

Lesson C2–8

Pricing the Landscape Plan

Unit C. Nursery, Landscaping, and Gardening

Problem Area 2. Residential Landscape Design

Lesson 8. Pricing the Landscape Plan

New Mexico Content Standard:

Pathway Strand: Agribusiness Systems

Standard: II: Practice good record keeping to accomplish AFNR business objectives.

Benchmark: II-A: Prepare and maintain all files as needed to accomplish effective record keeping.

Performance Standard: 1. Identify information management systems. 2. Develop record keeping techniques and practices. 3. Keep production and agribusiness records. 4. Make record analysis.

Student Learning Objectives. Instruction in this lesson should result in students achieving the following objectives:

1. Identify the difference between an estimate and a bid.
2. Describe landscape specifications.
3. Prepare a cost estimate for the landscape plan.

List of Resources. The following resources may be useful in teaching this lesson:

Recommended Resources. One of the following resources should be selected to accompany the lesson:

Biondo, Ronald J. and Charles B. Schroeder. *Introduction to Landscaping: Design, Construction, and Maintenance*, Second Edition. Danville, Illinois: Interstate Publishers, Inc., 2003.

Other Resources. The following resources will be useful to students and teachers:

Ingels, Jack E. *Landscaping: Principles and Practices*, Fifth Edition. Albany, New York: Delmar Publishers, 1997.

List of Equipment, Tools, Supplies, and Facilities

Writing surface
Overhead projector
Transparencies from attached masters
Copies of student lab sheet
Calculator

Terms. The following terms are presented in this lesson (shown in bold italics):

Bid
Contingency costs
Cost estimate
Estimate
Overhead costs
Profit
Specifications

Interest Approach. Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Begin the lesson by having the students view a finished landscape plan. Ask the students to decide how much it would cost to install the plan. Begin a discussion on what factors would be used to determine the price of the plan.

Summary of Content and Teaching Strategies

Objective 1: Identify the difference between an estimate and a bid.

Anticipated Problem: What is the difference between an estimate and a bid?

- I. When a designer meets with a client in order to show the proposed landscape plan, they must also be ready to discuss the price of installing that plan.
 - A. The initial price that is presented to the customers is an estimate. The *estimate* is only an approximate cost for the work to be done. An estimate includes the cost of materials and labor. The estimate could change throughout the design process as unforeseen problems arise. A designer will have an easier time giving the client an accurate estimate as the designer gets more familiar with the landscape industry and gains more experience.
 - B. If there is more than one company that is competing for the client's business, a bid is given rather than an estimate. A *bid* is a fixed price placed on the landscape work to be done. Companies try to outbid each other and once the client makes their choice on a design, the bid can not change. The landscaper must be careful not to lower the bid too much on a design as it will eat into the company's profit.

One way to help students master this objective is to have them view actual estimates and bids from landscape firms. Begin a discussion on the differences between the items.

Objective 2: Describe landscape specifications.

Anticipated Problem: What are landscape specifications?

- II. The landscape designer has a very specific idea about how the finished landscape should look. The designer must describe all the details of the plan in order to make sure the design is installed to the designer's liking. Also, by knowing the details of the plan, an accurate estimate can be made for the job.
 - A. Landscape *specifications* are a list of all the details needed to install the landscape plan accurately. Some of the specifications that must be provided are the size and number of plants, the types of paving materials, the instructions for installing decks, amending soil, and applying mulch. The more detailed the specification sheet, the more accurate the landscape.

One way to help students master this objective is to have the students view a finished plan. Have the students list the items needed to complete the landscape. Begin a discussion on the importance of complete and accurate specification sheets for landscape plans.

Objective 3: Prepare a cost estimate for the landscape plan.

Anticipated Problem: How do I prepare a cost estimate for a landscape plan?

- III. A *cost estimate* is a written statement of the costs of installing a landscape plan. It would include the descriptions, numbers, and costs of all the plant materials and construction materials. In addition to these details, the cost estimate would also include the overhead costs, contingency costs, labor, and profit.
- A. **Overhead costs** are the costs of operating the business. These would include the utilities (power, water, heat, phone lines) and any maintenance of equipment. Overhead costs are usually calculated at 20 percent of the material and labor cost.
 - B. **Contingency costs** are added to all plans as insurance against unforeseen problems like uncooperative weather, that would detain the completion of the landscape. Contingency costs would vary from one firm to the next but are usually around 10 percent of the material and labor costs.
 - C. A landscaper can not only charge a client for the materials, labor, and cost of operation. They must also make a profit on their designs. The **profit** is the money left after all the costs of the operation is complete. A markup of 205 should be included in the cost estimate for profit.

