

Single Unit Pricing

This article explains the single unit pricing function in Aspire.

Pricing Logic

Aspire's standard logic for pricing kits during estimating for contracts and as the default for work orders, calculates the total price for the kit first and then divides by the quantity estimated to determine the unit price for the kit.

In some cases, for work orders, the same kit may appear under multiple services. Due to rounding, Aspire may calculate a different unit price for the kit in one service from another on the same opportunity when the kit quantities differ – especially if the kit involves small production multipliers. This can be confusing to customers for companies who provide kit pricing detail on proposals and/or invoices.

You can avoid confusion in these cases by utilizing the single unit pricing function for work orders. When single unit pricing is enabled, Aspire calculates the single item quantity price first, then multiplies that number by the estimated quantity to determine the total price for the kit. This approach calculates an exact unit price for kits regardless of the quantity estimated.

You should be very selective on which kits you use the function force single unit pricing because, as will be shown in an example below, price per square foot can calculate significantly higher than the standard approach. We recommend that you use this function in plant material kits and other construction based kits where there is a need to show the client the unit cost for the primary item in the kit. The force single unit pricing will show your clients the exact same price for a Maple Tree Installed regardless of whether you estimate 1 or 100.

Enabling Single Unit Pricing

You can enable single unit pricing for an item within an estimate from the Service Item Details screen accessed by clicking on an item within an estimate as shown below.

Opportunities

OPPORTUNITY #83 ESTIMATE

Estimate #83 plant installation Adams Residence

	QUANTITY	COMPLEXITY	HOURS	UNIT PRICE	TOTAL PRICE	GM %
plant enhancement					\$2,454.77	65.74%
Plant Installation		0.00%	20.00		\$1000.00	66.00%
Labor - Enhancement	20.00		20.00	\$50.00000	\$1,000.00	66.00%
Hardscape Enhancement		0.00%	22.00			
Labor - Enhancement	22.00		22.00			
Mulch		0.00%	6.00			
Labor - Enhancement	6.00		6.00			
Hardwood Mulch	1.00	cu yd				0.00%

Opportunities

OPPORTUNITY #83 ESTIMATE

Service Item Details Labor - Enhancement

Item Name * Labor - Enhancement Ext Cost \$340.00

Quantity 20.00 Unit Price \$50.00

Force Single Unit Pricing Ext Price \$999.99

ITEM NAME	TYPE	FACTOR	UNITS	INVERT
Labor - Enhancement	Labor	1.00000000	Hr / Hr	<input type="checkbox"/>

For kits in the item catalog, you can choose to set the default for the above checkbox to enabled. You do this when you define the kit on the *Kit Item* screen in *Admin* as shown to the right.

Kit | Oak - Pin Oak - Installed

Item Name Oak - Pin Oak - Installed Active

Alternate Name Oak - Pin Oak - Installed Available to Bid

Category Trees Force Single Unit Pricing

Unit Type BB 2" Takeoff Item Select One...

Item Name	Type	Factor	Units	Invert	Waste %	Unit Cost
Oak - Pin Oak	Male...	1.0000000	BB 2" / BB 2"	<input type="checkbox"/>	0.00%	\$178.750

Example

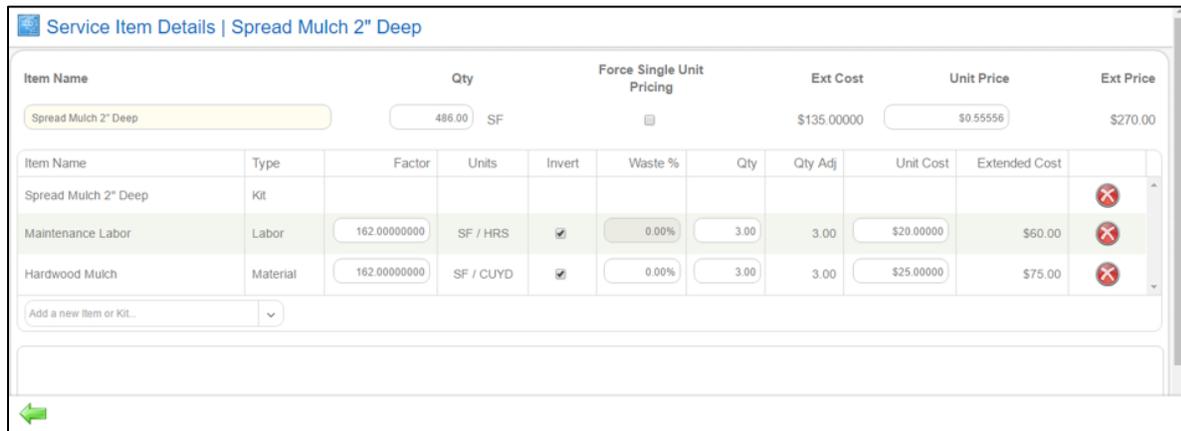
The following example demonstrates the effect of single unit pricing by showing both methods of estimating the unit price for a kit. Consider the following situation:

- Labor mark up 100%
- Material mark up 100%
- Labor cost \$20.00/hour
- Mulch cost \$25.00/yard
- Production rate for labor: 162 square feet per hour
- Production rate for material: 162 square feet per yard
- Estimated quantity 486 square feet of bed area

Standard Logic

An example of the standard logic is shown here...

