

# USING THE IMAJ BUILDING RATES

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The  
**Incorporated Masterbuilders Association**  
of Jamaica





# WHY?

- ▶ Clients: Efficiency in Major Capital Investment
- ▶ Professionals: Cost Control, Monitoring and Management
- ▶ Contractors: Commercial Success and Survival



# CAVEAT

- ▶ Contractor's Perspective, not the textbook
- ▶ Different Approaches for Different Professions, Different Companies, Different Regions
- ▶ Simplified explanation, the working parts can be more complex



# OUTLINE

- ▶ Principal Elements of Construction Cost
- ▶ Evolution of Labour Cost in Jamaican Construction
- ▶ Development and Application of IMAJ Task Rates
- ▶ Using the IMAJ Rates to Develop Building Costs

A dark blue vertical bar is on the left side of the slide. A black arrow points to the right from the top of this bar. Several thin, curved lines in shades of blue and grey originate from the bottom left and curve upwards and to the right, crossing the list items.

# PRINCIPAL COST ELEMENTS

- ▶ Labour Input
- ▶ Material Input
- ▶ Equipment Input
- ▶ Profit & Overhead



# COMBINING INPUTS INTO CHARGE RATES

- Resource Requirement
  - How much units of Cost Input are in a unit of a chargeable item
- Productivity, Efficiency and Waste
  - Best Possible VS. Most Probable usage factor
- Commercial Consideration
  - Competition, Market Forces, Complex Considerations



# COMPETITIVE PRICING



## Materials

- Best Price & Efficient Use



## Equipment

- Best Price & Efficient Use



## Labour

- Efficient Use – YES, Best Price - ???



# COMPETITIVE PRICING

- ▶ Contractor Perspective
  - Driven by Free Market Competition
- ▶ Overhead Costs
  - Firm-Specific,
  - Relates to Type and Size of Market Served
- ▶ Profit
  - ▶ Economic Theory – Perfect Markets
  - ▶ Pragmatic Reality – Surviving with Uncertainty

