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First chapter only

The Profitable Landscaper's Bidding Bible

Never Lose Money on a Job Again — Stop Guessing and Start Estimating

The Profitable Landscaper's Bidding Bible

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The Profit Leak

The numbers, when we walked through them: 48 crew-hours at an unloaded \$22/hr is \$1,056 in direct labor cost. Add payroll tax (15.3%), workers comp (\$8 per \$100 payroll in his state), unemployment (3.2%), and the burden multiplier pushed the true man-hour cost to \$30.80, not \$22. Real labor cost was \$1,478, not \$1,056. The pavers, base, joint sand, and edge restraints from the supply yard ran \$1,420. The truck for two days at fully-loaded cost (fuel, insurance, depreciation, maintenance share) was \$186. Delivery on the pallet of pavers was \$95. Dump fees for the spoils were \$80. The overhead recovery—the portion of his insurance, shop rent, admin time, and equipment that this job had to pay for—was supposed to be \$340. He had quoted as if overhead recovery was zero.

\$900

average margin gap on a \$3,800 hardscape job when the bid ignores labor burden + overhead recovery + ancillary cost—and most independents bid 30–60 jobs a year at the same structural error

1.2 Why the Going Rate Is Bankrupting You

The most common pricing model I see in solo and small-crew landscaping is what I call the “going rate.” The owner has been in business for five or eight years. He knows what the guy across town charges for a patio. He knows what the lawn-care company up the road charges per cut. He prices within shouting distance of those numbers and considers himself competitive.

The problem is that the going rate was set by a company with a different cost structure than yours. Maybe that company has a fleet truck with depreciation already amortized. Maybe they buy pavers by the pallet-of-truckload and you buy them by the half-pallet. Maybe their workers comp is \$3.50 per \$100 payroll because they’re in Indiana and

yours is \$8 because you're in New Jersey. The going rate works for them. It does not necessarily work for you.

Key Insight

Pricing off the going rate is the single most expensive habit in solo and small-crew landscaping. The going rate is a market signal, not a margin signal. It tells you what customers expect to pay, not what your costs are. The shops that build a structured bidding system—loaded labor, overhead recovery, materials with markup, written change orders—outearn their identically-busy competitors by \$30,000 to \$80,000 a year. Not because they charge more on average. Because they stop losing on every third job.

1.3 The Four Hidden Costs in Every Bid

When most landscapers think about bidding, they think about two costs: materials and crew hours. Almost every bid I have audited has the same four costs missing or undercounted. Read this list carefully—these are the places your bids are leaking.

1.3.1 Hidden Cost 1: Labor Burden

When you pay a crew member \$22 an hour, you do not actually spend \$22. You spend somewhere between \$28 and \$34 depending on your state. The gap is payroll tax (15.3% federal FICA plus state), workers comp (\$1.25 to \$12 per \$100 payroll depending on state and classification), unemployment (2–6%), and any benefits you carry. Most solo and small-crew owners bid as if a \$22 worker costs \$22. Their bids are off by 30–45% on the labor line.

1.3.2 Hidden Cost 2: Overhead Recovery

Your insurance, your shop rent, your truck loan payment, your QuickBooks subscription, the cell phone you use for work, the gas you put in the truck to drive to estimates, the administrative time you spend on Sunday nights—all of this is overhead. It has to be paid by every billable hour your crews work. Most owners bid as if overhead is zero and discover at year-end that they have made \$22,000 less than they thought.

1.3.3 Hidden Cost 3: Materials Markup vs. Materials Pass-Through

The pavers you buy at \$2.80 a square foot get charged to the customer at \$2.80 a square foot. The customer thinks they are paying “cost.” You think you are doing them a favor. What you have done is donated your time delivering, staging, returning the unused pallets, and warranting the product—and you have absorbed the supplier price increases that hit between quote and install. Industry-standard materials markup is 20–45% depending on category. Most independents charge 0–10%.

1.3.4 Hidden Cost 4: Change-Order Drift

The customer asked you to “add a couple plants while you’re here.” You said sure. You bought three Knock Out roses and a flat of pansies for \$78. You planted them in 35 minutes of crew time. You billed nothing extra because you forgot, or because it felt small, or because you wanted the customer to like you. Repeat that pattern across a season and the \$78-and-35-minutes you absorbed 22 times adds up to roughly \$2,400 in unbilled work—which is the difference between profitable and not.

