THE BEGINNER'S GUIDE · FREE EDITION

Estimating for the self-employed electrician

What you actually need to know to price work — and not lose money doing it.

WRITTEN BY

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BEFORE YOU START

A note from the author

I started my apprenticeship in 2013 with NES North in Inverness — commercial and industrial work across the Highlands, with the odd homer at weekends helping out a relative who ran a domestic outfit. So before any of the estimating side, I was on the tools for the first part of my career: containment, 4 core 185's, cherry pickers, the lot. I mention that not to flash a CV at you but because most estimating guides you'll find online weren't written by anyone who's ever pulled a cable in anger.

I always wanted to get into estimating. The commercial side of the trade was something I was drawn to from quite early on. What I didn't have a clue about was how complex it actually was — that took being in the chair to understand.

I was given an opportunity to go into the office one day a week. That turned into full-time within two months. Three months after that, the only other estimator left the business — and I was the estimator. Right in the deep end, learning very quickly that pricing a project properly is a different kind of skill to installing one. Just because you know how a job goes together doesn't mean you know what it should cost. I made plenty of mistakes in those first couple of years. Most of what's in this guide is hard-won the long way.

I spent seven or eight years across three estimating positions in the Highlands. Somewhere in there, the idea of going freelance started forming. Not as a market-gap business case — more because I knew a lot of good people running good electrical companies who weren't at the scale to employ a full-time estimator, and I was watching them either burn themselves out doing it on evenings and weekends, or worse, putting their hard-earned graft at risk because they didn't fully understand what they were pricing. That's what REMC was set up to do: give smaller contractors access to senior estimating without the fixed overhead of an in-house hire.

> *"Just because you know how a job goes together doesn't mean you know what it should cost."*

Who this guide is for

The guide you're reading is free because I think it should be. There are two kinds of reader I'm writing for.

The first is the sparky just starting out, or thinking about it — the version of me a few years back, who'd have benefitted from someone laying this out plainly before he had to learn it the hard way.

The second is the contractor who's been self-employed for ten years, made some money, lost some money, and quietly can't explain why one job came out fine and the next one bled red. If you're in either group, this is for you.

What this guide is not

What I want this guide to *not* be is marketing fluff dressed up as a free download. There are plenty of those about.

What I want it to be is a cheat-sheet for what tendering actually looks like — because the contractors you're pricing against aren't hobbyists, they're commercial businesses that will find any gap in your proposal and exploit it for financial gain. That's not a criticism of them; that's the game. The point of this guide is to make sure you turn up to the game knowing the rules.

If you read all of this and decide pricing isn't something you want to do on your own, REMC is here. If you read it and decide you'd rather crack on yourself, that's fine too — better than fine, that's exactly why I wrote it.

> Pricing work isn't a joke. The reason so many small contractors go under in their first few years isn't that they're bad electricians — it's that they don't understand what they're really being asked to do when they price a job. The point of this guide is to compress some of that into **reading time** rather than **learning time**. If you finish it feeling like estimating is more involved than you thought, good — that's the right reaction.

SECTION ONE

01

Why estimating matters more than you think

Most contractors get into trouble in the same way. It's not about being a bad electrician — it's about not pricing the job properly in the first place.

The story you've probably lived

Most newly self-employed sparks get into trouble in roughly the same way. They quote a job that looks straightforward. They get the job because their quote is keen. They turn up to do the work and the small things start adding up — an extra trip to the wholesaler, the customer's added two more sockets to the brief, the chase work needed making good is taking three times what was expected, the apprentice they were going to use is on another job. By the time the work is done, the job that was supposed to make a healthy margin is breaking even, or worse.

That's not a story about being a bad electrician. The work is fine. It's a story about not pricing the job properly in the first place.

The difference between guessing and estimating

GUESSING is what most people do when they go self-employed. You look at the drawing or walk a site, you mentally run through what you'd do, you work out roughly how long it would take, you add some money for materials, you multiply by your day rate, you add a bit on top for "luck," and you write a number on a quote. It feels like estimating because there are numbers involved. It isn't.

