



# HVACPro

Home Comfort Ductless  
Mini-Split User Guide



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## WHAT IS FLAT RATE REPAIR PRICING?

### FLAT RATE PRICING SAVES TIME IN CALCULATING A SALES PRICE

Your guide enables your company, even in unexpected situations in the field, to respond without ever calculating a sales price.

- We can add or remove system configurations in your price guide. The price guide should contain every type of system you commonly offer in your area.
- We can change the equipment configurations as old units are phased out. For example, if your guide has a old model that is later replaced with a newer model, we can change the models and costs in your guide and send you the update. Keep in mind that we offer unlimited updates. Send us the updated equipment for import into your guide if and when this occurs.
- The ***Investment Option Worksheet***, located after the pricing section of your guide, has some standard deductions and add-ons. We can adjust that page to include any common add-on task you want. For example, we recommend including line set replacement in installation. If reusing the existing line set, deduct this on the ***Investment Option Worksheet*** before final pricing the job.
- You can use the ***Quick Job Price Guide right after the Investment Option Worksheet*** to easily add labor and materials costs, which is known to quickly add its flat-rate sales price. The ***Quick Job Price Guide*** page was specifically designed for when an installation will require something out of the ordinary, like difficult access that requires extra labor or non-inventory equipment or accessories. It allows you to quickly calculate the total cost of the job, including any additional labor or materials, and determine the flat-rate sales price.
- You can use the ***rebate pricing companion*** right after the ***Quick Job Price Guide*** to reduce sales prices and quickly meet any competitive situations. If you are pricing a replacement on a request for a quote, they most likely already have a price from another contractor they did not trust to do the job. Obtain a rebate to get down to your minimum gross profit margin walkaway price to increase close rates. We include a rebate table built into our Home Comfort price guide. Remember that you cannot raise the published UPFRONT price. Still, you can easily get down to your desired walkaway gross profit margin price using one of 3 tier rebate tables. Tier 1 = 5%, Tier 2 = 10% and Tier 3 = 15% rebate.
- The Home Comfort price guide is more than simply 'menu pricing.' It is a tool that you and your team can learn to use well and that can be fine-tuned to work better for your company. Right 'out of the box,' our price guide works for most HVAC contractors. But we work with all of our customers to make whatever adjustments are needed so they feel comfortable with it.
- So, if you need additional training or explanations about how to use the Home Comfort price guide properly, don't hesitate to contact us. Your assigned business coach is in the best position to guide you on what changes may be needed in your guide to be competitive in your area. Your coach can help you keep growing your replacement business.

### FILLING OUT THE "HOME COMFORT SET-UP AND ORDER ENTRY FORM"

Below are instructions for filling out the order form and a simple explanation of the final page in the guide we will produce. The only items we critically need from you to obtain your price guide are the five

below **in bold**: 1, 2, 3, 4, 12. You can customize any of the remaining data entry points. Still, we will either use the default Industry Standard shown below or determine the value based on your location if you don't. The financing rates and utility costs do not affect the prices of the systems in your guide. However, they are an essential part of the selling process.

## Installation Labor Set-up

1. Crew Chief Labor Rate: Write the hourly dollar rate of your highest-paid installation department Crew Chief without benefits for non-union workers. (Benefits for non-union workers are included in department overhead on Line 25. If you are a union company, write the hourly rate paid, including benefits.)
2. Helper Labor Rate: Write the hourly dollar rate of your highest-paid installation department Helper without benefits for non-union workers. (Benefits for non-union workers are included in department overhead on Line 25. If you are a union company, write the hourly rate paid, including benefits.)
3. Billable Labor Efficiency (Default—60%): Write the percentage of your installation team's adequate work time. We use industry standards; you don't need to provide us with this value to obtain your guide. However, if known, use the total hours billed by the installers divided by the total hours paid to them.  
*For example, if the installer is paid 40 hours per week but bills an average of only 20 hours per week for a job, that is 50% efficiency. (If your company policy is to only pay your installation team for the time they bill to a job, this value would be 100%.)*

## Vehicle / Miscellaneous Set-up

4. Material Sales Tax %: Your company pays the state sales tax rate to purchase equipment and materials. Your wholesale HVAC distributor partner provides unique equipment pricing without added sales tax. We will add this tax percentage to all equipment, materials, and supplies costs.
5. Average miles round trip (Default – 15): On average, this is the round trip in miles from your shop to the customer's location. This value is used together with Line 6 below To calculate the travel cost for each installation.
6. Travel Cost per Mile \$ (Default—\$0.50): This rate should combine the cost of truck depreciation per mile (as obtained from leasing companies, on average \$0.22) with the cost per mile for fuel. To calculate this, Divide the dollars per gallon for fuel by your fleet's average fuel economy (typically 12 mpg). We recommend you obtain this value from your comptroller.
7. Hourly Truck Charge \$ (Default – \$6.00): This is your cost per working hour for the vehicle lease or mortgage plus maintenance costs. To calculate this, Add the annual cost of payments and maintenance, then divide this by the number of billable weeks in a year (typically 48 because of

vacations and holidays), then divide this by the number of billable hours in a week (normally 24 for a 60% work efficiency factor). We recommend you obtain this value from your comptroller.

