

Instructional Scenario



Title: The Consequences for Overpricing Masonry Work

Course/Duty Area: Masonry II, Demonstrating Personal Qualities and Abilities – Demonstrating Work Ethic

Scenario: You are a masonry contractor and currently have several jobs lined up for the next several months. A homeowner contacts you, requesting an estimate of labor costs for constructing the cinder block walls for a house foundation, which they need immediately. Knowing that you are not immediately available, you overprice the labor cost considerably, realizing that the homeowner will most likely reject your cost proposal while also being willing to delay scheduled jobs if the homeowner accepts the terms.

Focused Questions:

1. What factors must a contractor consider when determining the cost of labor for a specific job?
 - Employee wages, benefits, workers' compensation insurance
 - Employee training, safety, and health requirements
 - Tools and equipment purchase, maintenance, repair, and insurance
 - Travel time/distance to the job; work environment; worksite terrain
 - Overhead expenses (e.g., office and secretarial expenses [quarterly tax reports, weekly payroll preparation, customer follow-ups and resolutions])
 - Profit margin (e.g., over and above other expenses for company growth, replacement of equipment, retirement funds)
2. How can overpricing labor costs affect one's reputation as a contractor?
 - Your company's job opportunities can decrease (e.g., fewer calls to price other jobs)
 - Your reputation becomes tarnished
 - You and your business become known in the community as price gougers
3. What are concerns related to delaying scheduled but less profitable jobs to take profitable jobs?
 - You and your company become known as job hoppers, never finishing in a timely manner.
 - You may end up in court being charged with "breach of promise."

Project-Based Assessment:

Create scenarios for students to develop timeline project schedules that illustrate how to handle project delays beyond the contractor's control.

Teacher Resources:

- [Construction Programs and Results, Inc.](#)
- [Virginia Post-Disaster Anti-Price Gouging Act](#)

Instructional scenario submitted by Robert B. Ham, VCTC Masonry Instructor