

LANDSCAPE MANAGEMENT

COVER STORY

Know your strengths before you bid

In Part I of a series, the author stresses the importance of realizing which jobs your company can and can't handle.

by Sylvia Hollman Fee

■ In project bidding, never take on more than you can handle.

Licensing, regulation and liability can be a bad trip. Knowing and assigning roles and responsibilities can expedite the job. Determining what, when, where, why and how is your first task, even before determining whether or not your firm should bid the job.

Fig. 1 depicts the typical assignment of roles on a commercial project. However, the extent of direct communication with owners, designers and general contractors varies considerably on each project. It's not uncommon for an owner to prefer one party—usually the designer or general contractor—to manage all the subcontractors. This means that even though the landscaper works from the plans and specifications of the designer, there may be no formal contact between the two. Another source of confusion may be the titles. Similar titles may even be held by different parties, or one party has the combined title; for example: owner/general contractor or designer/landscape contractor.

The responsibilities shown in Fig. 1 may also shift. But however complex the management, the landscaper should have a clear agreement with the party with whom they will be contracted. Knowing the roles and responsibilities listed in Fig. 1 will smooth the way when you are on the job. You can easily pinpoint who does what by picking up the phone, or asking a few fact-finding questions at the next meeting.

Bidding suggestions—For the purposes of bidding, keep these tips in mind:

1) Not all work is suited for all companies. The experienced landscaper should only seek the jobs best suited to the firm's present capabilities and short-term goals.

The purpose of marketing is to obtain business. The purpose of estimating is to obtain accurate operating costs in order for that business to remain profitable.



Sylvia Hollman Fee

2) Every bid you make is a marketing venture for your firm. And every marketing venture needs to be cost-effective, appropriate, and targeted. When it comes to bidding and proposing new work, are you targeting your goals, or are you scattering your shot in the hopes of hitting something out there? Stop wasting ammunition, select your market and focus your fire power.

3) A list can help you determine prospective markets. Write down the names of the persons in your firm, including yourself. Under each person jot down four unique capabilities. Next, list the markets you are presently serving. With the information you gain from evaluating your firm's capabilities, you can make your own decision to bid or not to bid a particular project.

An example—To illustrate why it's not advisable to bid a job just to get a job, here's an example of a firm that overshot and lost:

The excavator on a recent project my company ran decided to include the landscape work in his next (and last) bid. The

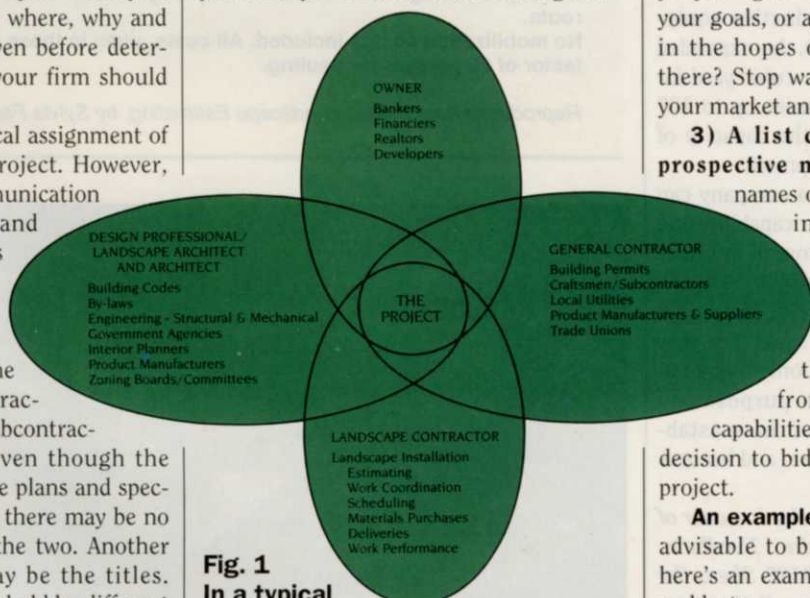


Fig. 1
In a typical commercial landscape project: their interactions and responsibilities

Reproduced from Means Landscape Estimating, by Sylvia Fee, R.S. Means Co., Inc. 1-800-334-3509.

excavator won the bid but "lost his shirt." His heavy equipment was unsuitable and not cost effective for handling landscape materials. He lacked knowledge of his costs for the specified plant materials, and was not familiar with the most efficient sequence of work. The cost advantage of his equipment went right out the door, as access to planting areas was constrained by finish paving and other details.

The excavator's decision to bid was based only on desire for work, and had no basis in the firm's capabilities.

Target your work—Successful companies target only the work they are best equipped to perform, because those are jobs where their greatest profit can be made. Not all jobs should be bid by every landscape contractor. Before spending a lot of time performing a takeoff and estimating job items, take a look at the situation surrounding the job. Be objective. Consider all the negative factors involved.

