Acumatica
The Cloud ERP

A Guide to Construction Project Success from Bid to Closeout

Solution Brief

Support Every Step of the Construction Project with Acumatica Construction Edition

Today's construction jobs are ever-changing and complex with moving pieces and parts. But the same core process must be followed from design to closeout to guarantee success. A construction project will follow four standard phases: bidding, pre-construction planning, construction, and closeout.

Many people and processes are necessary for success. Contractors and subcontractors must generate detailed estimates to win the work. The contracting company must plan the budget, timeline, labor, materials, and equipment needed. Human resources will manage labor, safety and compliance, and expense reporting. Project accounting, job costing, and the final profit analysis require full project accountability from start to finish.

This solution brief illustrates how Acumatica supports the construction industry from bid to closeout. Acumatica Construction Edition has flexibility for every workflow and each stage of the construction cycle. There are tools for bid management, collaboration with CRM, safety and compliance, equipment and material planning, field reporting, job cost accounting, and more.



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"If you are future-oriented and want to be more streamlined in your operations, Acumatica is a great partner to work with. With the Acumatica platform, you will bring your people along as opposed to being stagnant or stuck in the past."

– MATTHEW SHAMP, EXECUTIVE DIRECTOR, CARLSON-LAVINE INC.

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PHASE 1

Bidding



Construction bidding is a critical step for general contractors and subcontractors. Mastering the bidding process is often the deciding factor on whether you win the job or lose to a competitor. Everyone plays a distinct and crucial role in the process, from project owners to architects to contractors. Yet, key players also collaborate once the project is available for bidding. Here is an overview of the typical construction bidding sequence of events.

Step 1: Bid Solicitation

A construction owner begins by notifying potential bidders that they are accepting bids. The contracting companies receive detailed project documents and review them to evaluate their suitability for the job. The bid solicitation process requires strict document management procedures. Acumatica Construction Edition's embedded CRM manages bid opportunities and project pipelines. Create, generate, and track leads throughout the sales cycle within Acumatica.

Step 2: Bid Creation and Submission

The construction bid is an opportunity to make a great impression on the project owners. It contains detailed cost estimates, equipment and materials needed, and a timeline for completion. Once all subcontractor documentation is in place, the contractor will compile the bid documents and submit them to the project owner. Acumatica gives all parties one centralized location for document management. The powerful analytics built into Acumatica's platform provides construction companies with complete project informatio from anywhere.

Step 3: Bid Selection

Project owners review the submitted bids and make a selection based on price, experience, safety records, and many other factors. Manage bid requests and associated documents with Acumatica CRM to ensure you win the job. One centralized location for documents empowers everyone on the team to create a comprehensive bid that stands out from the competition.

Step 4: Contract Negotiations

After contractors and subcontractors are selected for the job, owners negotiate to determine contract details, final pricing, and timelines. Acumatica's one source of truth gives all parties quick access to associated contract documentation. Proof of safety records and compliance documents are stored electronically for easy retrieval.

"One of the first things we implemented was having our field staff being able to go into Acumatica and enter their cost projections. I couldn't put a number on it, but it's many, many hours a week in savings."

– BILL AGEE, CFO, LIFECYCLE CONSTRUCTION SERVICES

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PHASE 2

Pre-construction planning



The pre-construction process helps prevent miscommunication throughout the project. Without methodical planning before kickoff, it is much more likely that issues will crop up during the project itself. The following steps reduce the problems that throw off the job timeline and budget.

Step 1: Scope

The scope of work is a living document that begins with an outline of the objectives, deliverables, contract terms, and milestones. It requires close collaboration between the architect, the project owner, and the construction team leaders. Predictive and historical KPIs are helpful to predict industry trends and fluctuations in material prices. These KPIs are always within reach with Acumatica. Factor in changes and collaborate with stakeholders about how those changes could impact the project's overall success.

Step 2: Budget

The budget is another area where collaboration is essential for success. Acumatica helps create project budgets and revise them while tracking revisions and comparing actual costs against estimations. Track budgets, payroll, and billing to see cash flow and give everyone in the field and office the most current project budget numbers.

Step 3: Procurement

The cost-effectiveness of a construction project depends on accurate procurement of goods and services. Procurement is pivotal during the planning phase to evaluate material prices and ensure they will be delivered on-site to avoid project delays. Give everyone a real-time snapshot of project inventory and equipment costs with Acumatica's powerful reporting tools.

Step 4: HR Management

Acumatica gives human resources the tools to recruit qualified personnel and verify their qualifications in one centralized platform. Hire and retain employees with a system that is collaborative and easy to use. Manage employee skills assessments, certifications, and training requirements by integrating with top Human Capital Management applications such as WorkForceGo! and Arcoro. Supply automatic status updates to alert staff when policies, bonds, and certifications are set to expire.

Learn why Construction companies rely on Acumatica for their success.

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PHASE 3

Construction



The time has come to begin the construction project, and the intense planning to date will undoubtedly pay off. But reporting on the day-to-day activities on a job site and project accounting back at the office kicks into gear during this project phase. Maintain a clear line of communication between the field and the office to avoid project delays.

Step 1: Project Management

Contractors use daily field reports to ensure everyone is looking at the same data. The daily field report pulls together all the activities that occur on the job site each day. The Acumatica mobile app streamlines the submission of these reports back to the office. Submittals and RFIs also need a smooth transition between the field and the office. Track the approval of submittals related to documents and materials before they are fabricated and delivered within Acumatica. Review entries, enable submittal workflows, and close them when approved and completed. Acumatica lets users enable RFI workflows to track reach RFI's status and then email drawing logs.