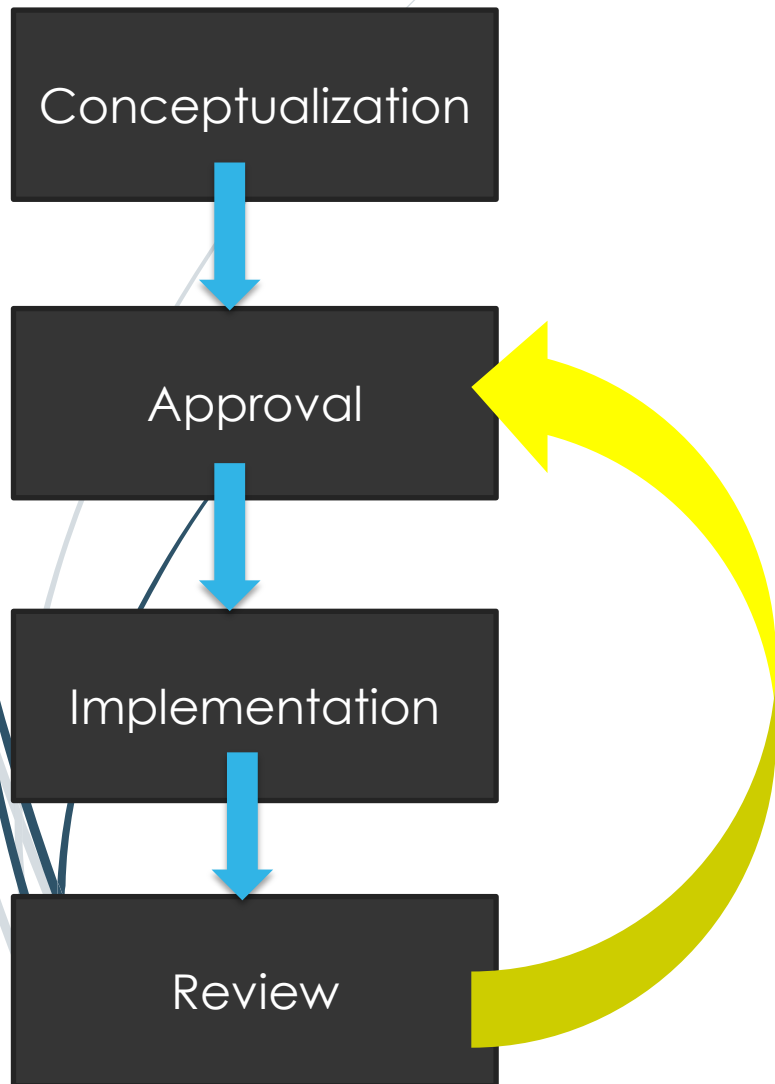




# PROBLEMS AFFECTING THE CONSTRUCTION INDUSTRY PRIOR TO FORMALIZED LABOUR RATES

- Inconsistent labour compensation across firms within the construction industry.
  - Impacted pricing of jobs/ tasks
  - Impacted labour relations
  - Impacted competitiveness of local companies
- No clear delineation between the rate of an experienced tradesman vs a novice.
  - Impacted the quality of works
  - Impacted the time in which works were completed
- No standardized way of creating, maintaining and evaluating rates.

# THE IMAJ, TRADE UNIONS and JIC



- ▶ The Incorporated Masterbuilder's Association of Jamaica (IMAJ) was formed in 1952. Increased Industry Organization & Professionalism, multi-employer bargaining
- ▶ The IMAJ representing employers along with the trade unions (the National Workers Union, NWU, the Bustamante Industrial Trade Union, BITU and the Trades Union Congress, TUC) representing the workers form the Joint Industrial Council (JIC) propose, negotiate and agree compensation rates and conditions of work.
- ▶ The IMAJ publishes these rates for use in the construction Industry via the Labour Management Agreement
- ▶ Any stakeholder that wishes to propose a revision to the rates may contact the IMAJ
- ▶ The rates are reviewed every two (2) years and Joint Industrial Council meets to agree on the final rates.



# LABOUR MANAGEMENT AGREEMENT (LMA)

- ▶ The LMA is an agreement between employers in the construction industry represented by the IMAJ and the workers represented by the trade unions.
- ▶ Its purpose is to maintain sound and orderly relations within the industry.
- ▶ The agreement includes:
  - ▶ Terms of Wage Payments
  - ▶ Rate of pay per 8-hour day
  - ▶ Disciplinary Guidelines



## Labour Management Agreement

### **BUILDING AND CONSTRUCTION INDUSTRY**

#### **LABOUR MANAGEMENT AGREEMENT**

The following attachments contain copies of the Building & Construction Industry's Labour Management Agreement for two (2) years . Reviewed every two (2) years as dated with attached Hourly Rates of pay.

THIS AGREEMENT (commonly known as the JIC Agreement) forms the latest in a series of agreements which commenced in 1956 and is made between the employers in the industry represented by the Incorporated Master-builders Association of Jamaica and the workers represented by the major trade unions operating in Jamaica, with the specific intention to maintain sound and orderly relations within the industry.

This agreement contains:

- Terms of wage agreement
- Rate of pay per 8-hour day
- Disciplinary guidelines

# Terms of Wage Payments

## LABOUR MANAGEMENT AGREEMENT 2023 – 2025 Building & Construction Industry

THIS AGREEMENT is made the 31st day of March, 2023, between the Employers' Side of the Joint Industrial Council for the Building and Construction Industry (being representatives of the Incorporated Masterbuilders Association of Jamaica representing the employers in the building and construction industry of Jamaica who are hereinafter called the "Employers") and the Workers Side of the said Council (being representatives of the Bustamante Industrial Trade Union, The Trade Union Congress of Jamaica and the National Workers Union of Jamaica) (hereinafter called the "Unions") WHEREAS in the interest of sound industrial relations in the building industry the parties hereto have agreed –

- (1) To maintain orderly labour relations.
- (2) To exercise their functions as defined in this agreement with due regard to the welfare, speedy and efficient operation of the building industry, as well as the welfare and best interest of the workers.
- (3) To stabilise rates of pay and other conditions of employment.
- (4) To establish a formula for the prompt and fair disposition of grievances, and
- (5) To ensure that work shall proceed smoothly without interruption and at the highest attainable efficiency.

NOW THIS AGREEMENT WITNESSETH as follows:

### PART I- RATES OF PAY AND TERMS OF WAGE AGREEMENT

#### 1. Rates of Pay and Retroactive Date

The wage rates to be paid by the Employers in the building and construction industry with effect from the 1<sup>st</sup> day of February 2023 shall be the rates set out in the Schedule hereto.

