



CMCS INSIGHTS • PMO • FINANCE

The PMO and the Capital Project P&L

Four articles on why the PMO must report the project P&L, and how PMWEB delivers it in real time from three perspectives: the real estate developer selling before building, the government entity measuring cost against what the project delivers, and the contractor exposed to the unbalanced-bid trap.

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On Time, On Budget, and Still Losing Money: How a PMO Tracks Project Profitability with PMWEB

Turning commitments, change orders, invoices, requisitions, accruals and payments into a real-time P&L

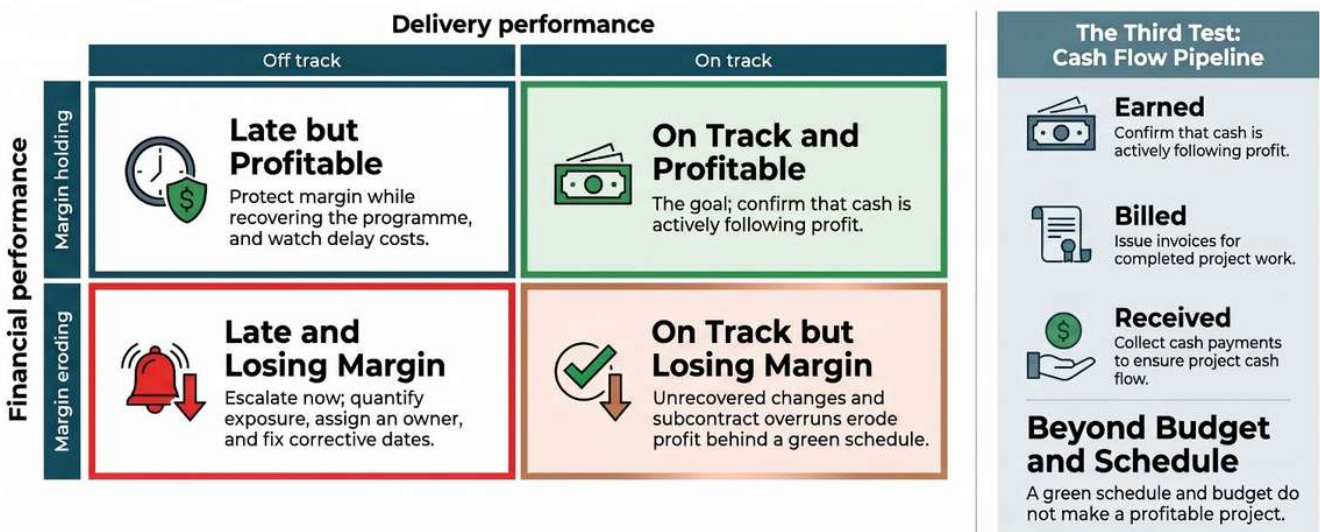
A project can finish on time, within scope and to specification, and still lose money. A PMO that reports only delivery and cost against budget discovers the loss after it has been booked. PMWEB already holds both sides of the project ledger, cost and revenue, and with ERP integration it turns them into a real-time Project and Portfolio P&L.

Most PMO dashboards answer one question well: are we on schedule and within budget? That question matters, but it is not the one the CEO and the board ask. They ask whether the project is earning the margin we bid, whether that margin is holding, and whether profit is turning into cash.

For contractors, EPC and design-build firms, project management consultants, and developers delivering projects for clients, every project carries a revenue contract and a cost base. Profit is the gap between the two, and it moves every time a change order is approved, a subcontractor invoice is certified, or a client payment is delayed. A PMO that cannot see both sides together is reporting delivery, not performance.

ON TRACK IS NOT THE SAME AS PROFITABLE

Traditional PMO dashboards focus solely on cost budget and schedule, obscuring margin erosion and cash flow issues. Evaluating projects through a **combined delivery and financial performance matrix** provides true visibility into financial health and operational risk.



PROJECT SUCCESS REQUIRES SIMULTANEOUS FOCUS ON DELIVERY PERFORMANCE, FINANCIAL MARGIN, AND CASH FLOW MANAGEMENT FOR TRUE PROFITABILITY.

CMCS | PMWEB Authorised Implementation Partner, Citi Gemini Notebook

Why cost reporting alone is not enough

Traditional PMO cost reporting compares committed and actual cost with the budget. It tells management whether the project is spending as planned. It does not tell them whether the project is earning as planned. Four blind spots are common:

- **Revenue lives somewhere else.** The prime contract, client variations and payment applications sit with the commercial team in spreadsheets, while invoicing and collection sit in the ERP.
- **Changes are seen on one side only.** A variation instructed to a subcontractor appears as cost growth. The matching claim to the client, if it was raised at all, sits in a separate log.
- **The books lag the site.** The ERP records cost when an invoice is posted and revenue when a bill is issued, often weeks after the work was done. Without accruals, the month's P&L reflects paperwork, not progress.

- **Cash is invisible.** A project can show a healthy margin while the client pays 120 days late and retention builds up.

The result is a month-end reconciliation in which the PMO, finance and the commercial team debate whose number is right, and margin erosion is discovered one or two quarters too late.

PMWEB already holds both sides of the ledger

PMWEB was built for capital project financial control, so the building blocks of a project P&L are standard modules, not customisation. The cost side and the revenue side are captured in matching records:

P&L element	PMWEB record	What it gives the PMO
Cost side		
Cost baseline	Budget and Budget Requests	The starting point: original and revised cost budget by cost breakdown structure (CBS)
Committed cost	Commitments (subcontracts, purchase orders, service agreements)	What has been bought, and what remains to buy
Cost growth	Change Events, Potential Change Orders (PCOs) and Commitment Change Orders	Forecast, pending and approved cost changes, traced to their cause
Actual cost	Progress Invoices	Work certified against each commitment, including retention payable
Cost not yet invoiced	Accruals	Value of work performed but not yet invoiced
Non-contract cost	Miscellaneous Invoices	Fees, utilities, permits and small purchases with no commitment behind them
Own staff, labour and plant	Timesheets	Hours valued at resource cost rates, so in-house cost is not missing
Cash out	Payments (A/P)	What has been paid to each supplier and subcontractor
Revenue side		
Contract revenue	Prime Contract	Contract value and schedule of values with the client
Revenue growth	Prime Contract Change Orders	Approved and pending revenue changes
Billed revenue	Requisitions	Payment applications to the client, including retention receivable
Revenue not yet billed	Accruals	Value of work earned but not yet billed
Cash in	Payments (A/R)	What the client has paid against each requisition

Every record carries the same project, CBS and cost code, so cost and revenue line up at line-item level. A change event raised once can be carried through to the commitment change order with the subcontractor and the prime contract change order with the client. The PMO sees the cost and its recovery side by side, and can flag immediately any approved cost change that has no matching revenue change.

