



## Infrastructure Bill 101: A Resource for What You Need to Know

The Infrastructure Investment and Jobs Act is set to modernize roads, bridges, and transit systems, along with broadband, drinking water, and wastewater infrastructure. While this record-setting investment in physical infrastructure is set to profoundly impact our daily lives, many organizations are struggling with increased workloads, reduced budgets, and higher expectations, creating challenging factors that make for a stark reality of fiscal accountability. From workforce shortages to a lack of trust, the public sector is facing some of the most challenging circumstances in recent times. As if these challenges are not enough, there has been an increased focus on accountability through audits.

So how do we overcome the challenges, deliver superior projects within our communities, and spend funds wisely? Here are several tips to help your organization navigate its transformative capital project.

### Procurement

**One of the most challenging and time-consuming processes during a project lifecycle. Your organization must have the appropriate controls in place to accommodate larger, more sophisticated projects.**

#### ► Invoice approval limits

- Capital construction projects often utilize the same approval thresholds used throughout the organization to purchase everything from office supplies to corporate vehicles. Accordingly, the daily purchasing approval thresholds are often too low for large capital construction projects and need adjustment.

#### ► Change Orders

- These represent the most significant risk in construction projects and are worthy of a secondary review by an independent party for pricing and necessity.
- They often bypass procurement rules, resulting in many change orders that circumvent the intent of the purchasing procedures- to promote accountability and foster competition.
- They require special procedures for construction change orders to ensure a level [procurement] playing field before and during construction.

### Project Management

**Managing dozens of projects with larger budgets can be challenging, especially if internal resources are lacking.**

#### ► Project management tools

- Project management tools are available to track construction project progress & financials. However, such tools are only as helpful as the quality of the data entered and its updated frequency.

#### ► Change Orders

- The accounting team often receives Change Orders without prior knowledge that a change is forthcoming, catching the team by surprise. Surprises such as these can cause significant payment delays, often directly impacting the work in the field causing delays.

***Before you begin or end a construction project, consider engaging an independent construction advisory professional to help assess your capital construction processes, ensuring your organization is best positioned to overcome any potential challenges it may face.***