UNIT PRICES FOR VARIABLE QUANTITIES

Limit and clearly define them to minimize misunderstanding.

Exercise caution to keep unit prices equitable for both the Contractor and the Owner for building projects.

- It is best if the number of unit prices is kept to a minimum. Requiring many unit prices on the bid form creates undue confusion for the General Contractor preparing his/her bid. Large numbers of unit prices detract from the main goal of providing the Owner with the most responsive bid.
- When unit prices are used as a means to price change order work on a project, they are usually requested with the General Contractor's bid.
- Clearly define any unit price used in the specifications so there is no confusion concerning the scope of work to be included within that unit price.
- Provide complete unit price explanation, including the Contractor's overhead and profit. Therefore, there may be a differential allowed between "add" and "deduct" unit prices. This differential should not exceed 15%.
- If unit price work is performed, the construction team should establish a daily accounting procedure to document the actual quantities of work and facilitate payment.
- Use unit prices for variations in quantities of work already contained in contract documents.
- Use unit prices for items such as drilled piers, rock or soil excavation, and acceptable fill, where an assumed quantity is provided in a lump sum bid with an adjustment to be made at the unit prices for variations in that quantity.
- Do not use unit prices for latent or unknown conditions not identified in contract documents.
- Do not use unit prices to price design changes not shown on the bid documents.
- Avoid unit prices for items such as acoustical ceilings, drywall systems, light fixtures, electrical devices, etc. These unit prices may vary significantly depending on the location, timing, and extent of the work. It is better to address these items as design revisions and price them under the terms of the change order clauses of the contract.
- If the original scope of work is changed by more than 25%, the appropriate unit prices may be subject to renegotiation.

REFERENCES:
AIA A201 Conditions of Contract

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