

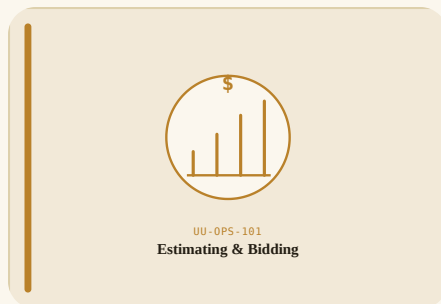
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Shop Operations

UU-OPS-101

Estimating & Bidding: A Repeatable Labor + Material Formula

How to quote consistently across jobs and crew members, instead of re-deriving a price from scratch every time.



1. Why a repeatable formula beats a gut-feel quote

A shop that estimates by feel gets inconsistent margins job to job, and inconsistent quotes between whoever happens to answer the phone. A repeatable formula — the same inputs, applied the same way, every time — protects margin, makes training new estimators possible, and gives customers a quote they can trust wasn't just made up on the spot.

2. The core formula

Estimate = (Labor rate × estimated labor hours) + (Material cost × markup multiplier) + fixed job costs

Each of the three components should be set deliberately, not guessed per job:

Labor rate — Set one shop-wide hourly labor rate that covers wages, burden (payroll taxes, workers' comp, benefits), equipment depreciation, and a margin contribution — not just the upholsterer's wage. Recalculate it at least annually as costs change, and apply it uniformly so two estimators quote the same job the same way.

Estimated labor hours — Build a reference table of typical labor hours by job type and complexity (e.g. hours per yard of fabric for a standard sofa re-cover, hours for a dining chair seat, hours for a boat cushion set) from your own shop's historical job data. Track actual labor hours against the estimate on completed jobs and feed that back into the table — this is the single highest-leverage thing a shop can do to make future quotes more accurate.

Material cost & markup — Price fabric, foam, and hardware at your actual cost, then apply a consistent markup multiplier (not a flat dollar add-on) so margin scales correctly with material cost. Decide the multiplier deliberately — it needs to cover handling, waste/overage, sourcing time, and the carrying cost of inventory, not just "what feels fair."

3. Fixed and pass-through costs to account for separately

COST	TREATMENT
Pickup / delivery	Either a flat fee by zone or priced into the quote — decide once and apply consistently rather than negotiating it per customer
Storage	A daily rate for items held beyond an agreed window keeps storage from becoming free warehousing
Rush turnaround	A defined rush premium (not an informal favor) protects normal-queue customers and compensates for the schedule disruption
Frame or suspension repair	Price as its own line item when the existing frame/suspension needs work beyond the re-cover — don't fold it silently into "labor"

4. Turning the formula into a written quote

- Itemize labor and materials separately on the customer-facing quote, even if your internal formula blends them — it builds trust and makes change orders easier to explain.
- State what the quote assumes (e.g. existing frame is sound, existing suspension is reusable) so a surprise condition found mid-job is a documented change order, not a dispute.

- Set a validity window on the quote (e.g. 30 days) since material costs move.

Shop practice

Review actual labor hours vs. estimated hours on every completed job, at least monthly. A formula that isn't checked against reality drifts quietly out of accuracy until a whole quarter of jobs is under-priced.

Sources

General operating framework for upholstery shops. Specific labor rates, hour benchmarks, and markup multipliers are shop-and market-specific — this guide describes the structure to build, not a universal number to copy.

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