



**R&J CONSTRUCTION
AUDITING, INC.**

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CAGE: 66DB3

DUNS: 965230225

NAICS: 561210, 541211, 541219, 541330, 541611

VA Eligible for Sole Source Contracts

Service Disabled Veteran Owned Small Business (SDVOSB) Certified by the U.S. Department of Veterans Affairs and Illinois Department of Central Management Services



CONSTRUCTION COST ACCOUNTANTS

Construction Auditing • Off Site Stored Material Auditing • Construction Litigation



Construction projects are among the largest and most complex financial expenditures undertaken. Our responsibility is to the owner! Audits identify actual and potential overpayments, overcharges, failures to recoup reimbursable expenses, etc. Our team of experts affords you the financial review of your construction project that your architect, engineer, accounting staff or project managers do not.

Some General Contractors & Construction Managers Audited

[Download Site Brochure](#)

Construction Auditing

Auditing of Construction Cost from the General Contractor/Construction Manager for the Owner or Lender

Off Site Stored Material Auditing

We audit off site stored material and Transfer Title

Construction Litigation Support

We provide Expert Testimony for Mediation and Arbitration

Our extensive experience of being on the front line, of Auditing Construction costs, enables us over other firms, to identify problems quickly and offer appropriate solutions. We have audited Construction Projects ranging from \$500,000 to \$250,000,000. Costs of Off Site Stored Material range from \$50,000 to over \$1,000,000. We have provided Expert Witness Testimony for Claims in excess of one million dollars.

**"We will stack our experience project
by project, service by service against
anyone else."**

Some Projects Audited

Navy Pier Project (**Cultural**),
Mesirow Corporate
Headquarters (**Commercial**),
Federal Court House &
Building 8 (**Governmental**),
The Clare at Water Tower (**Sr.
Housing**), Great Lakes Military
Communities (**Military**), and
many more ...

R&J Construction Auditing Inc.

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About

Richard Weber, President & Joseph R. Munn, Vice President represent over 50 years of commercial lending administration and construction auditing experience. R & J Construction Auditing Inc. was formed in 2010 and is Certified by the Department of Veterans Affairs as a SERVICE DISABLED VETERAN OWNED SMALL BUSINESS (SDVOSB) and Certified by the State of Illinois Central Management Office.

R&J Construction Auditing Inc. is the successor to JMA Associates, Inc. JMA was established to provide construction cost accounting services. This company is a successor to Joseph R. Munn & Associates. Mr. Munn was previously employed with Morse Diesel International and Metropolitan Structures, Inc., as Manager of Project Cost Accounting. When Mr. Munn left Morse Diesel International and Metropolitan Structures, he saw the need for construction cost accounting services for Owners, Construction Managers, General Contractors, Subcontractors and Suppliers.

Changes in the construction industry have made concepts such as partnering and alliances more important in assuring the viability of construction and construction related business. There are no longer numerous other companies available to complete the project if the original contractor fails to perform. Accordingly, there has never been a time where the services provided by R&J Construction Auditing Inc. have been as important as they are today.

Some Project Involvements

Commercial Office Buildings

Chicago Mercantile Exchange Center, Chicago, IL
Chicago Board of Trade, Chicago, IL
Doral Plaza Office & Apartment Building, Chicago, IL
Gary National Bank, Merrillville, IN
Glenbrook Professional Buildings, Glenview, IL
Marquette Building (Rehabilitation), Chicago, IL
One South Wacker Drive, Chicago, IL
Prudential Building, Chicago, IL
Sears 2000 Project, Chicago, IL
Sears Corporate Headquarters, Hoffman Estates, IL
Sears Corporate Headquarters Expansion Project, Hoffman Estates, IL
Sears Tower, Chicago, IL
Sperry Univac Plaza, Chicago, IL
1 North Franklin, Chicago, IL
676 North St. Clair Street, Chicago, IL
Prudential Building, Chicago, IL
Crate and Barrel Headquarters, Northbrook, IL
Messirow Headquarters, Chicago, IL
Center on Halsted, Chicago, IL

Cultural Facilities

Art Institute of Chicago, Chicago, IL
Brookfield Zoo, Tropical World of Primates, Brookfield, IL
Navy Pier Redevelopment Project, Chicago, IL

Hospitals

Central DuPage Hospital, Wheaton, IL
Ingalls Hospital, Chicago, IL
Michael Reese Medical Center, Chicago, IL
Rush-Presbyterian-St. Luke's Medical Center, Chicago, IL
Rush-Presbyterian-St. Luke's Sheridan Road Pavilion, Chicago, IL
University of Illinois Replacement Hospital, Chicago, IL

