

T&M Pro in action – a case study

The purpose of this case study is to illustrate the varied capabilities and the overall effectiveness of T&M Pro as a tool to manage complex construction project.

The loss

- Catastrophic event impacted 38 properties in a municipality
- Total value of the job: \$26M with each property billed separately
- One contractor performed all the work
- The bills contained over 14,000 labor entries
- T&M Pro was asked to review the bills post project after they had been approved and paid

The process

- The bills were converted from Excel into T&M Pro then merged
- Once in T&M Pro the bills were automatically evaluated for:
 - Overlap in billing of labor
 - Alignment of the pricing against the agreed price list
 - Caps on consumables
 - Appropriateness of the labor to management ratios
 - Terming of the equipment

Merging

- Below are the 15 largest bills, \$17M before, \$300,000 less after merging with no price changes

Property	As Billed	After Merge Totals	Billed vs Merged
Property 05	\$1,082,992.42	\$1,060,110.12	(\$22,882.30)
Property 06	\$760,286.01	\$742,715.84	(\$17,570.17)
Property 09	\$947,916.78	\$933,809.87	(\$14,106.91)
Property 10	\$894,920.40	\$869,459.68	(\$25,460.72)
Property 11	\$706,218.84	\$668,962.25	(\$37,256.59)
Property 16	\$674,696.57	\$651,763.95	(\$22,932.62)
Property 17	\$660,374.38	\$636,980.94	(\$23,393.44)
Property 19	\$1,331,218.32	\$1,301,423.39	(\$29,794.93)
Property 20	\$1,339,900.61	\$1,334,413.27	(\$5,487.34)
Property 23	\$754,721.13	\$746,923.16	(\$7,797.97)
Property 25	\$753,942.75	\$736,810.66	(\$17,132.09)
Property 29	\$1,835,659.61	\$1,811,190.40	(\$24,469.21)
Property 34	\$1,673,022.98	\$1,658,101.17	(\$14,921.81)
Property 37	\$1,146,867.83	\$1,134,976.81	(\$11,891.02)
Property 38	\$2,425,475.90	\$2,403,172.74	(\$22,303.16)
Totals	\$16,988,214.53	\$16,690,814.25	(\$297,400.28)

What happened?

- With a single contractor working all the properties, you would expect that some laborers may move between locations during the day
- Since this was a catastrophic event, many of the workers were from other areas and were billing for labor factors such as per diem, hotels, etc.
- For example, when entered in T&M Pro it identified that Laborer 102 had been on three sites in one day
- T&M Pro automatically highlights this problem

Name	Title	Work Description	Date	Time In	Time Out	Time Lunch	Reg. Hours	PR Hours	Vehicle	Mileage	Veh #	Hotel
Labor 102	SKLBR	Skilled Labor	SUN-10/21/2018	07.00	13.00	00.30	5.50		Van - 1 Ton			Lodging
Labor 102	SKLBR	Skilled Labor	SUN-10/21/2018	13.00	16.00		3.00		Van - 1 Ton			Lodging
Labor 102	RS	Supervisor	SUN-10/21/2018	16.00	19.00		3.00		Van - 1 Ton			Lodging



Labor 102 Associated Fees:

Per Diem - \$45.00
PPE - \$30.00
Vehicle - \$118.75
Hotel - \$112.50



Labor 102

Laborer works three job sites, on one project, in a single day.



Labor 102

Without Prorating

Labor 102 Associated Fees Job Site 1:	Labor 102 Associated Fees Job Site 2:	Labor 102 Associated Fees Job Site 3:
Per Diem - \$45.00	Per Diem - \$45.00	Per Diem - \$45.00
PPE - \$30.00	PPE - \$30.00	PPE - \$30.00
Vehicle - \$118.75	Vehicle - \$118.75	Vehicle - \$118.75
Hotel - \$112.50	Hotel - \$112.50	Hotel - \$112.50

Total Associated Fees Billed: \$306.25 x 3 Job Sites = \$918.75

With Prorating

Labor 102 Associated Fees Job Site 1:	Labor 102 Associated Fees Job Site 2:	Labor 102 Associated Fees Job Site 3:
Per Diem - \$32.97	Per Diem - \$2.61	Per Diem - \$9.42
PPE - \$21.98	PPE - \$1.74	PPE - \$6.28
Vehicle - \$86.99	Vehicle - \$6.88	Vehicle - \$24.85
Hotel - \$82.41	Hotel - \$6.51	Hotel - \$23.55

Total Associated Fees Billed (Prorated): \$306.25

Client Name: Multiple Property CS					Invoice #:				
Job / Project #:					Invoice Date: 2/25/2019				
Name	Date	Small Tools	Per Diem	PPE	PRP	PFP	Lodging	Total	
Labor 102	SUN-10/21/2018	-	\$32.97	\$21.98	-	-	-	\$54.94	
Labor 102	SUN-10/21/2018	-	\$2.61	\$1.74	-	-	-	\$4.34	
Labor 102	SUN-10/21/2018	-	\$9.42	\$6.28	-	-	-	\$15.70	
ASSOCIATED LABOR FEE DETAILS T&M Pro™ - ©2008-2021									

T&M Pro then automatically prorates the associated labor fees against the hours worked at each site, ensuring that you are never overbilled.