Logged into: All Levels

Costs > Commitments / الإلتزامات > Manager Page > 002 - GMP Contract

?

RV50104 - Boston Medical Center

Submitted (Step 1 of 2)

New Record

Print

Recap

Commitments / 002 - الإلتزامات - GMP Contract

MainAdjustmentsAdditional InformationClauses3Variations (AVI)3Progress Invoices9PaymentsNotesAttachments79WorkflowStep 1 of 2Notifications

Header Fields

Billing And Shipping

Billing Terms / شروط الفوترة

Retention on Services / الاستبقاء على الخدمات

Retention on Stored Materials / الاستبقاء بالمواد المخزنة

Allow Overbilling of Revised Value / السماح بالفوترة الزائدة

Overbilling of Revised Value Percentage / المدة الزائدة للفوترة كنسبة المراجعة

Allow Overbilling of Line Item / السماح بزيادة الفوترة لعدد البند

Overbilling of Line Item Percentage / المدة الزائدة في الفوترة بناءً على نسبة البند

Contract Date / تاريخ العقد

Contract End Date / تاريخ انتهاء العقد

Ship Via / الشحن عبر

Ship To / إرسال على ما يلي

Details

Group by: None

Layout: Dubai Police

Export To Excel

Preview Conversions

Attach...	Cost Code / تكلفة	Description / وصف	UOM / وحدة	Quantity	Unit Cost	Currency / عملة	Comm...	Advan...	Total ...	Cost Period / فترة	WBS / عمل
[0]	02-010002 - Gener...	General Conditions		2	\$100,000.00	USD - Dollar (United States of America)	\$200,000.00	\$0.00	\$200,000.00	*Split*	
[0]	02-020000 - Existi...	Existing Conditions		0.09	\$1,000,000.00	USD - Dollar (United States of America)	\$90,000.00	\$0.00	\$90,000.00	*Split*	
[0]	02-030000 - Concr...	Concrete		8	\$425,000.00	USD - Dollar (United States of America)	\$3,400,000.00	\$0.00	\$3,400,000.00	*Split*	

Logged into: All Levels

Costs > Prime Contracts > Manager Page > 001 - Owner Contact

?

New York GC - New York GC

Approved

New Record

Print

Recap

Prime Contracts: 001 - Owner Contact

MainAdjustmentsClausesVariations (AVI)3Requisitions3PaymentsNotesAttachmentsNotifications

Header Fields

Project* / مشروع

ID*

Subject / موضوع

Vendor / بائع

Currency*

Type

Category

Reference

WBS / عمل

Effective Date

Days

Procurement #

Status / حالة

Revision / مراجعة

Use Units / استخدام الوحدات

Paid In Full

Billing And Shipping

Details

Group by: None

Layout: My Custom Layout

New Line

Add Items

Export To Excel

Paste From Excel

Preview Conversions

Line #	Attach...	Item	Description	Cost Code	Total ...	Total P...	Task	Cost Pe...	Notes	Req Code	Tax	M...
1	[0]		General Expenses	01-01010 - General ...	\$100,000.00	\$100,000.00				1	\$0.00	
2	[0]		Project Staffing	01-01020 - Project ...	\$150,000.00	\$150,000.00				2	\$0.00	
3	[0]		Field Offices	01-01030 - Field Off...	\$200,000.00	\$200,000.00				3	\$0.00	
4	[0]		Temporary Utilities	01-01040 - Tempor...	\$300,000.00	\$300,000.00				4	\$0.00	

Two Ledgers, One Project: How PMWEB Captures the Project P&L

Revenue side – the client



Same project, CBS and cost codes on every record

PMWEB holds both sides of the ledger in one database, coded the same way, so profit is visible line by line.

CMCS | PMWEB Authorised Implementation Partner, Gemini Notebook

Accruals: a P&L that reflects the work, not the paperwork

Work on site does not wait for invoices. PMWEB accruals close the gap between progress and the books. Each month the project team records the value of work performed but not yet invoiced against each commitment, and the value of work earned but not yet billed against the prime contract.

Three things follow. The month's P&L reflects work actually done. The difference between earned and billed revenue becomes visible as under-billing or over-billing. And finance receives accrual journals supported line by line, rather than estimates sent by email at month-end.

Logged into: All Levels | Portfolio > Home

CostDashboard | ProjectP&L | Commitments | PrimeContract | ProgressInvoices | Requisitions | **AccrualsLog** | Payments | Change | AUDIT

PMWEB Month-End Accruals Log

Cost accruals against commitments and revenue accruals against the prime contract

Period: Sep-2026 Project: P1000 - Mixed-Use Tower

Project	Accrual Period	Cost Accruals	Revenue Accruals	Net Effect on Gross Profit	Pending Approval	Auto-Reversal
P1000 Mixed-Use Tower	Sep-2026 Cut-off: 09/30/2026	11.8 M 7 entries against commitments	9.3 M 5 entries against the prime contract	-2.5 M Revenue accruals - cost accruals	2 1 cost, 1 revenue entry	Oct-2026 On approval of invoices and Req. #13

Month-End Accruals Log: Project P1000 (AED)