In the screen shot below you can see that there are 3 hours and 3 yards of mulch estimated based on the total square footage of 486.



The screenshot shows the 'Service Item Details' for 'Spread Mulch 2" Deep'. The main summary row displays: Item Name: Spread Mulch 2" Deep, Qty: 486.00 SF, Force Single Unit Pricing: , Ext Cost: \$135.00000, Unit Price: \$0.55556, Ext Price: \$270.00. Below this is a detailed table of components:

Item Name	Type	Factor	Units	Invert	Waste %	Qty	Qty Adj	Unit Cost	Extended Cost	
Spread Mulch 2" Deep	Kit									<input type="checkbox"/>
Maintenance Labor	Labor	162.00000000	SF / HRS	<input checked="" type="checkbox"/>	0.00%	3.00	3.00	\$20.00000	\$60.00	<input type="checkbox"/>
Hardwood Mulch	Material	162.00000000	SF / CUYD	<input checked="" type="checkbox"/>	0.00%	3.00	3.00	\$25.00000	\$75.00	<input type="checkbox"/>

Based on this example, Aspire calculates extended cost of \$60.00 for labor and \$75.00 for materials. Multiply those costs by the designated markups to determine total price as follows:

Labor	$(\$60.00 \times 100\%) + \$60.00 = \$120.00$
Materials	$(\$75.00 \times 100\%) + \$75.00 = \$150.00$
Total sell price (extended)	\$270.00

To calculate the unit price, take $\$270.00 / 486$ square foot = \$0.5556 per square foot.

Single Unit Pricing Logic

Now we will demonstrate single unit pricing. In the screen below, note that the *Force Single Unit Pricing* checkbox is checked. You can see that the estimate is based on a single square foot allowing us to see the calculated values for a single unit. The extended rounded qty for labor is .01 hours and for materials is .01 yards of mulch.

Service Item Details | Spread Mulch 2" Deep

Item Name	Qty	Force Single Unit Pricing	Ext Cost	Unit Price	Ext Price
Spread Mulch 2" Deep	1.00 SF	<input checked="" type="checkbox"/>	\$0.45000	\$0.90000	\$0.90

Item Name	Type	Factor	Units	Invert	Waste %	Qty	Qty Adj	Unit Cost	Extended Cost	
Spread Mulch 2" Deep	Kit									<input checked="" type="checkbox"/>
Maintenance Labor	Labor	162.00000000	SF / HRS	<input checked="" type="checkbox"/>	0.00%	0.01	0.01	\$20.00000	\$0.20	<input checked="" type="checkbox"/>
Hardwood Mulch	Material	162.00000000	SF / CUYD	<input checked="" type="checkbox"/>	0.00%	0.01	0.01	\$25.00000	\$0.25	<input checked="" type="checkbox"/>

Add a new item or kit...

Hand spread **mulch** up to a depth of 2". Rake to finish.

Remember, we need to calculate the unit price first then multiply by the total square footage. From that we get an extended cost of \$0.20 for labor and \$0.25 for materials. Multiply those costs by the designated markups to determine total unit price as follows:

Labor $(\$0.20 \times 100\%) + \$0.20 = \$0.40$

Materials $(\$0.25 \times 100\%) + \$0.25 = \$0.50$

Total sell price (extended) $\$0.90$

To get the total price take $\$0.90 \times 486$ square feet = $\$437.40^a$ extended price as shown in the following screen-shot depicting the estimate in which we have entered the appropriate quantity (486 square feet^b) back into the kit.

Service Item Details | Spread Mulch 2" Deep

Item Name	Qty	Force Single Unit Pricing	Ext Cost	Unit Price	Ext Price
Spread Mulch 2" Deep	486.00 SF	<input checked="" type="checkbox"/>	\$135.00000	\$0.90000	\$437.40

Item Name	Type	Factor	Units	Invert	Waste %	Qty	Qty Adj	Unit Cost	Extended Cost	
Spread Mulch 2" Deep	Kit									<input checked="" type="checkbox"/>
Maintenance Labor	Labor	162.00000000	SF / HRS	<input checked="" type="checkbox"/>	0.00%	3.00	3.00	\$20.00000	\$60.00	<input checked="" type="checkbox"/>
Hardwood Mulch	Material	162.00000000	SF / CUYD	<input checked="" type="checkbox"/>	0.00%	3.00	3.00	\$25.00000	\$75.00	<input checked="" type="checkbox"/>

Add a new item or kit...

Hand spread **mulch** up to a depth of 2". Rake to finish.

The reason these numbers are so much higher is because we round the quantity to two digits after the decimal. The actual qty is .0062 instead of .01 for both the labor and the materials. When production factors get even smaller, like with mowing kits (40,000 sq ft/hr) the qty becomes so small that the system won't calculate the extended cost for the labor item in the kit and thus won't calculate an extended cost per unit because the number will be less than \$0.00

Conclusion

Knowing this you should be very selective on which kits you use the *single unit pricing* because as you can see your price per square feet almost doubles in this example. We recommend that you use this function in plant material kits and other construction based kits where there is a need to show the client the unit cost for the primary item in the kit. The force single unit pricing will show your clients the exact same price for a *Maple Tree Installed*, regardless of whether you estimate quantity of 1 or 100.