ESTIMATING is a systematic process. You break the job down into its components. You count every item. You price every item. You work out the hours each component genuinely takes — not what you hope it takes, what it actually takes. You add the indirect costs that aren't visible in the work itself. You apply a margin. You check your sums.

The reason the first approach loses money and the second doesn't is straightforward: when you guess, you miss things. When you estimate, you don't (or you miss fewer things). And in a £5,000 job, the things you miss are often worth £500-£1,500 — which is your margin walking out of the door before you've even started.

Why the small jobs hurt the most

There's a counter-intuitive truth in this trade. Big jobs are easier to price than small ones. On a £100,000 industrial fit-out, the materials are bulk-quoted, the labour is well understood, and you can absorb the odd surprise without it killing the margin. On a £3,000 domestic rewire, one wrong assumption — say, you didn't realise the plasterer needs three days not two and you're paying him by the day — can wipe out 30% of your margin.

Smaller jobs have less margin for error. So the discipline of estimating actually matters more on the small jobs, not less.

The four-stage life cycle of an underpriced job

Worth understanding because most self-employed sparks have lived through at least one of these. The predictable arc of an underpriced quote, from confident submission to the painful maths at the end.

STAGE 1

Quoted optimistically

Walked the site. Looked easy. Quoted on the basis that nothing would go wrong and you'd work efficiently every day. Felt confident submitting.

STAGE 2

Won the job — keen price

Customer happy. You're happy. Started on time. First few days went fine. Looking like a good little earner.

STAGE 3

Reality lands

Customer changes a few things. Forgot to allow for access tower hire. Wholesaler's lead time was 3 weeks not 1. Working evenings to make up time.

STAGE 4

The maths catches up

Made £400 on a job you quoted for £3,200. Eight hundred quid of margin gone. Move on and tell yourself you'll be more careful next time.

The cruel part: Usually you aren't more careful next time, because you don't change your **process**, just your **mood**. The way out of this cycle isn't to quote higher — that just means you lose the next few jobs to better-pricing competitors and then lose money on the ones you do win because the process is still wrong.

What the rest of this guide does

The remaining sections give you the tools to break out of this cycle. Section 2 covers the vocabulary of commercial tenders. Section 3 walks through the five components every estimate needs. Section 4 covers the four mistakes that kill small contractors. Sections 5 and 6 cover practical tools and when (if ever) to bring someone else into your pricing process.

> *"Quoting higher without changing your process is just a slower way of going out of business."*

SECTION TWO

02

The anatomy of a commercial tender

Translating the paperwork. Drawings, specs, BoQs, prelims, P&Gs, retention, fluctuations, dayworks, programme — what each one means and why it matters.

SECTION 02 · THE VOCABULARY YOU NEED

What's in a tender pack

When you start pricing work for anything bigger than your own customer base, you'll start getting handed paperwork that looks like a different language. This section translates it.

Drawings

You'll usually get architectural drawings plus M&E drawings (electrical and mechanical layouts). The electrical drawings include layouts for lighting, small power, fire alarm, data, controls.

What to watch for: drawings come in *revisions*. Make absolutely sure you're pricing off the latest revision — pricing off an old set when the architect has issued a new one is one of the most common ways to lose money.

Specification (or "spec")

The document that describes what the work has to comply with — products, standards, performance requirements. For electrical work, expect references to BS 7671, specific switchgear manufacturers, particular cable types, lighting performance criteria, fire alarm category.

Reading the spec carefully matters because it determines what you can and can't buy. *"Schneider Acti9 RCBOs or equivalent approved"* lets you shop around. *"Hager NHN125ES distribution board, no alternatives"* doesn't — even if Hager is twice the price.

Bill of Quantities (BoQ)

On larger jobs, the client's quantity surveyor provides a structured list of every item of work, with quantities measured by them. You price each line. Everyone pricing the job is working from the same numbers — competition is on price, not on who measured better.

The disadvantage is that quantities can be wrong. Bigger contractors check the BoQ against the drawings before pricing.

> **Sparky tip:** When you get a BoQ for the first time, don't be intimidated by its scale. It's just a long list, broken into trades, with quantities. Your job is to price the electrical lines accurately. Ignore the lines that aren't yours.