Accrual No.	Period	Type	Contract	Description	CBS Code	Vendor / Client	Progress Basis	Amount (AED)	Supporting Reference	Status	Reverses
Cost accruals against commitments: work in place, not yet invoiced											
ACR-C-0926-001	Sep-2026	Cost	SC-P1000-003	Facade utilised panels, Levels 12-16	04.100 Facade	Facade Subcontractor	44% measured / 41% invoiced	2,600,000.00	Measurement sheet MS-FAC-018	Approved	Oct-2026
ACR-C-0926-002	Sep-2026	Cost	SC-P1000-004	MEP first fix, Levels 9-14	05.100 MEP Services	MEP Subcontractor	38% measured / 34% invoiced	3,400,000.00	Progress report PR-MEP-09	Approved	Oct-2026
ACR-C-0926-003	Sep-2026	Cost	SC-P1000-002	Concrete frame, Levels 18-20	03.200 Superstructure	Frame Subcontractor	81% measured / 78% invoiced	2,900,000.00	Pour records PR-L18 to L20	Approved	Oct-2026
ACR-C-0926-004	Sep-2026	Cost	PO-P1000-117	Rebar delivered, not invoiced	03.210 Superstructure	Steel Supplier	Goods received 412 t	1,700,000.00	Delivery notes DN-4471 to 4479	Approved	Oct-2026
ACR-C-0926-005	Sep-2026	Cost	SC-P1000-007	Dry lining, Levels 3-5	06.100 Finishes	Finishes Subcontractor	9% measured / 7% invoiced	800,000.00	Inspection report IR-FIN-031	Pending	Oct-2026
ACR-C-0926-006	Sep-2026	Cost	PO-P1000-131	Tower crane hire, September	01.300 Preliminaries	Plant Hire Company	30 days on hire	600,000.00	Plant register Sep-26	Approved	Oct-2026
ACR-C-0926-007	Sep-2026	Cost	SC-P1000-009	Basement waterproofing completion	02.300 Substructure	Waterproofing Subcontractor	100% complete / 92% invoiced	400,000.00	Test certificate WP-012	Approved	Oct-2026
Total cost accruals								11,800,000.00			
Revenue accruals against the prime contract: work earned, not yet billed											
ACR-R-0926-001	Sep-2026	Revenue	PC-P1000-001	Concrete frame, Levels 18-20	03.200 Superstructure	Client	Measured after Req. #12 cut-off	3,300,000.00	Engineer's measurement EM-0926-03	Approved	Oct-2026
ACR-R-0926-002	Sep-2026	Revenue	PC-P1000-001	Facade utilised panels, Levels 12-16	04.100 Facade	Client	Panels installed 25-30 Sep	2,400,000.00	Measurement sheet MS-FAC-018	Approved	Oct-2026
ACR-R-0926-003	Sep-2026	Revenue	PC-P1000-001	MEP first fix, Levels 9-14	05.100 MEP Services	Client	Progress since Req. #12	2,200,000.00	Progress report PR-MEP-09	Approved	Oct-2026
ACR-R-0926-004	Sep-2026	Revenue	PC-P1000-001	Dry lining, Levels 3-5	06.100 Finishes	Client	Progress since Req. #12	900,000.00	Inspection report IR-FIN-031	Pending	Oct-2026
ACR-R-0926-005	Sep-2026	Revenue	PC-P1000-001	Time-related preliminaries, month 13	01.200 Preliminaries	Client	Programme month 13 of 30	700,000.00	Programme update PU-13	Approved	Oct-2026
Total revenue accruals								9,300,000.00			

Accruals are posted at month-end with their supporting progress reference and reverse automatically in the next period, when the matching progress invoice or requisition is approved. Approved entries are passed to the ERP as accrual journals through the PMWEB API.

Microsoft Power BI

A real-time P&L: accruals ahead of the financial close

This is where PMWEB differs most from a financial system. An ERP P&L is built on the last closed period: cost when an invoice is posted, revenue when a bill is issued. PMWEB accruals add the work in place that has not yet been invoiced or recognised as revenue, so the P&L reflects the project as it stands today. For Project P1000:

P&L line	Financial system (last close)	PMWEB real-time	Difference and why
Revenue to date	248.3 (requisitions posted)	257.6	+9.3 revenue accrual: work earned, not yet billed
Cost to date	214.6 (invoices posted)	226.4	+11.8 cost accrual: work in place, not yet invoiced
Gross profit to date	33.7	31.2	-2.5: the ledger flatters the margin because cost is running ahead of invoices
Forecast at completion	Not available	446.4 revenue, 392.3 EAC	PMWEB adds commitments, remaining to buy and PCOs

Management sees the margin of the work actually done, not the margin of the paperwork processed so far, and it sees it between closes, when there is still time to act.

ERP integration: one P&L, in real time

PMWEB does not replace the general ledger, and it should not. The right division of work is clear. **PMWEB is the project sub-ledger**, where commitments, changes, certifications, requisitions and accruals are created, approved under the Delegation of Authority (DoA) and documented. **The ERP is the book of record** for accounting, tax, payables, receivables and payments, whether it is SAP, Oracle, Microsoft Dynamics or another system.

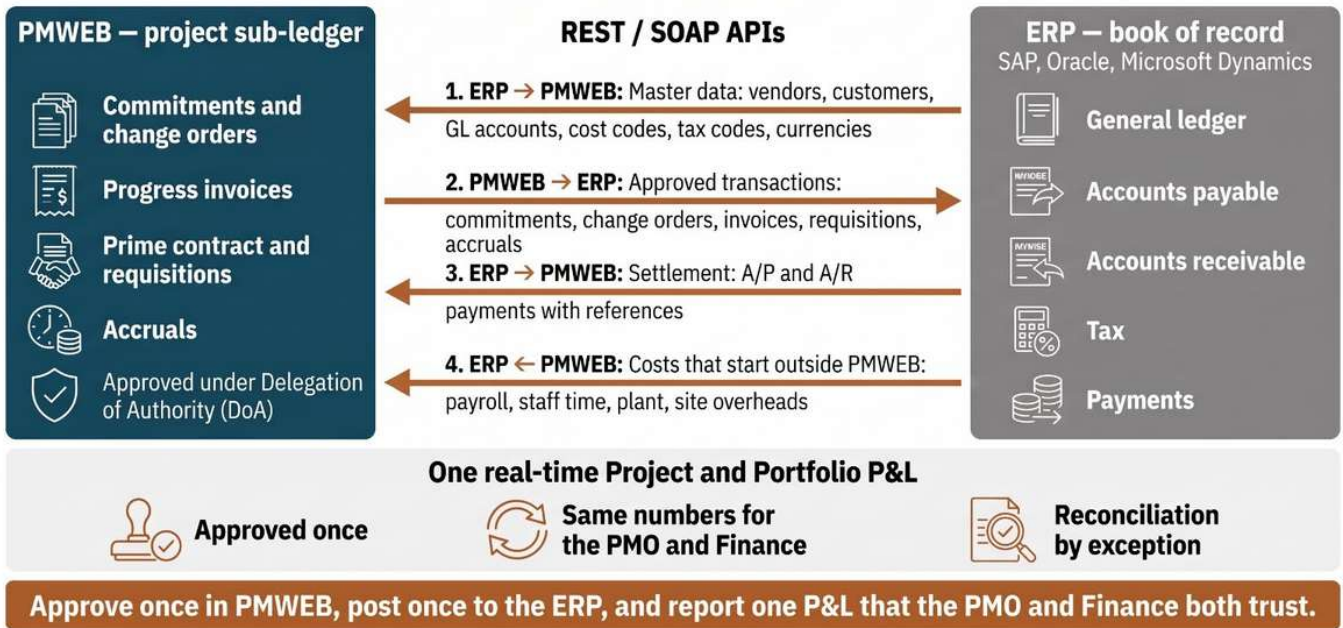
PMWEB's REST and SOAP APIs connect the two:

- **Master data from the ERP to PMWEB:** companies, vendors, customers, GL accounts, cost codes, tax codes, currencies and exchange rates.
- **Approved transactions from PMWEB to the ERP:** commitments, commitment change orders, approved progress invoices, requisitions and accruals.
- **Settlement from the ERP to PMWEB:** A/P and A/R payments with invoice and payment references, so cash is visible against every contract.
- **Costs that start outside PMWEB:** payroll, staff time, plant and site overheads posted to project cost codes in the ERP and brought back, so the P&L is complete.