#### 2. Terms of Wage Agreement

The rates of pay and the other terms and conditions of employment established by this Agreement shall remain in force until the 31<sup>st</sup> day of January 2025. The Workers in the building and construction industry shall not be entitled (either through a Union or otherwise) to make claims for any increases in their remuneration or for any change in the terms and conditions of their employment or any other claim involving any cost to the Employers in respect of the period of their employment up to the 31<sup>st</sup> day of January 2025 except as is provided in Clause 21. Claims for any changes desired after the 31<sup>st</sup> day of January 2025 shall be made before the 31<sup>st</sup> day of October 2024.

The following clauses of this Agreement numbered 3 to 51 shall form part of the permanent terms of employment of the workers of the building and construction industry and shall remain in force until varied by agreement between the Workers' Side and the Employers' Side of the Council and the expression "the Unions" used therein shall mean the recognised bargaining representatives of the workers from time to time.

#### 3. Functions of Management

The Employers have the sole right, responsibility and function to conduct their business and manage their operations in such manner as they shall think fit. Accordingly each Employer has the right in his sole discretion:

- (a) to manage his business, works and construction sites, to plan, direct and control his operations and the working force including the days, times, methods and manner of working, allocation of work and number of workers required in any department or operation;
- (b) to determine the work to be done, to establish the methods and rate of production and to change such methods and rate;
- (c) to control and regulate the use of all equipment and other property of the employer;
- (d) to introduce new or improved equipment, methods or facilities and to change job procedures;
- (e) to establish working schedules and to make work assignments;
- (f) to hire new workers; to promote, transfer, lay off and recall workers; to discipline and dismiss workers for just cause; and to retire workers;
- (g) to establish new occupational classification;
- (h) to select supervisory personnel;
- (i) to have any part of his work performed by contractors or sub-contractors;
- (j) to make rules and regulations which the Employer considers necessary or advisable for the orderly, efficient and safe conduct of his business.

#### 4. Classification of Workers

Where in the Schedule hereto any type of work is divided into two or more separate classes levels or grades (Example: Level II (Grade I), Level II (Grade II) and Level I (Grade III) Carpenter/Joiner) the determination of the worker's skill and his proper level (grade) will be made by the Employer at the commencement of the worker's employment on a job and if disputed by the worker shall be subject to the Grievance Procedure. Every effort shall be made to have a Level Three (Grade One) in each category. If there is no agreement on this the normal Grievance Procedure mentioned above shall apply.

#### 5. Fair Wages Clause for Task Workers

All Employers who are carrying out work on a task basis must advise and ensure that their sub-contractors and task workers keep proper books, make statutory deductions, payments and pay rates of wages and observe conditions of employment not less

### PART II – PERMANENT PROVISIONS



# Rate of Pay per 8-hour day

HOURLY RATES OF PAY (1 Feb. 2023 to 31 Jan. 2024)