One way to help students master this objective is to have them fill out an example of a cost estimate sheet. TM: C2–8A provides an example of a cost estimate sheet. It can be used with LS: C2–8A in completing a cost estimate.

Review/Summary. Use the student learning objectives to summarize the lesson. Have the students calculate the various costs of installing a landscape plan.

Application. Application of this lesson can be achieved through the following ways:

Completing LS: C2–8A

Reading the appropriate sections *Introduction to Landscaping: Design, Construction, and Maintenance*

Evaluation. The evaluation of the student achievement over the lesson objectives will be the successful completion of the cost estimate sheet and the written test. A sample written test is attached.

Answers to Sample Test:

Part One: Matching

1=d, 2=c, 3=b, 4=a

Part Two: Completion

1. 20 Percent
2. 10 Percent

Part Three: Short Answer

1. A bid is a fixed cost of installing the landscape. It cannot change once the client accepts it. An estimate is an educated guess on the cost of installing the landscape, and can be different at the end of the project depending on the number of plant material, and the number of construction materials.
2.
 - a. profit
 - b. labor
 - c. overhead cost
 - d. contingency cost

Test

Lesson C2–8: Pricing the Landscape Plan

Part One: Matching

Instructions. Match the term with the correct response. Write the letter of the term by the definition.

- | | |
|-------------------|-------------|
| a. contingency | b. overhead |
| c. specifications | d. profit |

- _____ 1. The money left after all costs have been paid.
_____ 2. A detailed list of what is needed to complete the plan.
_____ 3. Costs of operating the business.
_____ 4. Unforeseen costs in completing the landscape.

Part Two: Completion

Instructions. Provide the word or words to complete the following statements.

1. An accepted value for overhead costs is _____.
2. An accepted value for contingency costs is _____.

Part Three: Short Answer

Instructions. Provide information to answer the following questions.

1. How is a bid different from an estimate?

2. List four things found on a cost estimate.

TM: C2-8A

LANDSCAPE CONSTRUCTION ESTIMATE SHEET				
JOB NAME			DATE	
JOB LOCATION			DESIGNER	
JOB DESCRIPTION				
Description	Quantity	Material Cost	Labor Cost (\$15.00/hr)	Total
Plant List				
Construction Materials				
Subtotal Costs (materials + labor)				
			Overhead Costs (material + labor × 20%)	
			Contingency Costs (overhead + materials + labor × 10%)	
			Cost Summation (material + labor + overhead + contingency)	
			Profit (cost summation × 20%)	
			TOTAL (cost summation + profit)	

Lab Sheet

Landscape Cost Estimate

Directions:

Use the following information to complete the Landscape Cost Estimate Sheet. Refer to TM: C2–8A in developing the estimate.

Hard Rock Landscaping Firm
Designer R.R. River
Plan for Mr. And Mrs. B. Rubble
123 Lavender Lane
Concrete, Texas 12345

Plant Material

5 sugar maples (*Acer saccharum*) 1 and ¼" caliper, \$62 each and \$30 to install
10 dwarf boxwoods (*Buxus sempervirens*) 2 gal. Pot, \$15.65 each and \$8 to install
3 Miss Kim lilacs (*Syringa vulgaris* 'Miss Kim') 1 gal. Pot, \$5.35 each and \$4 to install
5 Floribunda roses (*Rosa floribunda*) 18 inches, \$7.85 each and 9.82 to install
2 Eastern redbuds (*Cercis canadensis*) 1" caliper, \$51 each and \$30 to install
100 English ivy (*Hedera helix*) 2" pot, \$1.22 each, \$0.50 to install

Construction Material

300 concrete pavers on 2" sand base \$1.76 each and \$0.98 to install
Pinebark Mulch 8 yds at \$23.45 each and \$10 to install
Wooden Deck \$2,000 plus \$900 to install

Note: Overhead costs and Profit should be calculated at 20%

Include a Contingency cost at 10%

LANDSCAPE CONSTRUCTION ESTIMATE SHEET				
JOB NAME			DATE	
JOB LOCATION			DESIGNER	
JOB DESCRIPTION				
Description	Quantity	Material Cost	Labor Cost (\$15.00/hr)	Total
Plant List				
Construction Materials				
Subtotal Costs (materials + labor)				
	Overhead Costs (material + labor × 20%)			
	Contingency Costs (overhead + materials + labor × 10%)			
	Cost Summation (material + labor + overhead + contingency)			
	Profit (cost summation × 20%)			
	TOTAL (cost summation + profit)			