Because each transaction is approved once and passed by API, the P&L the PMO reports and the numbers finance closes the month with come from the same records. Reconciliation becomes an exception report instead of a monthly exercise.

PMWEB and ERP: The Real-Time Project P&L

PMWEB is the project sub-ledger. The ERP is the book of record.



CMCS | PMWEB Authorised Implementation Partner, GC/ Gemini Notebook

Potential change orders: claims, disputes and the P&L range

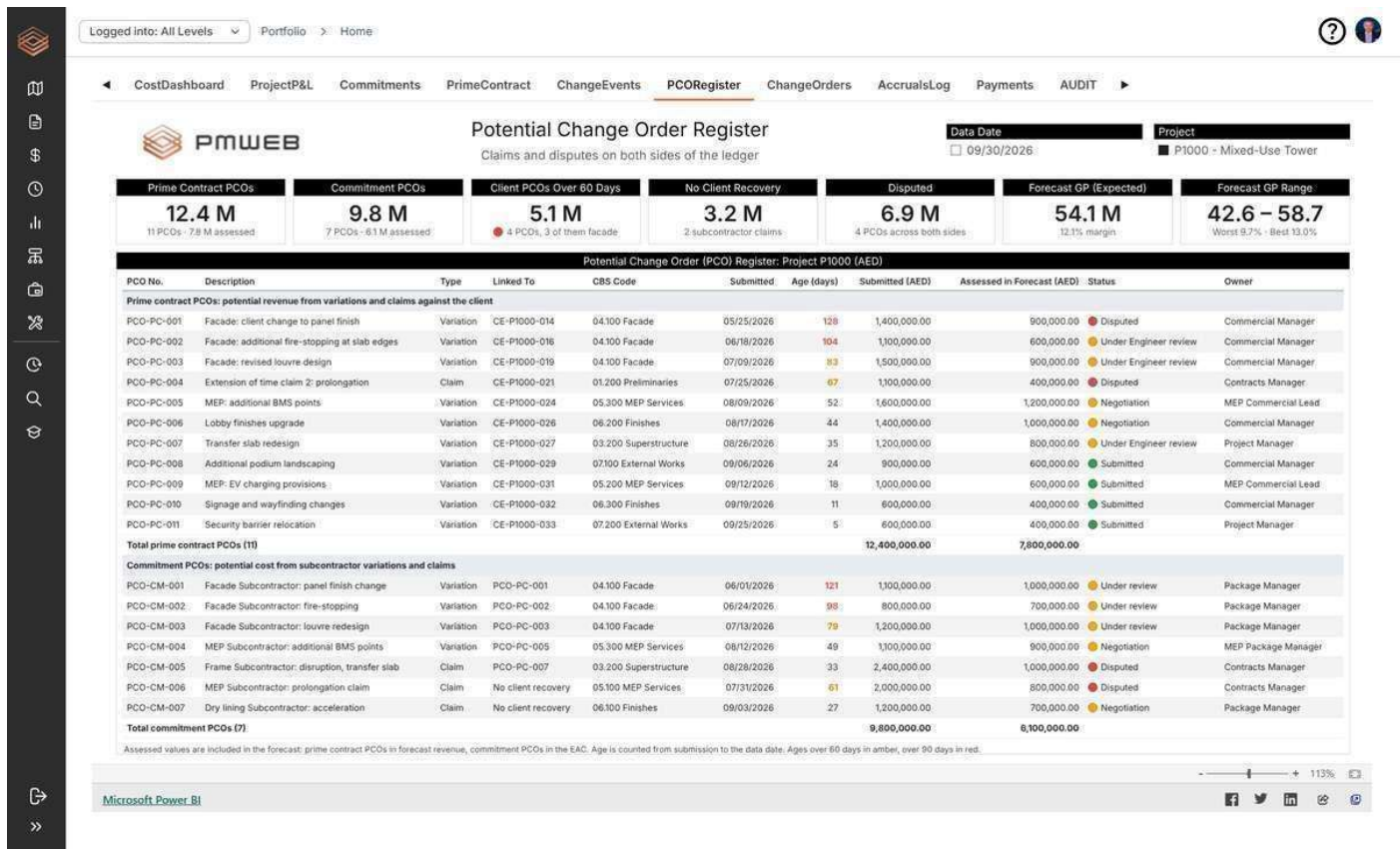
The P&L also needs to show what could still change it. In PMWEB, potential change orders (PCOs) capture claims and disputes before they are settled, on both sides of the ledger. **PCOs on the prime contract** are potential revenue: variations and claims the organisation expects to recover from the client. **PCOs on commitments** are potential cost: claims from subcontractors and suppliers, and changes in its own operations. For Project P1000:

PCO register	Against	Effect on the P&L	Submitted	Assessed in forecast
Prime contract PCOs	Client	Potential revenue	12.4	7.8
Commitment PCOs (subcontractor claims)	Subcontractors and suppliers	Potential cost	9.8	6.1

Holding both sides in PMWEB lets the PMO report the P&L as a range, not a single number:

Scenario	Assumption	Forecast gross profit	Margin
Best case	All client PCOs recovered; subcontractor claims settled at the assessed value	58.7	13.0%
Expected	Client PCOs recovered as assessed; subcontractor claims as assessed	54.1	12.1%
Worst case	No client PCOs recovered; subcontractor claims paid in full	42.6	9.7%

The gap between best and worst case, 16.1 million, is the financial exposure that executives must manage. It shows which claims to pursue, which to settle, and how much of the forecast margin depends on negotiations still open.

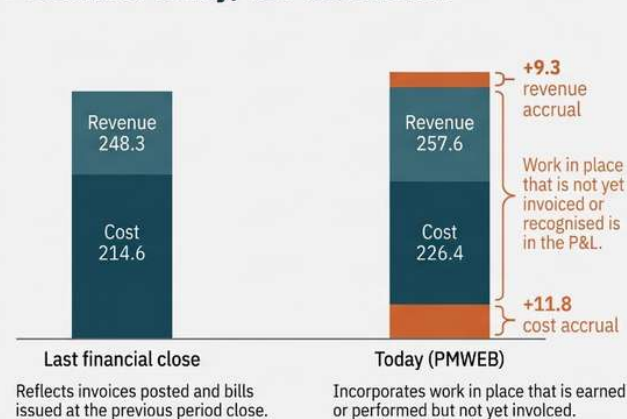


The Real-Time P&L

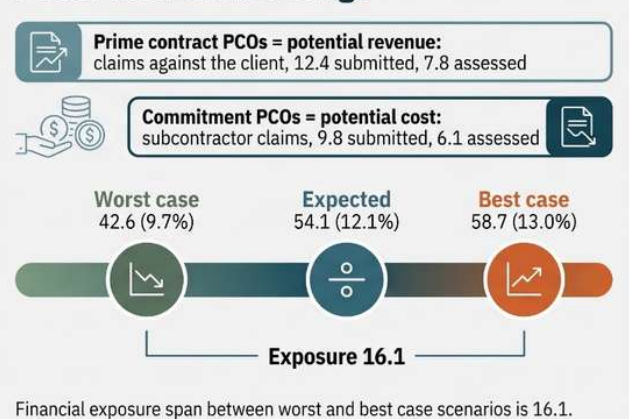
What PMWEB adds to the financial close: accruals and potential change orders

Illustrative values, AED millions, sample Project P1000

Accruals: today, not last month



PCOs: the P&L as a range



PMWEB shows the P&L of the work in place today, and the range that open claims could move it by.