The bits beginners miss

Preliminaries ("prelims")

This is the bit beginners almost always miss. Preliminaries are the costs of doing the work that aren't the work itself — site set-up, welfare facilities, supervision, programme management, insurance, scaffold or access equipment hire, attendance to other trades. On a £100k commercial job they can be **8-15% of the total** — easily £10-15k of cost that has to come from somewhere.

If you don't price prelims, that £10-15k comes out of your margin. Many a small contractor has won their first commercial job with a keen tender, then realised after start-on-site that they're paying for their own welfare facilities, supervision, scaffolding.

Retention

On larger contracts the client holds back a percentage of every payment (typically **3-5%**). Half is usually released at practical completion; the other half at the end of the defects period (12 months later). It sits in the client's bank account, not yours, so your cash flow takes the hit.

8-15%
TYPICAL PRELIMS
Of project value on commercial jobs. Beginners often allow 0%.

3-5%
RETENTION
Held by client until practical completion + defects period.

12-18 mo
FINAL RETENTION RELEASE
After PC. When you finally see the last of your money.

Fluctuations, dayworks, and programme

Fluctuations are the mechanism for adjusting the contract price if material or labour costs change materially during the contract. On most small commercial contracts they aren't allowed — the price is fixed.

This matters more than most beginners realise. If the contract doesn't include a fluctuations clause, you have *no right* to approach the main contractor for more money just because copper's gone up 15% or your wholesaler's put list prices up. Those are risk factors you should have built into your tender. You signed the contract at the agreed number. Unless the increase is so severe it would genuinely cripple you, don't be the contractor who doesn't stick to his word — you'll get the extra cash that one time and damage the relationship for every job after it. Your reputation in this trade is worth more than a few grand on a single project.

Dayworks are the rates for work outside the contract scope at the client's instruction — your hourly rate plus a percentage uplift. You'll often be asked to submit your daywork rates as part of the tender.

Programme is the timetable. If the programme shows you have 8 weeks for second fix but the joiner is only finishing first-fix studwork in week 4, you've effectively got 4 weeks not 8. Pricing on the 8 weeks and losing 4 to programme realities is one of the most expensive mistakes on a commercial job.

SECTION THREE

03

The five components every estimate needs

Materials. Labour. Plant. Preliminaries. Overheads and profit. Get all five right and you're in the running. Miss any of them and you're either over-pricing — or losing money.

SECTION 03 · THE BUILD-UP

Every estimate, every time

Every commercial estimate, whether it's £3k or £3m, is built up from the same five components. Each component sits on top of the last, and your final number is the sum of all five plus your applied margin.

1	**Materials** Everything you fix, install, or consume — cable, accessories, containment, lighting, switchgear, fire alarm equipment, sundries, fixings.	**Net of discount**
2	**Labour** Your time plus operatives or subcontractors. Priced by hours-per-component, not by gut feel.	**£/hour × hours**
3	**Plant & equipment** Anything you hire or use up — scaffold, MEWP hire, podiums, drills, lifting kit. Hire duration matches programme.	**Hire + delivery**
4	**Preliminaries** The indirect costs of being on site — supervision, welfare, mobilisation, attendance, insurance uplift.	**5-15% of direct**
5	**Overheads & profit (P&G)** Your business overheads plus target margin. Applied as a percentage on top of everything else.	**15-25% typical**
=	**Your tender price** A number you can defend, traced back to every component.	**Submit with confidence**

The discipline test: If you can't trace your tender price back to specific line items in each of the five components, you haven't estimated — you've guessed. The discipline is in the working, not the final number.

Materials and labour — where most mistakes start

Component 1: Materials

Two approaches. The wrong one: look at the wholesaler's list price and use that. The right one: use the price you'll actually pay after your trade discount.

Every electrical wholesaler offers some level of discount. A new self-employed sparky typically gets **10-15% off list on accessories**, maybe **5-10% on cable**, sometimes **20-30% on lighting**. The bigger contractors get 30-50% on some categories.

If you price at list and your competitor prices at net, you'll lose every tender. Get your discount terms in writing, build your prices off net.

