

ABSTRACT

This paper considers the main areas of financial pre-planning that may be undertaken for road construction projects to ensure that the profit objectives of the firm are achieved.

Introduction

Road construction projects are considered from the time that they are awarded so that procedures relating to tendering and tender pricing are not considered. Rather it is assumed that the project was priced with scope for profitability.

The actual financial pre-planning of a small portion of a road project is included in this report, but is simplified in certain aspects to avoid complexity.

Emphasis is placed on the financial aspect of road projects assuming that adequate expertise exist in the areas of Construction Engineering, Planning and Scheduling. More specifically, this report illustrates how the financial pre-planning function may be integrated and enhanced with Construction Engineering and Planning.

1. Working capital requirements, particularly at the present time when

Finally, no attempt is made to elaborate on project planning techniques as these are themselves subject enough for separate consideration. The results only of these techniques are utilized in this paper.

2. New construction plant and equipment; either to replace worn out or obsolete ones, or to purchase more new ones as revealed by planned output requirements.

3. Expansion or diversification needs.

Appendix 1 outlines a list of sources from which capital may be available.