CMCS | PMWEB Authorised Implementation Partner, GCC and MENA

Gemini Notebook

Five questions every P&L review must answer

An executive P&L review is useful only if it answers five questions. Each one maps to data PMWEB already holds:

Executive question	What PMWEB measures
1. Are we earning the margin we bid?	Forecast revenue (revised contract plus expected recovery of pending changes) minus Estimate at Completion (EAC) gives forecast gross profit, compared with bid and target margin.

Executive question	What PMWEB measures
2. Where is margin leaking?	Gross profit bridge from bid to forecast; margin by CBS division; cost changes with no matching revenue change; subcontract overruns; extended preliminaries from delay.
3. Will the project stay viable to completion?	EAC built from committed cost, remaining to buy and pending cost changes; margin trend by month; ageing of pending revenue change orders.
4. Is delivery turning into revenue and cash?	Earned versus billed (under- or over-billing), billed versus received, retention, A/R and A/P outstanding, net project cash.
5. What must executives decide now?	Projects breaching agreed thresholds, the financial exposure in AED, the accountable owner, the corrective action and its due date.

Five Questions Every Executive P&L Review Must Answer

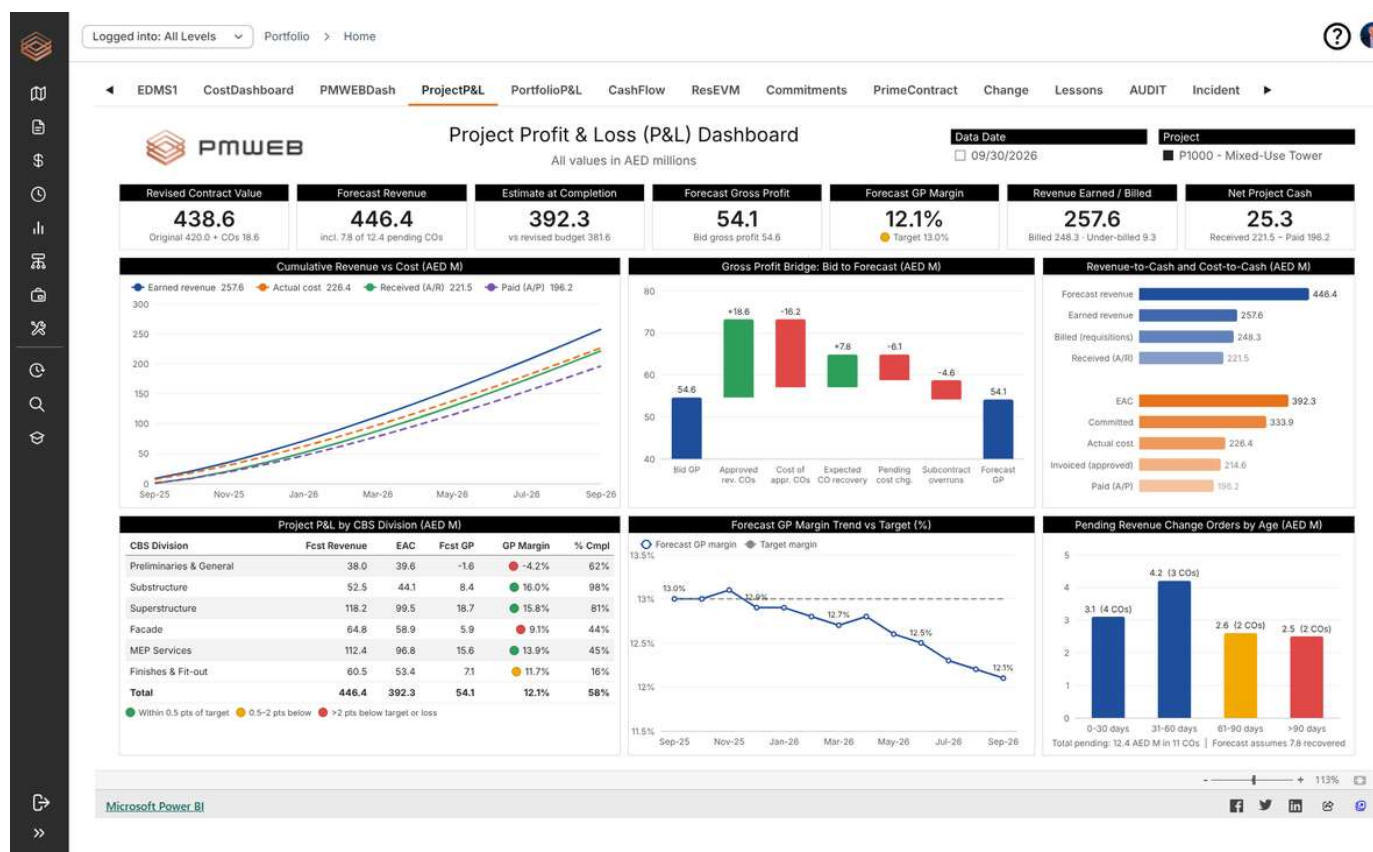
And the PMWEB data that answers each one

1 Q1: Are we earning the margin we bid? PMWEB measures  Forecast revenue minus EAC, and compares forecast gross margin to target.  Margin fade above 2 points	2 Q2: Where is margin leaking? PMWEB measures  Profit bridges, CBS division margins, and cost changes lacking revenue changes.  Approved cost change with no client change order	3 Q3: Will the project stay viable? PMWEB measures  EAC, monthly margin trends, and ageing of pending client change orders.  Client change orders pending over 90 days	4 Q4: Is delivery turning into cash? PMWEB measures  Earned versus billed, billed versus received, and net project cash.  Under-billing growing, or negative net cash	5 Q5: What must we decide now? PMWEB measures  AED financial exposure, accountable owners, and action due dates.  A red item with no owner or date
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**The PMO's value is not reporting that a project lost money.
It is showing the exposure early enough for management to act.**

The Project P&L dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting on the same records described above. It uses a sample project, with values in AED millions.



