

White Paper #4

ProSysco Construction Project Management Support

Permit in Hand → Cash-Positive Completion

Executive Summary

Construction is where most profit is lost—after the permit is issued, capital is deployed, and irreversible decisions begin. Traditional construction firms hope profit survives execution. ProSysco mandates it.

Once permits are attained—the formal transition from **Development** to **Construction**—ProSysco's Construction Operating System activates. Every job is governed by predetermined profit, enforced cash discipline, closed-loop execution, and pay-for-performance incentives. Nothing is scheduled, procured, or built unless it clears the profit floor.

This white paper details **how ProSysco runs construction after permits are issued**, turning execution into a controlled, cash-intensive, profit-protected system.

The Line of Demarcation: Permit Issuance

- **Development White Paper:** Feasibility, entitlement, zoning, capital stack, underwriting
- **Construction White Paper (this document):**
Starts the moment permits are granted

At permit issuance:

- Capital is released
- Contracts activate
- Risk accelerates
- Cash burn begins

This is where ProSysco's Construction Process takes over.

Construction by Design, Not Hope

Most construction companies:

- Bid first
- Build second
- Pray at the end

ProSysco reverses the sequence:

1. **Profit is engineered first**
2. **Execution is released only if profitable**
3. **Cash is protected daily**

Construction becomes a **controlled system**, not a series of heroic efforts.

Predetermined Profit: The Construction Gate

Every permitted project enters ProSysco's **AI Matrix Bidding & Profit Gate** before release:

- Contribution margin locked before mobilization
- Overhead and profit embedded in every Schedule of Values (SOV)
- Draw schedules structured to recover profit progressively—not at the end
- If the job cannot clear the profit floor, it is redesigned or rejected

No profit → no work released. Period.

Trade & Supplier Control (Reverse Auction Discipline)

ProSysco enforces disciplined procurement post-permit:

- Each line item sent to **10–20 qualified trades/suppliers**
- Target of **3–5 competitive bids per scope**
- Reverse auction logic drives pricing transparency

- Trades submit full **Cost-Loaded SOVs**
- Alternatives and value-engineering options evaluated professionally
- Contract enumerations, cash incentives, and schedules are professionally executed under your written approval.

Bulk Buying Advantage

Commodity materials are pooled across multiple projects and companies:

- Steel, concrete, wire, piping, fixtures, equipment
 - Bulk buying routinely delivers ProSysco's **largest single profit contribution**
 - Savings flow directly to margin and retained earnings
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Cost-Loaded Schedule of Values (SOV) Enforcement

Each project operates under:

- Signed, notarized **Cost-Loaded SOV**
- Stipulated **Remaining Calendar Days to Completion**
- Third-party cost-to-complete verification
- Contractual enforcement of delivery dates and liquidated damages

This eliminates disputes, ambiguity, and profit leakage.

Closed-Loop Construction Execution

ProSysco replaces fragmented construction management with **closed-loop automation**:

Daily Trade Verification

- 7:00 AM: Arrival confirmation via text
- GPS check-in + timestamped photos
- 3:00 PM: Completion video upload
- AI verifies scope vs. contract

Pay-for-Performance

- Verified work triggers **next-weeks ACH payments**
- 50–75% progress payments accelerate trade compliance
- Performance beats arguments—every time

Trades stop chasing payment and start chasing performance.

Closed-Loop Accounting (Site → Ledger)

Construction data flows automatically:

- Labor
- Materials
- Draws
- Retention
- Change orders

Daily close-outs eliminate:

- Weeks-late job cost reports
- Surprise overruns
- End-of-project margin shock

Reality is reflected in days, not months.

Cash Comes First: 13-Week Control Tower

Construction runs on liquidity, not backlog.

ProSysco enforces:

- Rolling **13-week cash flow forecast**
- Weekly repositioning decisions
- Job sequencing by **fastest cash conversion**

- Elimination of slow-pay, capital-trapping work

If it ties up cash without return—it dies.

Trim to Profit: Work with Empty Pockets

Construction overhead destroys margin.

ProSysco:

- Cuts idle equipment
- Scales crews to paying demand
- Eliminates speculative work
- Reduces working capital tied up in WIP

The result:

- Lean operations
 - Faster cycles
 - Higher profit per calendar day
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Pay-for-Performance Culture (Construction)

Everyone is aligned to outcomes:

- Trades
- Supervisors
- Project managers
- ProSysco itself

Metrics include:

- Contribution margin per labor hour
- Cash conversion cycle
- On-time completion

- Quality verification

No time-and-materials excuses. Only results.

Outcome: Construction as a Profit Machine

With ProSysco managing up to **90% of construction workflow mechanics**, companies become:

- Leaner
- Faster
- Cash-positive
- Predictably profitable

Construction stops being the place where profit disappears—and becomes the place it is enforced.

Relationship with Profit Optimization White Paper

This Construction Process operates **inside** ProSysco's broader Profit Optimization framework (see White Paper #5). Construction is where profit discipline is executed daily; profit optimization is the governing logic behind it.