Step 2: Job Cost Accounting

Job costing in construction or project-based accounting is unique because it calculates all costs associated with the job, including labor, materials, and overhead. Labor costs cover each worker's pay rate multiplied by the project's completion period. The job costing in Acumatica gives a real-time audit trail of all expenses and income for the project. Compare actual project costs with original and revised budgets as the job progresses. Acumatica's continuous budget tracking helps leaders either adjust expenditures or revise the budget as needed.

Step 3: Vendor and Subcontractor Management

Managing construction payments and juggling vendor compliance is time-consuming. Any vendor or subcontractor is subject to the same safety and labor regulations as the contractor. Acumatica allows each team on the job site to submit expenses for time and materials used remotely. In addition, use Acumatica's Business Events to notify managers when compliance documents are approaching their expiration date.

Step 4: Change Management

The change order is a document for profitability analysis and an audit trail of changes to the project budget. Set up change order workflows in Acumatica to manage the status of each change throughout the project lifecycle. Use workflows connected to change orders in Acumatica to handle changes to the project revenue, commitments, and budgeted costs. Negative change orders help manage back charges and reduce vendor commitments. Streamline change orders for multiple construction projects with unit rate changes, custom retainage, and cost-only change requests.

PHASE 4

Closeout



Effectively closing out a project is a critical step. It releases resources for other projects, gains final acceptance by the client, and calculates the final profit and margin. Closeout requires the collection of all documentation for presentation to the client, reviewing change orders, closing out contracts, final accounting, and then the final project reporting and analysis. Those who implement one consistent and central location for all document storage, such as Acumatica, will expedite the entire closeout process.

Some items in the closeout phase happen sequentially and can only progress once the previous items are complete. But some items, like completing the punch list, happen while other closeout processes occur.

Step 1: Document Collection

The closeout process is the culmination of all the documentation needed during the construction project. Compiling these separate pieces as they come in demands a high level of organization. Acumatica's centralized location for all needed documents makes retrieving everything needed for closeout fast and simple.

Step 2: The Closeout Process

Project Closeout: All punch list items must be corrected before the rest of the closeout process can proceed. Acumatica provides access to change requests and how these affect the overall budget giving owners visibility into the true level of project completion.

Client Closeout: It is time for the client handover when you are positive that all documentation is in order. Maintenance and operation manuals, historical records of equipment installation, and warranty documents should be compiled. Acumatica has a proactive, systematic asset and equipment tracking system that saves time and ensures client closeout goes smoothly.

Subcontractor Closeout: Once all outstanding punch lists and change order items are completed, each subcontractor presents their documentation to the GC for final payment. This process is accelerated significantly with easy access to complete field reports, change orders, and payment records in Acumatica.

Organizational Closeout: The organizational closeout is complete when all signs of construction are gone from the site. Contractors use Acumatica to holistically view each piece of equipment that needs to be returned after a project is completed.

Step 3: Final Accounting

Diligence from the start of the project will alleviate closeout hassles with budgets, retainage, billing, and labor costs. With so much time between the start and finish of a construction project, discrepancies with documentation are common. Acumatica's robust document management storage and accessibility eliminates the worry of lost documents and financial discrepancies.

Step 4: Final Completion and Payment

Using Acumatica's AI and machine learning gives project owners, contractors, and project managers dynamic business intelligence and analytics to see overhead costs and change orders against the budgeted costs. This data is historical in nature because it looks back at the various parties involved and how they performed. The final completion step helps leaders learn from the project and make future business decisions based on this data. Finally, a post-mortem or post-project meeting builds rapport with everyone who played a part in bringing the project to completion. It is a time to share the profitability and operational reports with interested parties and discuss ways to improve for the next job.

Perfect Bid-to-Closeout with Acumatica Construction Edition

It is only possible to execute a construction job from start to finish with a complete system supporting every step. Acumatica is the best construction ERP solution to address these mission-critical factors.

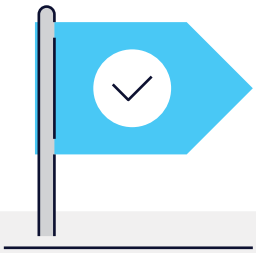
There are many moving pieces and parts during each stage of the construction life cycle. Acumatica's one centralized source of truth means no piece of documentation is ever out of reach.

Planning requires special attention to the job site and feasibility for land developers. Contractors must pay special attention to the initial drawings and specifications. When bidding, it is vital that construction organizations carefully document and record their bids and keep up to date with their customers and the bid process. Before construction begins, harnessing the power of Acumatica for proper planning with job scopes, KPIs, compliance, and procurement is essential to a project's success.

During construction, Acumatica allows users to log daily activities from the field. Therefore, it is essential that staff can quickly and effectively manage project changes, report expenses and labor from the job site, and oversee vendors and subcontractors.

Once the project is completed, Acumatica ties everything together by tracking the final punch list, equipment returns, document management, and final billing and payments are crucial. In addition, the ability to report on the strengths and weaknesses of a project and its profitability is needed to make any changes required in future endeavors.

Acumatica Construction Edition is a future-proof, native cloud solution built on an adaptable platform with open APIs for rapid integrations. Ensure each construction project succeeds from bid to closeout when you implement a complete and connected business application with powerful tools to analyze data in real time.



"Knowing that we are on a platform that is going to take us well into the future, I feel comfortable that we can invest and rely and build on Acumatica."

– CASSANDRA MOORE, DIRECTOR OF FINANCE AND ACCOUNTING, ALPHA INSULATION & WATERPROOFING

Acumatica
The Cloud ERP

Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit www.acumatica.com or follow us on LinkedIn.