Categories	40 Hours Rate (Single)			Weekday Overtime Rates			Weekend Overtime Rates		
	Effective 1.2.2023 to 31.1.2024 (11.5%)			Effective 1.2.2023 to 31.1.2024 (12.5%)			Effective 1.2.2023 to 31.1.2024 (13.5%)		
	Level 1 (Grade 1)	Level 2 (Grade 2)	Level 3 (Grade 3)	Level 1 (Grade 1)	Level 2 (Grade 2)	Level 3 (Grade 3)	Level 1 (Grade 1)	Level 2 (Grade 2)	Level 3 (Grade 3)
Overhead/Shop Foreman	822.54				1,200.81			1,607.83	
Overhead/Shop Foreman	812.21				1,204.46			1,627.94	
Overhead/Shop Foreman	822.76	1,010.83			1,203.92	1,317.54		1,418.55	1,780.28
Overhead/Shop Foreman	881.19				1,255.64			1,675.52	
Overhead/Shop Foreman	887.87				1,263.24			1,687.52	
Overhead/Shop Foreman	840.14				1,286.33			1,718.36	
Overhead/Shop Foreman	857.31				1,286.33			1,718.36	
Overhead/Shop Foreman	871.82				1,296.24			1,731.88	
Overhead/Shop Foreman	871.82				1,296.24			1,731.88	
Overhead/Shop Foreman	749.28	859.85			969.88	1,111.83		1,282.81	1,482.19
Overhead/Shop Foreman	789.82	902.71			1,017.44	1,187.35		1,348.85	1,588.45
Overhead/Shop Foreman	820.18	947.85			1,068.21	1,256.87		1,424.42	1,684.24
Overhead/Shop Foreman	881.47	992.25			1,121.73	1,328.47		1,498.64	1,778.95
Overhead/Shop Foreman	898.25				1,134.66			1,518.88	
Overhead/Shop Foreman	847.20	958.34	1,048.28	1,207.70	1,382.88	1,588.28	1,818.13	2,071.28	
Overhead/Shop Foreman	888.18				1,207.70			1,578.83	
Overhead/Shop Foreman	813.28				1,207.70			1,578.83	
Overhead/Shop Foreman	828.28				1,212.42			1,583.26	
Overhead/Shop Foreman	882.24				1,207.70			1,578.83	
Overhead/Shop Foreman	851.20				1,207.70			1,578.83	
Overhead/Shop Foreman	818.21				1,184.14			1,578.83	
Overhead/Shop Foreman	862.21				1,248.84			1,631.97	
Overhead/Shop Foreman	1,018.87				1,312.88			1,748.85	
Overhead/Shop Foreman	1,082.78				1,378.18			1,832.75	
Overhead/Shop Foreman	873.87				1,371.52			1,782.92	
Overhead/Shop Foreman	836.11				1,272.36			1,688.78	
Overhead/Shop Foreman	883.35				1,282.80			1,708.53	
Overhead/Shop Foreman	734.80				1,107.57			1,458.90	
Overhead/Shop Foreman	828.27				1,208.78			1,614.27	
Overhead/Shop Foreman	827.28				1,211.11			1,617.48	
Overhead/Shop Foreman	881.28	1,018.24	1,188.28	1,388.28	1,588.28	1,818.28	2,078.28	2,388.28	2,778.28
Overhead/Shop Foreman	824.28	1,018.24	1,188.28	1,388.28	1,588.28	1,818.28	2,078.28	2,388.28	2,778.28
Overhead/Shop Foreman	848.57	982.07			1,094.71	1,243.98		1,428.81	1,634.52
Overhead/Shop Foreman	881.23	1,015.69			1,158.54	1,312.84		1,508.88	1,743.98
Overhead/Shop Foreman	857.88	1,008.78			1,218.78	1,378.18		1,578.84	1,818.88
Overhead/Shop Foreman	884.78	1,118.37			1,315.43	1,474.53		1,687.80	1,928.44
Overhead/Shop Foreman	847.87				1,207.70			1,578.83	
Overhead/Shop Foreman	748.27	861.35			988.45	1,101.53		1,282.53	1,488.78
Overhead/Shop Foreman	798.82	914.11			1,037.43	1,158.18		1,328.88	1,541.38
Overhead/Shop Foreman	828.78	938.82			1,068.21	1,214.08		1,424.42	1,638.87
Overhead/Shop Foreman	887.88	985.77			1,121.75	1,274.71		1,488.88	1,708.81
Overhead/Shop Foreman	834.18				1,207.70			1,578.83	
Overhead/Shop Foreman	822.78	1,012.81			1,187.32			1,548.78	
Overhead/Shop Foreman	858.88				1,243.98	1,398.82		1,618.88	1,848.88
Overhead/Shop Foreman	811.46				1,187.32			1,548.78	
Overhead/Shop Foreman	814.78				1,187.32			1,548.78	
Overhead/Shop Foreman	884.85				1,207.70			1,578.83	
Overhead/Shop Foreman	887.88				1,207.70			1,578.83	
Overhead/Shop Foreman	814.78	937.82			1,021.85	1,211.88		1,374.73	1,615.55
Overhead/Shop Foreman	814.78				1,021.85			1,374.73	
Overhead/Shop Foreman	747.28				888.88			1,128.88	
Overhead/Shop Foreman	852.75				1,021.85			1,274.73	
Overhead/Shop Foreman	842.74				1,021.85			1,274.73	
Overhead/Shop Foreman	842.74				1,021.85			1,274.73	
Overhead/Shop Foreman	783.75				1,021.85			1,274.73	