Remember, not all types of work in the same town are profitable. And identical work in different towns is not always manageable.

Mature companies have a routine that helps them target potential work. Their selection process is based on their own particular capability and capacity. The capacity of a landscape company is more than just the purchasing power assessed by its insurers and banks and clients. Many other factors such as available labor, trucks, equipment and tools have a major effect on productivity and costs.

Table 1 illustrates the dramatic impact of choosing the most productive equipment to own, hire or rent. An expanded listing suggests the cost per cubic yard for equipment and for labor varies up to 107 percent depending up on the capacity of the excavating/hauling equipment.

From self-examination, a company can define for itself its particular capability and capacity. It draws upon a store of information from hands-on experience.

As Joe Dallorso, owner of Botanical Artisans, Pepperell, Mass., says: "I'm very specialized. I know I've got only one audience, and that's partly on purpose and partly accidental. Once you have established your groove, stay there, and become the best at that."

—*Sylvia Hollman Fee is owner of Sylvia Fee & Associates, Inc., Needham, MA 02192; (617) 449-0167. She is the author of Means Landscape Estimating.*

NEXT MONTH: Project Take-Offs

Table 1

EXPANDED SYSTEM LISTING

EXCAVATE COMMON EARTH	\$ Cost Per Cubic Yard		
	Equipment	Labor	Total
1/2 cu.yd. backhoe; two 6-cu. yd dump trucks; 1 MRT	2.70	2.92	5.62
Three, 6-cu.yd. dump trucks, 3-mile round trip	5.15	4.64	9.79
Two, 12-cu.yd. dump trucks, 4-mile round trip	3.35	3.67	8.02
3/4-cu.yd. backhoes; three cu.yd. dump trucks; 1-mile round trip	2.61	2.33	4.94
Five, 6-cu. yd. dump trucks, 3-mile round trip	4.95	4.15	9.10
Two, 12-cu. yd. dump trucks; 2-mile round trip	3.39	2.65	6.04
Two, 16-cu. yd. dump trailers; 3-mile round trip	3.45	2.16	5.61
Two 20-cu. yd. dump trailers; 4-mile round trip	3.51	2.30	5.81
1-1/2 cu.yd. backhoe; eight, 6 cu.yd. dump trucks; 3-mile round trip	4.80	3.54	8.34
Four, 12-cu.yd. dump trucks; 2-mile round trip	3.05	2.09	5.14
Six, 12-cu. yd. dump trucks; 4-mile round trip	3.95	2.56	6.51
Three, 16-cu. yd. dump trailers; 2-mile round trip	2.97	1.61	4.58
Two, 20-cu. yd. dump trailers; 1-mile round trip	2.30	1.31	3.61
Three, 20-cu. yd. dump trailers; 3-mile round trip	3.03	1.65	4.68
2-1/2 cu. yd. backhoe; six, 12-cu. yd. dump trucks; 1-mile round trip	2.41	1.48	3.89
Eight, 12-cu. yd. dump trucks; 3-mile round trip	3.30	1.98	5.28
Four, 16-cu. yd. dump trailers; 1-mile round trip	2.41	1.18	3.59
Six, 16-cu. yd. dump trailers; 3-mile round trip	3.22	1.61	4.83
Six, 20-cu. yd. dump trailers; 4-mile round trip	3.15	1.60	4.75
3-1/2 cu. yd. backhoe; six, 16-cu. yd. dump trailers; 1-mile round trip	2.86	1.16	4.02
Ten, 16-cu. yd. dump trailers; 4-mile round trip	3.98	1.66	5.64
Eight, 20-cu. yd. dump trailers; 3-mile round trip	3.29	1.38	4.67
1/2 cu. yd. shovel; four, 6-cu. yd. dump trucks; 2-mile round trip	3.93	3.18	7.11
Two, 12-cu. yd. dump trucks; 1-mile round trip	2.54	2.02	4.56
Four, 12-cu. yd. dump trucks; 4-mile round trip	3.86	2.64	6.50
Two, 16-cu. yd. dump trailers; 2-mile round trip	2.87	1.87	4.74
Two, 20-cu. yd. dump trailers, 4-mile round trip	3.30	2.18	5.48

The excavation of common earth system balances the productivity of the excavating equipment to the hauling equipment. It is assumed that the hauling equipment will encounter light traffic and will move up no considerable grades on the haul route.

No mobilization cost is included. All costs given in these systems include a swell factor of 25 percent for hauling.

Reproduced from Means Landscape Estimating, by Sylvia Fee, R.S. Means Co., Inc.



Successful companies target the work they do best.