8. Risk & Proficiency & Warranty % (Default – 5.00%): Not all jobs run smoothly due to equipment or material purchase errors or failures. Not all jobs are installed proficiently, depending on the competencies and work efficiencies of the Installation Crew. The average risk loss due to errors is about 2% of job costs. The average labor proficiency loss is also 2%. The equipment warranty is 1%. Stuff happens on some jobs, and an adjustment of 5% on top of the total job costs is needed. Otherwise, callback costs will come out of your retained earnings.

## Gross Profit Margin Set-up

9. Installation Dept. Overhead % (Default—25%): Enter the overhead percentage for benefits, insurance, and direct and indirect departmental costs. To calculate this, divide the hourly labor rate by the overhead cost per hour—for example, \$24/hr. Divided by \$6, overhead equals 25%. (Please note: If you use an installation subcontractor, this value will be much lower, typically from 10 to 20%.) The typical range is 20 to 30%.
10. Sales Commission % of Sales (Default – 8%): Enter the percent of the total gross revenue for each system sold that you will pay as commission. Enter 0% if not paying commission. If you pay your technicians a spiff to provide a lead that results in a sale, we recommend you enter a 2% commission. If you compensate a selling tech who also properly guides jobs per company standards, we recommend entering a 4% commission. If you have a comfort advisor, entering from 8 to 10% commission is typical. Keep in mind that this value is part of the Gross Profit Margin. A value of 8% will raise the retail price by more than 8% to ensure you make a decent profit even when the salesperson lowers the sales price.
11. Target Net Profit % before taxes (Default – 12%): Enter the percentage of profit you desire to achieve before paying company revenue taxes. The typical range is 10 to 15%.
12. Total Gross Profit Margin % (Default 45%): This will be the total of items 25 to 27 above. However, instead of filling out those individual values, you may tell us the total gross profit margin you desire to achieve to recover overhead, pay commissions, and obtain net profits before taxes. The typical range is 40% to 50% when not using an installation subcontractor.

## Electrical Subcontractor Set-up

13. Electrical Upgrades/Connect: Enter the subcontractor fee for installing electrical and power connects to the loop pump pack.

## Customer Utility Rates Set-up

14. Electric Rate per KWH: Enter the local utility rate for electricity in dollars per KWH.
15. Gas Rate per THERM: Enter the local utility rate for natural gas in dollars per Therm. (If NG is not available in your area, you can leave this blank.)
16. Propane per Gallon: Enter the local price for propane in dollars per gallon. (If LP is unavailable in your area, leave this blank.)
17. Fuel Oil per Gallon: Enter the local price for fuel oil in dollars per gallon. (If fuel oil is not available in your area, you can leave this blank.)

## Heating & Cooling Load Hours Set-up

18. Annual Heating Load Hours: Enter your local heating load hours (different from heating degree days). If your local load hours are unknown, we will use the AHRI table to find them.
19. Annual Cooling Load Hours: Enter your local cooling load hours (different from cooling degree days). If your local load hours are unknown, we will use the AHRI table to find them.

## Customer Financing Interest Rates Set-up

20. Home Equity Loan Rate: Enter the average home equity loan interest rate. You can obtain this from your local bank or by searching online.
21. Local Bank Loan Rate: Enter the average standard bank loan interest rate. You can obtain this from your local bank or by searching online.

## Company Information Set-up

22. Price Guide Front Cover Information: Fill in your company's complete name, address, and phone number as you want it to appear on the cover of your *Home Comfort Certified System* presentation price guide. Also, enter the email address where you wish to receive your completed price guide; it will not be displayed anywhere in your price guide.

## DELIVERY AND UPDATING THE HOME COMFORT CERTIFIED SYSTEM GUIDE:

Join HVAC Success produces the Home Comfort Certified System Installation Presentation & Flat Rate Price Guide in PDF format. You simply click the link provided within the body of the email you receive, and when a new window opens in your internet browser, download the PDF file and save it to your computer. We will send the completed price guide to the email address you provide through a third-party document management service.

If you have problems opening your price guide file, have a PDF document reader installed on your computer. Many free software applications open PDF documents. To find one, use the search engine to search for "PDF reader." Choose the software you want to use and install it on your computer or tablet.

## **Price Delivery Process**

1. We deliver the price guide to your email in a PDF file format to download.
2. We then schedule a private GoToMeeting to review pricing and guide use.
3. You can access online live and recorded staff user training.
4. You can access printed documents for system replacement proposal agreements.
5. Once you approve, print hard copies locally for each user plus 1 for the office.
6. We then send your matching import file for your QuickBooks or field management software.
7. We then schedule a private GoToMeeting for online staff user training.
8. You are provided unlimited price guide updates and online user support at your request.

## **Price Guide Updating Process**

1. Forward to us upon receipt from your vendor any changes in your equipment pricing.
2. For system configuration model match-up changes, simply print out and mark up a 4-option price guide page, then scan or fax it back to us.
3. To make changes to the default financial set-up page, simply print out and mark up the default page, then scan and email it back to us.





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