown in the provisional sums box on the Job screen. There may be other Provisional sums in the Job. In this case the Provisional sums box will show a collection of these sums.

3. Item: -   This allows you to set a value against this set of resources only and will exclude these resources from the Job Mark-up

If there are other resource types within this item, you should set them if you do not wish them to be marked up by the Job mark-up.
For example, if you place a None mark-up against materials but there are labour and plant resources in this item, they will still be subjected to the Job mark-up unless you set their mark-up status to none as well.
Provisional sums are however usually placed against only once resource type

OVERHEAD	Adds overhead as a % of resources cost

Resources in your job that are individually marked up are excluded from overhead. You should make any adjustments as necessary to cover these excluded items.

Example

If a value of 20 is placed in your labour mark-up box on the Job screen (i.e. you wish to mark-up ALL, the labour in your Job by 20 %) the formula is as follows:

Labour total x 1.10 = Selling Price of Labour

If in addition to this you have an overhead on the Job of 10 %, then the costs of the labour will be marked up x 10% and added to the % mark-up on the labour as follows:

Labour cost total x 1.10
        +
Labour cost total x 1.05 = Selling Price of Labour

Important: Items with Item mark-up *(as opposed to Job Mark-up)*

If a resource or set of resources has an **Item** Mark-up on it then this item will be EXCLUDED from any overhead mark-up. You will have to adjust the item mark-up to compensate for this.
So, if the Item mark-up is 20% and the Overhead is 10%, the Labour on this item will only be marked up by the Item mark up of 10%.

Provisional sums and Overhead

As above any item set with an Item mark-up of "None" will be excluded from the Overhead % as set in in the Overhead box

All labour resources in the job EXCEPT those flagged individually for item mark up or provisional sums will be subjected to the following:

Selling Price = Labour Resource Totals + $\dfrac{20}{100}$ x Resource Totals)

or

Resource Totals x 1.30

Discount

This is main contractors discount (MCD) and allows the addition of a discount for deduction at a later stage.

This is a figure to be allowed on the value of the Job which will be deducted at a later stage usually where the party submitting the bid is a subcontractor to a main contractor

Discount is calculated as follows:

$$\dfrac{(M+L+P+S) + Profit}{(1 - discount\%)}$$

    e.g.   The Job value with profit is £10000.00

The Discount allowance is 2.5%

$$\frac{10000.00}{1-(2.5/100)} = 10256.41 \text{ so that}$$

10256.41 - 2.5% = 10000.00

We recommend that discount only be added at submission of the Job as any figure in the discount box may distort your analysis of Mark-up percentages and Profit values.

VAT or GST (varies locally)

You can display your Bill of Quantities report with VAT. To activate the VAT (GST) function, use the 2 Job Options button on the job screen. The Vat rate may be varied under the program options button from the toolbar.