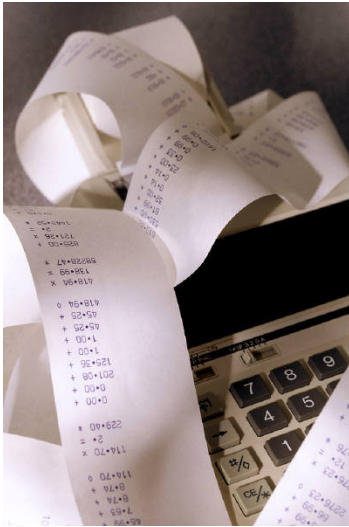


# Robert J. Lindquist, P.E., Inc.

Orlando ♦ Austin

## Construction Cost Controls



Improving internal controls in the areas of cost control and upgrading reporting procedures is our main goal. We know from experience that in order to correct and reduce the impact from construction cost overruns, early recognition of the problem is paramount; that is where we come in.

### **Sarbanes-Oxley (SOX) Internal Control**

This new requirement of public companies was signed into law July 31, 2002 to address fraud issues which surfaced subsequent to the WorldCom and Enron scandals. The official compliance deadline has been moved back to November 15, 2004 to allow all companies ample time to set up their systems and controls to meet the requirements of this new legislation. Its main goal is to protect the investor from fraud but it will only be a matter of time before it finds its way into the private sector.

This is a process which successful firms in any industry have in place to varying degrees anyway. We are specifically focusing on the construction industry where we have over 30 years experience designing and monitoring the ongoing results of major construction companies across the USA and reporting these results to boards of directors of both private and public companies.

We evaluate management's financial reporting processes, pinpoint areas at risk, analyze the situation and develop pre-emptive solutions. Reports are designed in easily readable and understandable formats, in order that senior management and boards of directors can make informed decisions. We offer ongoing support to independently review the monthly, quarterly or yearly status of all your construction projects. Early detection of possible problems or write-downs helps eliminate large swings in the quarterly and yearly financial statements thus helping the Bonding Insurers and investors become more confident and comfortable when providing their services.

### **Develop Costing Systems**

We review your current costing systems; make suggestions to improve and streamline reporting systems; and create accurate, readable reports. Design reports to monitor and project final cost at completion and create monthly, quantity and yearly cash flow monitoring reports to improve the bottom-line and increase confidence in the accuracy of the monthly financial reports. Our conclusions take into consideration the past, current and future problems in tracking and maintenance of adequate cost reporting systems.

### **Programming**

Our team includes associates familiar with all areas of programming major mainframe systems, and are experienced in the implementation of various software products such as Crystal Reports, Primavera, HCSS, to name a few, for the cost reporting and tracking procedures outlined here-in.

## **Contract Administration**

Establish contract administration procedures to for all aspects of the Pre-bid, during construction and closeout phases

Pre-Bid Services – review existing systems, streamline contract review and purchasing procedures, and design management reports.

During Construction – provide processes to review subcontract, and purchase order systems, set-up reporting and tracking systems for AP/AR, claims and pay requests.

Contract Closeout - review existing closeout procedures and provide systems and reports to streamline and accelerate this process.

## **Project Administration**

Once you have the contract we will set-up your project administration to cover pre-construction coordination, during construction and project closeout systems and procedures. These project administration services, along with complete documentation of their performance, are essential to good overall contract administration and provide irreplaceable exhibits in the event of disputes or claims.

Pre-construction coordination – review existing systems, streamline sub & supplier buy-out and design start-up procedures

During Construction – review forms and systems, improvement reporting and tracking procedures, including correspondence, shop drawings and changes to the contract.

Project Closeout – review quantity reporting systems, insure payments go to proper parties, increase accuracy and speed closeout procedures.