Caps on consumables

The billing of a small daily rate for consumable items such as trash cans and 5-gallon buckets often goes unnoticed in the large scale of a multi-million-dollar project, but these items can add up. Capping of the value of consumables is an accepted standard. T&M Pro automates this process.

What happened?

- With T&M Pro you can look at a full summary of the billing of each consumable on the job
- Caps are then automatically applied to show the credit
- In this example the original bills reflected \$26,250 in buckets and trash cans
- After caps were applied that total was reduced to \$1375 (a reduction of \$24,875)

THE BILLING CAPS™ SUMMARY

ITEM DESCRIPTION	RETAIL RATE	CAP %	TOTAL BILLED	BILLING ALLOWED	(NEG=CREDIT)	SALES TAX CREDIT	CREDIT TOTAL
5 gallon buckets	5	300	\$7,500.00	\$750.00	(\$6,750.00)		(\$6,750.00)
Trash Can	25	100	\$18,750.00	\$625.00	(\$18,125.00)		(\$18,125.00)
							(\$24,875.00)

5 Gallon Buckets



Daily Billed Rate: \$5.00

Quantity of 5 gallon buckets billed daily: 50



50 (5) Gallon buckets x 30 days = 1,500 total billed (\$7,500)

150 (5) Gallon buckets on project site



\$750 Capped billing on 150 available buckets

Billing without CAPS: \$7,500.00 / Billing with CAPS applied: \$750.00

Trash Cans



Daily Billed Rate: \$25.00

Quantity of Trash Cans billed daily: 25



25 Trash Cans x 30 days = 750 total billed (\$18,750)

25 Trash Cans on project site



\$625 Capped billing on 25 available trash cans

Billing without CAPS: \$18,750.00 / Billing with CAPS applied: \$625.00

Terming equipment

Typically, equipment is billed on commercial projects based on a daily rate. The industry however, recognized lower weekly and monthly rental terms if the equipment is used for longer periods of time. Adjusting for these terms can have a huge impact on the job cost.

What happened?

- With T&M Pro you can look at a full itemization of equipment used on the job and the number of days that equipment was utilized
- T&M Pro will then automatically term the equipment based on the time used
- In the case of this project with its multiple locations, T&M Pro keeps track of when, where and for how long each piece of equipment was used
- For illustration, just two pieces of equipment on this project when termed reduced the bill by near \$700,000.

THE BILLING TERMS CAPS™ - SUMMARY DETAILS

Negative Air Machine 2,000 CFM

Monthly Rate	Qty	Total With Terms	Total Before Terms	Credit Total
\$3,030.00	113	\$342,390.00	\$513,585.00	(\$171,195.00)
Weekly Rate	Qty	Total With Terms	Total Before Terms	Credit Total
\$757.50	485	\$367,387.50	\$514,342.50	(\$146,955.00)
Daily Rate	Qty	Total With Terms	Total Before Terms	Credit Total
\$151.50	1229	\$186,193.50	\$186,193.50	
		\$895,971.00	\$1,214,121.00	(\$318,150.00)

THE BILLING TERMS CAPS™ - SUMMARY DETAILS

Desiccant- 5001 to 5500 CFM

Monthly Rate	Qty	Total With Terms	Total Before Terms	Credit Total
\$33,010.00	7	\$231,070.00	\$346,605.00	(\$115,535.00)
Weekly Rate	Qty	Total With Terms	Total Before Terms	Credit Total
\$8,252.50	75	\$618,937.50	\$866,512.50	(\$247,575.00)
Daily Rate	Qty	Total With Terms	Total Before Terms	Credit Total
\$1,650.50	146	\$240,973.00	\$240,973.00	
		\$1,090,980.50	\$1,454,090.50	(\$363,110.00)

Auditing pricing – T&M Pro Project Auditor

Having an agreed price list and terms with a contractor allows the client and the insurer to know how each line item should be billed. Manually cross referencing a price list containing hundreds of items with bills containing thousands of line item entries is an expensive and time-consuming process. T&M Pro's "Project Auditor" does this automatically, highlighting any deviations and with the click of a button can bring the entire bill in-line with the agreed terms and price list.

Evaluate labor to management ratios

Proper evaluation of a project involves determining the appropriateness of the management and labor assigned to the job. An Industry rule of thumb is a 10:1 ratio. T&M Pro calculates the daily management to labor ratio. T&M Pro allows the exclusion of project managers and above from being managers in the ratio. Only supervisors, running crews are calculated in the ratio to give a true picture of the labor and management loads on your project.

Let the power of T&M Pro help you more efficiently and accurately manage your commercial claims.

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To learn more about the T&M Pro, contact:

P. 423.602.8672 E. tmprosuite@timeandmaterial.com

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