Project P&L dashboard in PMWEB: Project P1000, Mixed-Use Tower (sample data, AED millions)

Read from left to right, it tells a story that a cost report would miss:

- **Margin is slipping, not collapsing.** Forecast gross profit is 54.1 on forecast revenue of 446.4, a 12.1% margin against a 13.0% target. The trend has drifted down steadily since late 2025.
- **Changes add revenue but little profit.** Approved change orders added 18.6 of revenue but only 2.4 of profit, after 16.2 of matching cost.
- **The forecast depends on unapproved claims.** It assumes 7.8 will be recovered from 12.4 of pending client change orders. Without it, the margin falls to 10.6%. Four of those change orders, worth 5.1, are more than 60 days old.
- **The loss sits in two places.** Preliminaries are running at a loss because of delay, and the facade package is 4 points below target.
- **Cash is positive, but under-billing is building.** Revenue earned is 257.6 against 248.3 billed, so 9.3 of work is not yet billed. Net project cash is +25.3.

Logged into: All Levels > Costs > Request For Change / طلب تغيير > Manager Page > 3 - Additional Design Services

RV50104 - Boston Medical Center (Submitted)

Request For Change / 3 - طلب تغيير - Additional Design Services

Main Adjustments Clauses 3 Notes Attachments 2 Notifications

3 Use Units Budget / استخدام ميزانية الوحدات Use Units Cost / تكلفة الوحدة المستخدمة

^ Budget

Group by: None Layout: System Default Layout New Line Add Items Export To Excel Paste From Excel Preview Conversions

Line #	Status	Item / ...	Description / وصف	Currency / عملة	Adjust...	Tax	Adjust...	This RF...	This RF...	Cost T...	Sub
1	Approved		Additional Services	USD - Dollar (Unit...	\$0.00	\$0.00	\$0.00	\$15,000.00	\$15,000.00		

1 - 1 of 1 << < 1 > >> 250 Rows

^ Cost

Group by: None Layout: System Default Layout New Line Add Items Link Change Requests Export To Excel Paste From Excel

Line #	Status	Linked Bu...	Item / ...	Description / وصف	Currency / عملة	This ...	Contract ...	Cost Ty...	Sub Project	WBS	Location
1	Approved	1 - Additional ...		Additional Services	USD - Dollar (Unit...	\$12,500.00	001 - Rockwell...				

1 - 1 of 1 << < 1 > >> 250 Rows

The Portfolio P&L dashboard

At portfolio level, the same measures roll up across every project, business unit and country. This is the view for the executive committee.

Logged into: All Levels > Portfolio > Home

EDMS1 CostDashboard PMWEBDash ProjectP&L **PortfolioP&L** CashFlow ResEVM Commitments PrimeContract Change Lessons AUDIT Incident

PMWEB Portfolio Profit & Loss (P&L) Dashboard

All values in AED millions

Data Date: 09/30/2026 Portfolio: All BUs - All Countries

Portfolio Forecast Revenue	Portfolio EAC	Forecast Gross Profit	Forecast GP Margin	Pending Revenue COs	Receivables Outstanding	Net Portfolio Cash
2,735.0 9 active projects	2,433.6 Actual cost to date 1,227.4	301.4 Target 347.9 - Gap -46.5	11.0% Target 12.7%	67.5 Unapproved claims on clients	164.7 Under-billed WIP 47.3	90.9 Received 1,85.5 - Paid 1,094.6

Forecast GP Margin vs Target by Project (%)

Margin Fade vs % Complete (bubble = forecast revenue)

Portfolio Forecast GP Margin Trend (%)

Project	Business Unit	Country	Fcst Revenue	EAC	Fcst GP	Target	Fcst Margin	Fade (pts)	% Cmpl	Earned	Billed	Over/(Under) Billed	Received	Paid	Net Cash	Pending COs
P1000 Mixed-Use Tower	Buildings	UAE	446.4	392.3	54.1	13.0%	12.1%	-0.9	58%	257.6	248.3	(9.3)	221.5	196.2	25.3	12.4
P1010 Logistics Park	Infrastructure	KSA	286.0	2471	38.9	14.0%	13.6%	-0.4	71%	203.1	196.4	(6.7)	171.2	158.9	12.3	4.1
P1020 Hospital Expansion	Buildings	KSA	512.3	471.8	40.5	12.0%	7.9%	-4.1	46%	235.7	220.5	(15.2)	181.0	189.4	(8.4)	21.7
P1030 Metro Station Package	Infrastructure	KSA	638.9	571.2	67.7	11.5%	10.6%	-0.9	33%	210.8	222.0	11.2	201.3	168.7	32.6	9.8
P1040 Residential Villas Ph.2	Buildings	UAE	174.6	149.9	24.7	15.0%	14.1%	-0.9	88%	153.6	152.0	(1.6)	139.8	120.6	19.2	1.2
P1050 School Campus	Buildings	Qatar	141.2	127.0	14.2	12.5%	10.1%	-2.4	57%	80.5	75.9	(4.6)	64.1	66.2	(2.1)	3.9
P1060 Data Center Shell & Core	Buildings	UAE	233.5	199.8	33.7	14.5%	14.4%	-0.1	24%	56.0	61.8	5.8	52.5	41.3	11.2	2.6
P1070 Hotel Fit-out	Fit-out	UAE	96.4	93.1	3.3	13.0%	3.4%	-9.6	79%	76.2	70.2	(6.0)	58.6	66.0	(7.4)	6.3
P1080 Utility Corridor	Infrastructure	Qatar	205.7	181.4	24.3	12.0%	11.8%	-0.2	52%	107.0	103.1	(3.9)	95.5	87.3	8.2	5.5
Portfolio total			2,735.0	2,433.6	301.4	12.7%	11.0%	-1.7		1,380.5	1,350.2	(30.3)	1,185.5	1,094.6	90.9	67.5

Microsoft Power BI

Portfolio P&L dashboard in PMWEB: nine active projects (sample data, AED millions)

- The portfolio is 46.5 short of target profit. Forecast gross profit is 301.4, an 11.0% margin against a weighted target of 12.7%.

- **Two projects explain most of the gap.** The Hospital Expansion (P1020) and the Hotel Fit-out (P1070) account for 30.3, about 65% of the shortfall.
- **Timing decides the response.** The Hotel Fit-out is 79% complete with 9.6 points of fade, so little can still be recovered. The Hospital is 46% complete, so corrective action now can still protect the result.
- **Profit is not cash.** The Hospital is under-billed by 15.2 and its net cash is -8.4: the contractor is financing the client.
- **Pending claims are the biggest swing factor.** Unapproved revenue change orders total 67.5, equal to 22% of forecast gross profit.