Wastage allowance: add 5-10% on cable, 2-5% on accessories. Beginners often forget this and then wonder why they're £200 short on materials at the end.

Component 2: Labour

Two ways: by day rate, or by hours-per-component. Day rate is simpler — fine for small domestic jobs, poor practice for anything bigger because it forces you to estimate days in your head.

Hours-per-component is the proper commercial approach. It forces you to actually break the job down — you can't fool yourself by being optimistic about the day count.

> **Productive hours per day** — the bit that catches everyone out. You don't get 8 productive hours from an 8-hour working day. Allow for travel, set-up, welfare breaks, site inductions, snags. On a typical commercial site, productive working hours are usually **5.5-6.5 per 8-hour day**, not 8.

£250-£400
DAY RATE
UK self-employed average 2026. London/SE higher.

5.5-6.5
PRODUCTIVE HRS/DAY
In an 8-hr commercial site day after travel, welfare, induction.

5-10%
CABLE WASTAGE
Standard allowance. Most beginners forget this entirely.

Plant, prelims, and the percentage on top

Component 3: Plant & equipment

Anything you hire or use up: scaffold, podiums, MEWP hire, drill hire, conduit benders, cable pulling equipment. If the programme has you working at height for 3 weeks, price 3 weeks of access equipment hire (plus delivery, pickup, weekend coverage).

Component 4: Preliminaries

Things to include: site management time, welfare contribution, skip hire, PPE/signage, insurance uplift, attendance on other trades, mobilisation and demobilisation, site office costs.

JOB SIZE	TYPICAL PRELIMS ALLOWANCE	EXAMPLE ON £30K JOB
Small (under £20k)	5-8% of labour + materials	—
Medium (£20-100k)	8-12% of labour + materials	£2,400-£3,600
Larger (£100k+)	10-15% of labour + materials	—

Component 5: Overheads & profit (P&G)

Overheads include office/yard rent, vehicle costs, accountant, phone, broadband, marketing, NICEIC fees, insurance, training. Add up annually, divide by expected turnover. For most self-employed sparks: **8-15%**.

Profit is what's left after everything else. Typical net profit margins for small electrical contractors: **8-15%**. Below 5% the business isn't paying you for the risk.

> **Apply P&G correctly:** Take the total of materials + labour + plant + prelims, then add your P&G percentage on top. For most self-employed sparks pricing commercial work, total P&G of **15-25%** is in the right zone. Below 15% you're not covering overheads. Above 25% you'll lose competitive tenders.

London commercial fit-out runs lean (10-15%). Highland and Islands work runs higher (20-30%). Industrial and specialist work runs higher still. Know your market.

SECTION FOUR

04

The four mistakes that kill small contractors

Eight years of pricing tenders. The same four patterns come up again and again. The contractors who survive the early years internalise these mistakes early.

SECTION 04 · PATTERNS THAT BANKRUPT

What experience teaches

Over eight years pricing tenders for electrical contractors ranging from sole traders to multi-million-pound businesses, the same four mistakes come up again and again. The contractors who survive are the ones who internalise these early.

MISTAKE 1

Underestimating labour hours by 25-40%

The single biggest one. When you imagine doing work, you imagine it going smoothly. Reality is messier. On a £3k domestic rewire those frictions easily add up to 1-2 days; on a £30k commercial job, 5-10 days. If you underestimate labour by 30% on every job, the job that should have been a 15% margin becomes 5%, or break-even, or a small loss.

The fix: After every job, compare what you actually did against what you estimated. If you consistently come in 30% over, build that into all future estimates. Use industry-standard labour constants — they already include realistic friction.

MISTAKE 2

Forgetting CDM, regulatory, and compliance costs

CDM 2015 imposes specific duties: site-specific risk assessments, method statements, coordination meetings, induction time, H&S documentation. Beyond CDM: NICEIC inspection, EIC certificates, building control sign-off, fire alarm commissioning, BS 7671 compliance docs. Beginners often price the work but forget the paper trail.

The fix: Build a compliance checklist. Before submitting any commercial tender, check off each compliance item that applies and confirm you've allowed time and cost. On a £15k installation, compliance overhead can easily be £500-£1,500.