Hotels

Ambassador East (Rehabilitation) Chicago, IL
Downtown Chicago, Marriott Hotel, Chicago, IL
Hyatt Development Corporation, Chicago, IL
Hyatt Regency O'Hare Addition, Rosemont, IL
Hyatt Regency Woodfield, Schaumburg, IL
Hyatt Regency Hotel, Chicago, IL
Peninsula Hotel, Chicago, IL
Sheraton Naperville Hotel, Naperville, IL
Sofitel Hotel, Chicago, IL
The First Elysian, Chicago, IL

Services

The services provided by R&J Construction Auditing Inc. include:

- Construction Auditing Program
- Off-Site Stored Material Audit
- Construction Litigation Support
- Training of Construction Cost Accountants
- Subcontractor Cash Management

These services are generally provided to owners, financial institutions, construction managers, general contractors, subcontractors and suppliers. These services are highly specialized and tailored to meet the individual needs of the client. They assure that cost is controlled and managed, all accounts payable are appropriate, and that all financial terms and conditions of the contract/subcontracts are adhered to in a manner most beneficial to the client.

Residential Developments

Rancho Pena Quitas, CA
Condominiums, Elgin, IL
Condo Conversion, Chicago, IL

Industrial Development

Frito-Lay Distribution Center, Frankfort, IN
Outboard Marine Corp. Distribution Center, Beloit, WI
Sears Distribution Center, Elk Grove Village, IL
Crate & Barrel Warehouse, Naperville, IL

Government

Federal Court House, Rockford, IL
Federal Building 8, Washington DC
Great Lakes Military Communities, IL

Miscellaneous

Bannockburn Bath and Tennis Club, Bannockburn, IL
110 East Delaware Apartment Building, Chicago, IL
REEF, Phoenix, AZ
Western Golf, Columbus, OH
Center on Halstead, Chicago, IL

Condominium Projects

65 East Goethe, Chicago, IL
1515 N. Wells, Chicago, IL
The Sterling, Chicago, IL
Ambassador West Condominiums, Chicago, IL

Retail Stores

Sears Stores
Crate & Barrel Homestores throughout the US

Shopping Centers

Westfield Shopping Centers throughout the US

References

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Audit Bulletin #1

Insurance is one of the most overbilled items by the General Contractor/Construction Manager on Construction Projects.

Insurance overbilled could be greater than the Fee charged for the project.

Questions

What is the industry Averages for insurance cost on Construction Projects?

How is insurance calculated as a part of Construction Cost?

(CCIP) Contractors Controlled Insurance Program Cost?

Audit Bulletin #2

Waivers of Lien, are they proof of Payment? Why you should worry:

In our 35 years of construction auditing a Waiver of Lien has never been the absolute proof of Payment from a GC/CM to a Subcontractor or Supplier.

If a GC/CM bills for a Subcontractor or Supplier and the GC/CM does not pay the amount billed, who is entitled to these funds the **GC/CM, the Owner, or the Lender?**

One key fact to remember is when the Owner's Application for Payment to the Lending Institution contains the Application for Payment from the GC/CM (including Waivers of Lien) and it is Approved by the Owner, Architect and the Lending Institution Owner's Representative everyone is certifying that Subcontractors have been paid their previous amount's bill.

Here is what happened when Waivers of Lien were incorrect.

Audit Bulletin #3

Is it possible that a Construction Contract conflict could lead to an over charge to an Owner or Lender for Insurance?

Yes. Owner's Representatives, both internal and external, and the Owners Attorneys, could be at risk when they approve a substantive change to the Construction Contract that is not fully coordinated with the various terms and conditions of the Contract. A substantive change that is not fully coordinated may result in contradictions between Articles which in turn may cause overpayment and front end loading by the GC/CM for Insurance costs.

An example of what we have found Contractors Controlled Insurance Program (CCIP) 30 month schedule:

Construction Cost	\$100,000,000.00
GC/CM Charge \$38.00 per thousand	\$3,800,000.00
Estimated Actual \$15.00 per thousand	\$1,500,000.00
Estimated Overcharge	\$2,300,000.00

When billed to Owner/Lender in the 1,2 or 3 Construction Billings FRONT END LOADED. Insurance Policy not purchased and paid for by GC/CM for 20 months.

IT IS IN THE DETAIL COMPUTATION OF THIS COST and in the Contract or Owner Change Order

What is often overlooked when an Owner/Lender has overpaid or has been a victim of front end loading is that he is also paying the GC/CM Fee in addition to paying interest on the Construction Loan for those overpayments. As Owner Change Orders are approved and added to the costs, the overpayment increases.

Experience

Our auditing of construction project costs billed by various General Contractors and Construction Managers has given us the insight for comparison of methods and amounts charged for Insurance.

We have over 35 years of experience in the field of Construction Auditing; We'll help you prevent and spot these and other instances where overbilling may occur.