

**J.R. Huston Enterprises, Inc.**

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**Topic:** Pricing Outdoor Ponds

**HTPLIP:** From chapter 29 of How to Price Landscape & Irrigation Projects

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MS Excel worksheet Figures (attached)

- Figure 29-1 Outdoor pond job material list
- Figure 28-2 Outdoor pond job recap
- Figure 28-3 Outdoor pond job recap with 40% GPM

MS Word Figures (attached)

- None

[CT] Key terms

- None

[OH] **PURPOSE:** To explain and illustrate the process for pricing outdoor pond work

[OH] **INTRODUCTION**

Outdoor ponds are popping up everywhere. New technology, marketing and manufacturing techniques have made them attractive, affordable and easy to maintain. Like outdoor lighting, many contractors are taking advantage of this growing market. You can too if you know your costs and set specific revenue goals for your crews. The smart contractors are making sure that their personnel are first trained in the most current production methods before jumping in (the pond).

\*\*\*\* **Main point:** Outdoor ponds are popping up everywhere. New technology, marketing and manufacturing techniques have made them attractive, affordable and easy to maintain. \*\*\*\*

[A] \*\*\*\***How it works – start**\*\*\*\*

**A** contractor in the Northwest wanted to increase his outdoor pond sales. To do so, he wanted a bidding template, similar to the one that we used for outdoor lighting, which would speed up the estimating process and allow him to quickly change costing information, if necessary.

Additional scenario information:

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- Crews, comprised of three people, will work and get paid for 10 hours per day, 50 hours per week.
- The equipment use and cost per hour are as indicated on the figures.
- The overtime factor, risk factor, sales tax, etc. are as indicated on the figures.
- The owner desires to obtain a minimum of 20 percent net profit margin for this work.

**\*\*\*\*How it works – end\*\*\*\***

### **[A] OUTDOOR PONDS**

#### A standard 11' x 16' pond

Figure 29.1 lists the materials used in this scenario. Figure 29.2 outlines the overview of this scenario with the labor hours and equipment. I've combined production and general condition costs onto one worksheet. Each member of the crew works nine hours on the site per day, except the supervisor, who's on the site for one hour per day. One hour per day per crew member is allotted to general condition drive time, load time, etc. Four hours of warranty labor is included in the general condition costs.

**\*\*\*\*Figure 29.1 Pond Kit Materials\*\*\*\***  
**\*\*\*\*Figure 29.2 Pond Job Recap\*\*\*\***

To achieve the desired 20 percent net profit margin, which translates into over a 33 percent gross profit margin; this contractor has to charge almost \$6,000 for this standard 11' x 16' pond kit installed. This will cover all costs, both direct and indirect. This price appears a little low to the contractor who thinks that he could get a 40 percent GPM for this pond. To do so, he increases the net profit margin to 28 percent. Figure 29.3 shows this same scenario with a 40 percent gross profit margin.

**\*\*\*\*Figure 29.3 Pond Kit with 40% GPM\*\*\*\***

### **[A] SUMMARY**

Installing outdoor ponds can be a very profitable part of your business, if you know your costs and set reasonable production goals for your crews. Bidding pond installations can be simplified by using a spreadsheet program that allows you to take into account all your costs and the variables that go into the diverse quantity of pond kits and accessories on the market today.

### **[AP] ACTION POINT**

Use the template in our example, or one similar to it, to calculate your outdoor pond projects. You can easily adjust material costs or upgrades, labor rates and the equipment used on the job.

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[A] *Note:*

The costs used in our scenarios are for illustration purposes only. Your costs will vary from the ones used in these examples. The key is for you to build a typical one-day scenario for the different crew, materials and equipment mixes you use. Round up these rates as appropriate. If your costing structure is accurate, the rates you calculate should be very close to your current ones and to those generally seen in your market.

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This article was adapted from James Huston's new book, audio book and MS Excel CD, *How to Price Landscape & Irrigation Projects*, and his previous book, *Estimating for Landscape & Irrigation Contractors*. The author is president of J.R. Huston Enterprises, Inc., which specializes in construction and services management consulting to the Green Industry. Mr. Huston is a member of the American Society of Professional Estimators and he is one of only two Certified Professional Landscape Estimators in the world. For further information on the products and services offered by J.R. Huston Enterprises, call 1-800-451-5588, e-mail JRHEI at [jrhei@jrhuston.biz](mailto:jrhei@jrhuston.biz) or visit the J.R. Huston Enterprise web site at <http://www.jrhuston.biz>.