Mistakes 3 and 4 — the silent margin killers

MISTAKE 3

Pricing materials at list, not net of discount

Your competitor is pricing the same job. If they have a 30% discount on lighting and you priced at list, their materials bill is £700 lower on a £10k tender. They win. Repeat across multiple tenders and you wonder why you're never winning anything.

The fix: Agree your wholesaler discount terms in writing. Price everything at net. Review terms every 12 months — the bigger you get, the better terms you can negotiate, but they don't improve on their own.

MISTAKE 4

No allowance for variations and scope creep

Customers change their minds. Architects revise designs. Site managers ask for "just one more thing" that turns out to be three days of work. Beginners price for the work as described, then end up doing all the variations as goodwill, and watch their margin disappear.

The fix: Two approaches. (1) Write the contract so variations are clearly chargeable at your daywork rate. (2) Include a 3-5% contingency for minor scope creep. Major variations still get billed separately. Pick one, apply it consistently.

> *"Estimating well isn't about pricing what you can see — it's about pricing what experience tells you will happen even though it's not on the drawing."*

SECTION FIVE

05

Tools and templates — what to use, when

Pen and paper, Excel templates, commercial software. Three approaches, different stages of business. Honest assessment of when each one makes sense.

SECTION 05 · THREE APPROACHES

Pen, Excel, or software?

There are three broad approaches to estimating tools, and they suit different stages of business.

Pen, paper, and a calculator

What most newly self-employed sparks start with. Quick. No software required. The downside: no record, no reusable structure, and you can't check or update your numbers easily. Fine for occasional small jobs and known customers.

Excel-based templates

The most common approach for established sole traders. A structured spreadsheet that lists standard items with prices and labour times. Benefits compound over time: every job built the same way, prices update once, you have a record to compare against actuals.

Best for: anyone consistently quoting work above £1,000, or pricing more than 3-4 jobs a month. This is most of the self-employed market in the UK.

> **Build your own or buy?** Building one badly costs more than buying a properly designed one. You'll waste weeks of evenings making something that doesn't quite work, then when you switch to a proper template you'll wonder why you bothered.

Estimating software

Trimble, Eque2, Bidcon, Cubit, Estimation. £30-£200+/month. Benefits: automatic price updates, take-off tools, accounting integration. Costs: monthly subs add up, learning curve is real (20-40 hours).

Best for: contractors pricing 8-15+ jobs a month, turnover above £500k.

YOUR STAGE	USE	WHY
Hobbyist / side income	Pen, paper, calculator	Volume too low to justify systems
Year 1 self-employed	Basic Excel template	Build the habit early
Established sole trader	Comprehensive Excel	Consistency across jobs matters
Pricing 4-8 tenders / month	Excel + considering software	The tipping point
Tendering regularly / busy directors	Software or outsourced support	Volume or time pressure justifies both

SECTION SIX

06

When to outsource — and when not to

There's a clear progression. Most contractors move through it in a similar order. Outsourcing too early hides the learning that builds long-term business judgement.

SECTION 06 · FOUR-STAGE PROGRESSION

Where you are determines what you need

The question of whether to outsource depends on where you are in the business. There's a clear progression and most contractors move through it in a similar order.

1

Stage 1 — Do it yourself, even if you're slow

If you're newly self-employed, you should be doing your own estimating. The act of doing it yourself is how you learn the commercial side. Outsourcing in your first 18-24 months means outsourcing the most important learning experience of self-employment. **Get bad at it first. Then get better. Then consider help.**

2

Stage 2 — Get help with tenders that scare you

Once you've been pricing your own work for a year or two, you'll start seeing tenders bigger or more complex than you're comfortable with. This is the right time to consider ad-hoc estimating support — typical fees £500-£2,500 per tender. Outsource the tenders that scare you, do your own pricing on the ones that don't.

3

Stage 3 — Volume or director-time tips you over

Eventually you'll reach a point where you're either turning down work, pricing on weekends, or as a director realising your evenings have become an estimating shift. That's when MSPs start to make sense. An MSP at £1,000/month gives 18-36 hours of senior expertise for £12,000/year — the equivalent in-house cost is £55,000+ all-in. The decision isn't turnover-driven; it's tender-volume and time-pressure driven.