# Disciplinary Guidelines

## JOINT INDUSTRIAL COUNCIL DISCIPLINARY GUIDELINES

Type of Offense	1 <sup>st</sup> Scheduled Offenses	2 <sup>nd</sup> Scheduled Offenses	3 <sup>rd</sup> Scheduled Offenses	4 <sup>th</sup> Scheduled Offenses
1. Tardiness on the job	2 weeks Suspension	Dismissal		
2. Removal of Company's property or equipment without permission	Dismissal			
3. Insubordination - Failure to carry out job-related instruction by supervisor	1 Week Suspension	2 Weeks Suspension	Dismissal	
4. Absence beyond 15 days if three (3) or more periods of absence from work area	Warning	2 Days Suspension	2 Weeks Suspension	Dismissal
5. Entering company without permission	Warning	2 Days Suspension	2 Weeks Suspension	Dismissal
6. Working on the job	Warning	2 Weeks Suspension	Dismissal	
7. Being under the influence of alcohol on the job	Warning	2 Weeks Suspension	Dismissal	
1A. Being under the influence of hard drugs (marijuana, cocaine, heroin)	Dismissal			
8. Early quitting from work area or Department	Warning	4 Days Suspension	2 Weeks Suspension	Dismissal
9. Absent from work for 3 consecutive days without reasonable excuse	Dismissal			
10. Operating company vehicle without permission	2 Weeks Suspension	Dismissal		
10A. Operating company vehicle without assigned and authorized license from employer	Warning	2 Weeks Suspension	Dismissal	
11. Failure to report damage to company property	Warning	1 Week Suspension	2 Weeks Suspension	Dismissal
12. Falsification of Report	Dismissal			
13. Falsifying Time Card or signing Report for another employee	2 Weeks Suspension	Dismissal		
14. Intentionally causing damage to company property	Warning	2 Weeks Suspension	Dismissal	
14A. Intentionally causing damage to Company property	Dismissal			
15. Failure to report damage to Company property within 24 hrs.	2 Weeks Suspension	Dismissal		
16. Failure to observe company health, safety and environmental (HSE) rules, basic safety rules indicated in the JIC Safety Manual for the Building and Communities industry and the health safety and environmental requirements of the Health, Safety and Environment Act (HSE Act)	Warning	3 Days Suspension	Dismissal	

I, the undersigned, hereby certify that the above is a true and correct copy of the Disciplinary Guidelines of the Joint Industrial Council of the Building and Communities Industry of Jamaica, as amended from time to time.

These disciplinary guidelines remain in force until further notice.

Rules of the Institute which apply to the worker in dispute shall apply in the absence of any other provision.

The Disciplinary Procedure shall be applied for offences not specified in these Guidelines.

If an offence is committed by a worker and the offence is not specified in these Guidelines, the offence shall be treated as if it were specified in these Guidelines.

Signed for:  
Employers Side  
*[Signature]*  
General Secretary, J.I.C.  
S.A.U.

Signed for:  
Workers Side  
*[Signature]*  
General Secretary, J.I.C.  
S.A.U.

*[Signature]*  
General Secretary, J.I.C.  
S.A.U.

*[Signature]*  
General Secretary, J.I.C.  
S.A.U.

*[Signature]*  
General Secretary, J.I.C.  
S.A.U.



# Labour Rates to Job(Task) Work Rates

## Labour Rates

- The payment is based on the time the worker is employed to undertake the task.
- Typically used for time-based payment of individual unskilled labour and machine operators for day-to-day work.
- Typically used for time-based payment for individual skilled labour for small to intermediate tasks, repairs and difficult to measure works.
- Detailed in LMA (White Booklet) and also included in the IMAJ COST DATA ('Blue Book')

## Job Work Rates

- Developed over years by the IMAJ
- Typically used for payment for readily measurable work tasks executed.
- Typically used for intermediate to large tasks, allows for payment for labour teams through lead worker
- Detailed in the IMAJ COST DATA ('Blue Book')



# EXAMPLE: MASONRY RATE

- ▶ The relevant labour rate/s is identified in the schedule of the Labour Management Agreement