The margin trend shows a steady fade of 1.7 points over twelve months. No single month looked alarming, and that is exactly why a quarterly finance pack would have caught it late.

Profit is not cash

A profitable project can still consume cash, and a cash-positive project can be losing margin. The P&L review must show both. PMWEB tracks the full chain on each side: on revenue, from earned to billed (requisitions) to received (A/R payments); on cost, from committed to invoiced (progress invoices) to paid (A/P payments). The gaps between the links are the management signals: under-billing, overdue receivables, retention held by the client, and the balance between what the project collects and what it pays.

- Home
- Requisitions
- Payments
- Notes
- Attachments
- Notifications

Logged into: All Levels > Costs > Requisitions > Manager Page > 002 -

?

New York GC - New York GC Approved

New Record
Print
Recap

Requisitions: 002 -

Main
Adjustments
Clauses
Payments
Notes
Attachments
Notifications

Header Fields

Project* / مشروع*
Contract*
Vendor / بائع
Invoice #

Record #*
Description
Currency*
Reference

Category
Cost Period
WBS / هيكل التقسيم
Invoice Date

Billing Terms
Invoice Due
Status / حالة
Revision

☐ Paid In Full
☐ Use Units / استخدام الوحدات

Details

Group by: None
Layout: System Default Layout
Preview Conversions

	Line #	Attach...	Description	Currency	Cost Co...	Adjust...	Tax	Adjust...	Sched...	Prior S...	Curren...	Total S...	Prior
✓	1	{0}	General Expenses	USD - Dollar (Unite...	01-01010	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	
✓	2	{0}	Project Staffing	USD - Dollar (Unite...	01-01020	\$0.00	\$0.00	\$0.00	\$150,000.00	\$0.00	\$0.00	\$0.00	
✓	3	{0}	Field Offices	USD - Dollar (Unite...	01-01030	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	
✓	4	{0}	Temporary Utilities	USD - Dollar (Unite...	01-01040	\$0.00	\$0.00	\$0.00	\$300,000.00	\$0.00	\$0.00	\$0.00	

Profit Is Not Cash

Illustrate the critical divergence between accounting profit and actual project cash flow by tracking revenue and cost conversion chains.

Traditional cost reporting misses the gap between delivery progress and cash collection. Using sample figures from Project P1000 (AED millions), this infographic traces both revenue and cost ledgers from initial forecast through to cash settlement in PMWEB, highlighting how margin signals hide in ledger gaps.

Revenue Conversion Chain

Following revenue from forecast to cash (Sample Project P1000, AED millions)



Cost Conversion Chain

Following cost from estimate to cash paid (Sample Project P1000, AED millions)



Result Box

Gross profit to date:
31.2 (12.1%)

Calculated as Earned Revenue
minus Actual Cost (257.6 – 226.4)

Net project cash:
+25.3

Calculated as Cash Received minus
Cash Paid (221.5 – 196.2)

The signals are in the gaps:
under-billing, overdue
receivables and retention.

“Profit is earned on site but realised only when the client pays. Report margin and cash side by side.”

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Beyond management: the P&L for third-party stakeholders

A real-time P&L is not only for the executive committee. The parties who fund, invest in or oversee capital projects need the same view, and they usually receive it late, summarised and reconciled by hand. Parts 2 to 4 of this series look at each case in detail:

Stakeholder	What they need to know	What the PMWEB P&L gives them
Investors in real estate developments	Is my return on track, and when will I receive distributions?	Development profit and return on cost against feasibility, sales and escrow cash
Banks and financial institutions funding contractors	Can the contract repay the facility, and is the margin real?	True margin, cash forecast, receivables and claims exposure
Government leadership and oversight bodies	What has the capital programme delivered for what it has spent?	Value of deliverables accepted, Value P&L and progress across entities

Every external view is drawn from the same approved records the PMO uses, so it is consistent and audit-ready. PMWEB security settings give each party a read-only view of only the projects and measures it is entitled to see, through a role-based login or scheduled report distribution.

WHO NEEDS THE REAL-TIME P&L

One set of records, a view for every stakeholder



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PMWEB 2026 AI on P&L data

The PMWEB 2026 release introduces the first wave of PMWEB AI. On P&L work its value comes from the same fact as the dashboards: every commitment, change, invoice, requisition and payment is held as structured data.

AI Assistant mode	What it does	Example request from the PMO
Find	Locates records from a plain-language request	"Find all prime contract change orders pending client approval for more than 60 days"
Open	Goes straight to the record the user names	"Open the latest requisition for Project P1000"
Create	Prepares a new record from a plain instruction, for the user to review	"Create an action item for the commercial manager to follow up the facade change orders over 60 days"
Help	Guides the user through how to perform a task in PMWEB	"How do I record a cost accrual against a subcontract?"

Action is taken only with the user's approval, and **PMWEB AI honours security settings**: a site user sees only the commercial data their role permits.

Logged into: All Levels Forms > RFIs > Manager Page > 003 - Questions over document 2314HU

RV50104 - Boston Medical Center Approved

RFIs: 003 - Questions over document 2314HU

Main Specifications Checklists Clauses Notes Attachments **22** Workflow Notifications **2**

Header Fields

Project*	RFI #*	Description	Phase
RVS0104 - Boston Medical Center	003	Questions over document 2314HU	-
WBS	Reference	From	To
:		Tom Harker (A+ Electric, Inc.)	Karen Watson (Wagner & Willia...
Category	Trade	CSI Code	Task
RFI Date	Date Required	Date Answered	Status
11-Jul-2011 12:00:00 tt	18-Jul-2011 12:00:00 tt		Approved
Revision	User Assigned	User Due Date	Priority
0	Bassam Samman	06-Nov-2022 12:00:00 tt	
Change Event	☐ Affects Scope of Work ☐ Affects Cost ☐ Affects Schedule		
User Defined Fields			
Tower	Floor	Room	Drawing Ref.
Specification Page and Para	BoQ Page and Item	Hijra Date	Time
			0
Cost	Location		
\$0.00			

AI Assistant PMWEB Intelligence

I found three commitment change orders that are currently open (Draft status) and have been pending for a significant amount of time. Here are the details:

- Sudbury Office Building**
 - Title: 1
 - Vendor: Best Door and Window
 - Amount: \$250.00 USD
 - Created on: July 4, 2010
 - [View Change Order](#)
- Pfizer Boston**
 - Title: Rental Boiler
 - Vendor: Wagner & Williams
 - Amount: \$5,999.00 USD
 - Created on: July 21, 2010
 - [View Change Order](#)
- Pfizer Boston**
 - Title: Boiler Add
 - Vendor: Wagner & Williams
 - Amount: \$3,000.00 USD
 - Created on: July 21, 2010
 - [View Change Order](#)

These change orders have been pending since their creation dates, with no business date recorded. If you need further details or actions on these records, please let me know!