7–12%

average net margin of a US landscape company per the Lawn & Landscape magazine LM150 list—meaning the industry’s middle 80% lives in a margin

band where a single \$900 bid error per month can flip the year from profitable to red¹

1.4 The Industry Backdrop in 2026

A few benchmarks worth keeping in your head as you read the rest of this book:

Metric	Value
US landscape company average net margin	7–12% ²
Payroll tax burden (federal FICA)	15.3%
Workers compensation range (landscape classification, by state)	\$1.25–\$12 per \$100 payroll
State unemployment tax range	2–6%
Typical solo/small-crew shop overhead	\$2,500–\$8,000/mo
Industry-standard materials markup (plants)	30–50%
Industry-standard materials markup (hardscape)	20–35%
Industry-standard equipment recovery rate	\$8–\$22 per crew-hour
NALP average labor as % of revenue (full-service landscape)	42–52% ³

Read those numbers carefully. The average independent landscape company runs on a 7–12% net margin. That is thin. Recovering \$900 in mispricing on a \$3,800 job is a 23% margin recovery on that job. On 40 jobs a year of that size, it is the difference between a comfortable owner draw and another season of working for free.

¹Lawn & Landscape, "LM150 Industry Operations Report," 2024.

²Lawn & Landscape, LM150 list financial profile, 2024 cohort.

³National Association of Landscape Professionals, "Industry Operations Survey," 2024.

1.5 Why “I’m Just a Lawn Guy” Is the Wrong Story

Most solo and small-crew owners have a self-story that goes something like this: “I’m not a businessman. I’m a lawn guy. I do good work and I charge fair prices and the rest will work itself out.” That story is one of the most expensive sentences in the trade.

The contractor who runs the bidding math is doing the same work as the one who doesn’t. Same patio. Same pavers. Same crew. Same hours. The only difference is that the math contractor’s invoice covers the cost of the work and leaves \$1,500 in the bank. The going-rate contractor’s invoice covers the cost of the work and leaves \$612. Same labor. Same job. Different number in the account.

The math is not finance. It is not Wall Street. It is fifth-grade arithmetic done honestly. Hourly cost times hours plus material cost times markup plus overhead allocation plus a target margin. That equation is the difference between \$612 and \$1,500. You can build it on a piece of paper at the kitchen table.

Warning

The trap most owners fall into is believing that “getting bigger” fixes the bidding problem. It does not. A solo operator losing \$900 on every \$3,800 job will lose \$1,800 a job when he hires his first crew, \$3,600 a job at two crews, and \$7,200 a job at three crews. Scaling a broken bidding system multiplies the leak, it does not fix it. Fix the bidding first, then scale.

1.6 What This Book Will Do for You

Seven chapters. The math gets gradually more complete, but it never requires anything more than a paper, a calculator, or a free Google Sheet. By the end you will have:

- A labor burden multiplier specific to your state, your insurance class, and your benefit load

- An overhead recovery rate that allocates your real overhead across your real billable hours
- A materials math system that captures plant, hardscape, mulch, and delivery cost with appropriate markup
- A markup-vs-margin discipline that stops you from confusing the two
- A bid presentation that makes the customer say yes and pre-authorizes the change-order rules
- A change-order template that captures the “while you’re here” work without awkwardness or surprise

Case Study

The 3-Person Crew That Found \$28,000 a Year

A landscape company in the suburbs of Indianapolis with one owner and two crew members did about 90 jobs in the 2023 season, mostly residential maintenance contracts plus 30 hardscape and planting installs. The owner came to me at the end of the season because his bank balance was \$11,000 below what his projection said. We rebuilt his bidding system from scratch over a January weekend. The labor burden multiplier moved his crew cost from \$22/hr to \$31.20/hr. The overhead recovery rate added \$14.80 per crew-hour. The materials markup went from 7% to 32% on hardscape and 38% on plants. The 2024 season's revenue was almost identical to 2023's—about \$340,000 each year. The 2024 net profit was \$41,200 vs. \$13,400 in 2023. Same jobs. Same customers. Same trucks. The difference was honest math at the quote stage. His comment in the year-end retrospective: “I thought I needed more jobs. I needed better bids on the same jobs.”

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