Categories	HOURLY RATES OF PAY (1 Feb. 2023 to					
	40 Hours Rates (Single)			Weekday Overtime Rates		
	Effective 1.2.2023 to 31.1.2024 (12.5%)			Effective 1.2.2023 to 31.1.2024 (12.5%)		
	Level 1 (Grade 3)	Level 2 (Grade 2)	Level 3 (Grade 1)	Level 1 (Grade 3)	Level 2 (Grade 2)	Level 3 (Grade 1)
Maintenance Man (Field Service Minor						
Repairs)		726.38			939.28	
Mason	607.51	651.36	795.20	785.57	842.27	1,028.28
Mixer Operator						
up to 21/14		595.58			770.14	
over 21/14		633.99			819.82	
Painter	607.51	669.97	737.90	785.57	866.34	954.18
Piling Hand/Hammerman		655.38			847.48	
Piling Winch Operator		797.63			1,031.42	
Pipe Layer	565.05	728.76	816.93	730.66	942.36	1,056.37
<b>Plant Mechanic</b>						
Light Vehicles - pickups, cars, jeep,						
mixer, compressor	561.95	728.26	815.88	726.66	941.71	1,055.03
Heavy Duty	736.95	949.40	1,062.25	952.96	1,227.68	1,373.60
Power Trowel Operator		755.97			977.55	
Plumber	580.14	688.32	820.86	750.18	890.07	1,061.48
Pump attendant		610.98			790.06	
Roller Operator ( Hand vibrating self						
propelling, Asphalt Bituminous)		793.73			1,026.37	
Roller (vibratory smooth/rubber tyres)		680.51			879.97	
Rubber-tired tractor operator with						
attachments		-			749.38	
Sand Blaster		620.34			802.16	
Scaffolder	527.12	629.40	697.47	681.62	813.88	901.89

Repairs)		726.38	
Mason	607.51	651.36	795.20
Mixer Operator			

# EXAMPLE: MASONRY RATE

- The rate is brought to the subcontract or job work section.
- A team rate is used, in this case it is inclusive of 2 labourers, 2 assistant masons and 1 lead mason.

		<b>SCHEDULE OF TASK WORK RATES</b>		
		<i>PERIOD</i>		
		1.2.2023	To	31.1.2024
<b>1</b>	<b>J.I.C. Direct Labor Rates</b>			
	<b>Masonry</b>			
	<b>Grade</b>	<b>No of Men</b>		<b>Hr./Each</b>
				<b>Daily /Total</b>
	1	1	➔	795.21
	2	2		651.35
	3	0		0.00
<b>2</b>	<b>J.I.C. Direct Labor Rates</b>			
	<b>Labourer</b>			
	2	3		514.15
			<b>BASE RATE:-</b>	<b>29,122.83</b>

## EXAMPLE: MASONRY RATE

<b>3</b>	<b>J.I.C. Fringe Benefits</b>				
	Sick Leave		1.00	%	
	Public Holidays Not Worked		1.00	%	
	Holiday with Pay Vacation		1.00	%	
	Production Incentive		15.00	%	
			<b>18.00</b>	<b>%</b>	
	18.00% of	29,122.83			5,242.11
	Leaders Rate 6% of	6,361.65	6.00	%	381.70
					<b>34,746.64</b>

- The fringe benefits outlined in the Labour Management Agreement are applied.
- A premium is added for compensation for lead worker

## EXAMPLE: MASONRY RATE

Job Work Rate = Per Day Team Rate / Daily Output

Job Work Rate for "Laying 6" Blocks, All Pockets Filled"

→ = \$34,746.64 per day / 32 Yd. Sq. per day

= \$1,085.83 per Yd. Sq.

MASONRY		Daily Output	UNIT
Nos.	Notes		
	1) Add Extra Arris Rate for Beams with More Than 2 Arris 2) For Electric. Manholes use 70% of Sewer Manhole Rates		
1	Lay 8" Blocks & Fill all Pockets (Ground Floor to First Floor)	28	Yd. Sq.
2	Lay 8" Blocks & Fill all Pockets (Ground Floor & Above)	24	Yd. Sq.
3	Lay 8" Blocks & Fill All Pockets (Manholes, Drains)	21	Yd. Sq.
4	Lay 8" Blocks & Fill Alternate Pockets (Ground Floor to First Floor)	33	Yd. Sq.
5	Lay 8" Blocks & Fill Alternate Pockets (First Floor & Above)	29	Yd. Sq.
6	Lay 6" Blocks & Fill All Pockets (Ground Floor to First Floor)	32	Yd. Sq.