4

Stage 4 — Dedicated in-house estimating

Beyond £2m-£3m turnover, most contractors need at least one dedicated in-house estimator. Even then, many maintain outsourced relationships for overflow or specialist work. Outsourced and in-house aren't an either/or — they're a portfolio.

> If you're reading this guide as a self-employed sparky, you're almost certainly in **Stage 1 or 2**. Do your own estimating. Get good at it. The right time to bring someone else in is when you've learned enough to evaluate their work — not before.

SECTION SEVEN

07

What to do next

Three practical steps you can take this week. Then a soft summary of how REMC fits into different stages of your business growth.

SECTION 07 · PRACTICAL NEXT STEPS

Three things you can do this week

If you've read this far, you've covered more about commercial estimating than 90% of self-employed sparks will ever read.

1. **Audit your last three quotes.** For each, write down: estimated materials vs actual paid; estimated hours vs actual worked; prelims and overheads allowed vs actual. If you don't have this data, your record-keeping needs to change before your estimating will.
2. **Calculate your real overhead rate.** Add up everything your business pays for in a year that isn't job-specific. Divide by your expected turnover. That's your overhead rate. If you don't know it, you're not pricing properly.
3. **Build (or buy) a basic estimating template.** Materials list, labour rates, time-per-item, P&G calculation, totals. Use it on every job for the next 90 days.

Where REMC can help — at each stage

A

Sole trader or just-started business

Our MSPs are built for contractors tendering regularly, or busy directors wanting to focus on running projects rather than pricing them — so they may not be the right fit if you're early-stage. We're working on a range of beginner Excel templates aimed at sole traders, priced at around £200. Sign up at **remc.uk** to hear when they're available.

B

Established sole trader or micro business

You might be approaching the stage where occasional estimating support makes sense. We do ad-hoc tender pricing. Email **enquire@remc.uk**.

C

Tendering regularly or running busy projects

If you're pricing tenders most weeks, or you're a director whose evenings have become an estimating shift, MSPs are the fit. Subscription-based estimating capacity from £351/month to £1,917/month. Senior expertise without the cost of an in-house hire, scaling up or down month to month.

— Liam Macleod, May 2026

Director, REMC Ltd · remc.uk · enquire@remc.uk

APPENDIX · QUICK REFERENCE

Glossary of terms

Quick reference for the commercial vocabulary used in this guide and in most UK commercial tenders.

BoQ (Bill of Quantities)	A structured list of every item of work, with quantities measured by the client's QS. You price each line.
CDM 2015	Construction Design and Management Regulations. Legal duties for H&S on construction projects.
CIS	Construction Industry Scheme. HMRC tax deduction scheme for subcontractors.
Daywork rate	Rate for work done outside the original contract scope at the client's instruction.
EIC	Electrical Installation Certificate. Issued when an installation is complete.
Fluctuations	Mechanism for adjusting contract price if material or labour costs change during the contract.
NEC4	Engineering and Construction Contract suite, widely used in UK construction.
O&M manuals	Operation and Maintenance manuals. Documentation provided at handover.
OH&P (or P&G)	Overheads and Profit. Percentage added to direct costs.
Practical Completion (PC)	The point the project is finished enough to be handed over. Triggers first half of retention release.
Prelims (Preliminaries)	Indirect costs — site set-up, supervision, welfare, access equipment, attendance, mobilisation.
Principal Contractor	Under CDM 2015, the contractor with overall H&S responsibility on site during construction.
Retention	3-5% held back by client until practical completion and end of defects period.
Schedule of Rates	Pre-agreed rates for specific work items used to value variations.
Spec (Specification)	Document describing what the work must comply with — products, standards, performance.
Take-off	The process of measuring quantities from drawings.
Variation	Change to the original contract scope. Valued at contract rates or by quote.

This covers what you'll encounter in 90% of UK commercial work. Every tender has its own vocabulary — when in doubt, ask.

— End of guide —

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