# EXAMPLE: MASONRY RATE

## General suggested Job Work Rates Published as a guide for the Industry

Included in the calculation are:- Sick Leave, Holiday with Pay,

Public holidays ( **Not Worked** ), Leaders Rate, and Production Incentive

**Refer to Clauses of the J.I.C Contract for Additional %age payment to be added based on project condition & location.**

MASONRY		UNIT	IMPERIAL Total Rate	UNIT	METRIC Total Rate
Nos.	Notes				
	1) Add Extra Arris Rate for Beams with More Than 2 Arris				
	2) For Electric. Manholes use 70% of Sewer Manhole Rates				
1	Lay 8" Blocks & Fill all Pockets (Ground Floor to First Floor)	Yd.Sq.	1,241	m2	1,484
2	Lay 8" Blocks & Fill all Pockets (Ground Floor & Above)	Yd.Sq.	1,448	m2	1,732
3	Lay 8" Blocks & Fill All Pockets (Manholes, Drains)	Yd.Sq.	1,655	m2	1,979
4	Lay 8" Blocks & Fill Alternate Pockets (Ground Floor to First Floor)	Yd.Sq.	1,053	m2	1,259
5	Lay 8" Blocks & Fill Alternate Pockets (First Floor & Above)	Yd.Sq.	1,198	m2	1,433
6	Lay 6" Blocks & Fill All Pockets (Ground Floor to First Floor)	Yd.Sq.	1,086	m2	1,299





# APPLICATION OF THE JOB RATES

- Costing construction work items (Charge/Bill Rate)
- Validate contractor/sub-contractor prices
- Compensate labour force
- Basis to build up rates for special tasks

# CHARGE(BILL) RATE EXAMPLE: MASONRY

<u>150mm (6") Blockwork (All Pockets Filled)</u>		
1 No. 6" Block =		\$ 115.00
Add G.C.T.	15.0%	\$ 17.25
		\$ 132.25
Convert to Sq. yds. (x 10 No. Blocks)		\$ 1,322.50
Transportation (Cost per Block)	\$ 30.00	\$ 300.00
Onsite Handling (Cost per Block)	\$ 25.00	\$ 250.00
		\$ 1,872.50
Block Wastage Factor	7.50%	\$ 140.44
		\$ 2,012.94
0.25cu ft Mortar per Sq. Yd. of Block + waste		\$ 200.00
		\$ 2,212.94
2.2 cu ft Concrete per Sq. Yd. of Block + waste		\$ 3,260.00
		\$ 5,472.94
Labour to mix mortar and lay 6" Blocks		\$ 1,086.00
		\$ 6,558.94
Overhead	5.0%	\$ 327.95
Profit	10.0%	\$ 655.89
		\$ 7,542.78
<b>PER SQUARE YARD RATE</b>		<b>\$ 7,542.78</b>

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# OTHER FACTORS AFFECTING THE BUILD UP OF CHARGE RATES

- **Specialized Requirements**  
Non-standard works, works beyond available skill level,
- **Measurement of Works & Wastage**  
Actual work undertaken versus what can be accurately measured
- **Location, Environment and Risks**  
Additional resources required or difficult to obtain due to geography and working conditions (some allowance is made in the LMA, but not comprehensive)
- **Productivity, Skill and Quality**  
The rates don't guarantee timeliness or lack of defects





# TAKEAWAYS

- Rates are a function of cost inputs and **commercial realities**. Good judgement is required.
- IMAJ Rates are generalized and not comprehensive, do not reflect the variation in project specific conditions and specialized tasks. Good judgement is required.
- The human element in Labour Rates is significant. Management & Supervision required to achieve Productivity and Efficiency. Good judgement is required.



# TAKEAWAYS



- **Economics**

- The material is mostly imported, or produced with imported equipment
- The equipment is imported, powered by imported energy, repaired with imported parts
- The differentiating factor is the human element
  - People managing other people.
  - People managing themselves.
  - The above both require - Education, Training, Retraining, Readiness for work.
  - No point arguing about local competitiveness without having an honest conversation about upgrading the labour force



# OTHER DOCUMENTS USED IN THE CONSTRUCTION INDUSTRY

- Cost Data for the Building and Construction Industry
- Agreement for Minor Works
- Standard Forms of Building Contract
- Code of Procedure for Selective Tendering: Building Works
- Code of Procedure for Selective Tendering: Engineering Works
- Labour Management Agreement
- Site Diary
  
- All the above available for purchase at the secretariat for the Incorporated Masterbuilder's Association of Jamaica ([Products – The Incorporated Masterbuilders Association of Jamaica \(imaj.org.jm\)](https://www.imaj.org.jm))



Any Questions?