CHANGE ORDER (3)

1	\$250.00
---	----------

Ask anything about PMWEB...

Enter to send - Shift+Enter for new line

What the PMO must put in place

The system makes profitability visible. The PMO makes it managed. Six practices make the difference:

- **A target margin for every project**, approved at award and held as the baseline.
- **One coding structure** for CBS, cost codes and GL accounts, shared by PMWEB and the ERP.
- **Both sides of every change**. No commitment change order is approved without a decision on the matching prime contract change order.
- **Monthly accruals** on every active commitment and prime contract.
- **Escalation thresholds**, for example margin fade above 2 points, pending revenue changes older than 90 days, or negative net project cash.
- **A monthly P&L review** in which every red item leaves with an owner, an action and a date.

Key takeaway

Delivery performance tells you whether the project is being built as planned. The P&L tells you whether it is creating value for the business. PMWEB holds both ledgers, and with ERP integration the PMO can show executives margin, exposure and cash for every project and the whole portfolio, early enough to act.

Over to you: how does your PMO track project profitability today: through cost reports and month-end finance packs, or through an integrated P&L in your PMIS?

Next in the series: Part 2, The Real Estate Developer: Sales, Milestones and Escrow.

Talk to us: to see a Project and Portfolio P&L built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

#PMWEB #CMCS #PMO #ProjectProfitability #ProjectPL #CostControl #ProjectControls #ERPIntegration #PMIS #ConstructionManagement #GCC

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZ-LLC, the PMWEB Authorised Implementation Partner for the Gulf Cooperation Council and broader Middle East and

North Africa region. CMCS holds the PMWEB Partner of the Year 2025 designation and serves capital project owners, contractors and consultants across the UAE, Saudi Arabia, Qatar and Kuwait.

Bassam has over four decades of experience providing project management, project controls services and project management information systems to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation and has lectured at more than three hundred and fifty international events. He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University and a Bachelor's degree in Civil Engineering from Kuwait University, with executive education at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations, and Atlanta Airport. Built on Microsoft .NET technology, PMWEB manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through document control, procurement, scheduling, asset management, and business intelligence. With 150+ pre-configured SSRS reports, drag-and-drop dashboard design, multi-currency support, and open REST/SOAP API integration, PMWEB delivers enterprise capability with implementation timelines measured in months, not years.

About CMCS

CMCS (Collaboration, Management and Control Solutions) is the regional PMWEB implementation partner for the GCC and MENA regions, awarded PMWEB Partner of the Year 2025. CMCS specialises in digital project management solutions for real estate developers, infrastructure owners, and construction companies across the Middle East and North Africa.

Selling Before Building: The Real Estate Developer's Project P&L in PMWEB

Linking unit sales, construction milestones and escrow releases to the cost of delivery

For a real estate developer, profit is not earned on site. It is created when units are sold, recognised as construction milestones are achieved, and turned into cash only when the escrow account releases funds. A PMO that reports construction cost alone sees half of the developer's P&L.

Part 1 of this series showed how PMWEB holds both sides of the project ledger. This article applies that model to the real estate developer selling villas, apartments and offices, often off-plan, in the UAE and Saudi Arabia.

The developer's question is not only whether the tower will be finished on time and on budget. It is whether the development will still deliver the profit approved in the feasibility study, and whether the cash from buyers will arrive when the contractor needs to be paid.

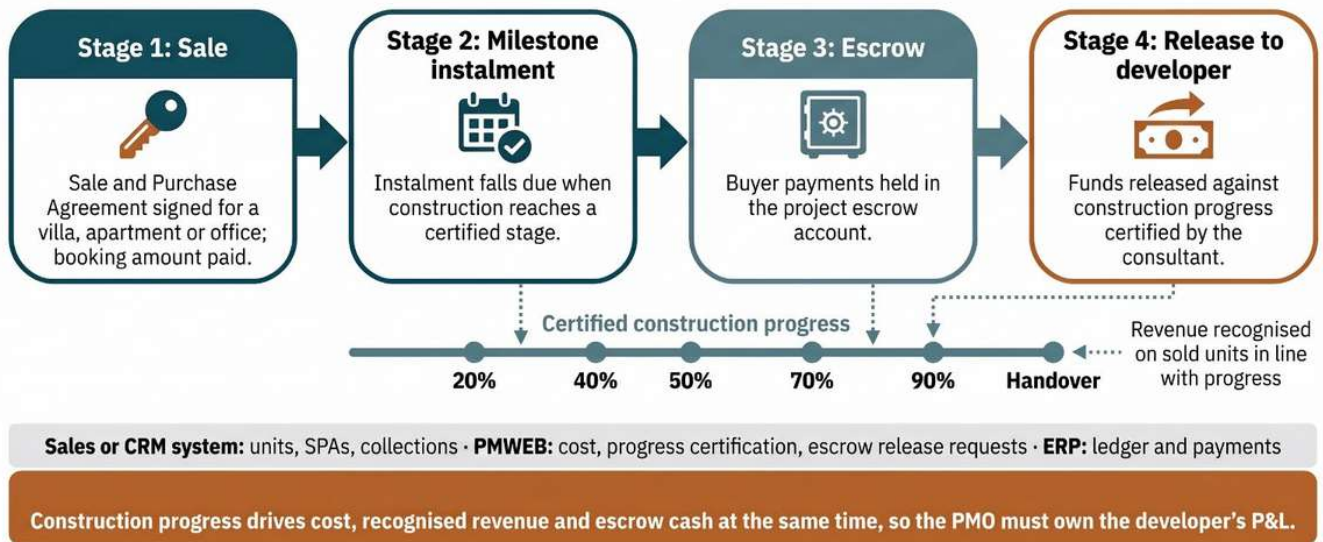
How a developer earns revenue

- **Sales of assets.** Revenue comes from Sale and Purchase Agreements (SPAs) for villas, apartments, offices and retail units. The value sold is fixed at signing; the value of unsold inventory depends on future prices.
- **Milestone-linked payment plans.** Buyers pay a booking amount and then instalments that fall due when construction reaches defined stages, for example 20%, 40% and 70% complete, with the balance on handover.
- **Escrow accounts.** In off-plan markets such as Dubai and Saudi Arabia, buyer payments are deposited in a project escrow account and released to the developer against construction progress certified by the project consultant.
- **Revenue recognition.** Under IFRS 15, developers in the region commonly recognise revenue on sold off-plan units over time, in line with construction progress. Each company should confirm its own policy with its auditors.

Construction progress therefore drives three lines of the developer's P&L at once: **the cost incurred, the revenue recognised, and the cash released from escrow.** That is why the developer's PMO, and not only its finance team, must own the project P&L.

From Sale to Cash: The Developer's Revenue Chain

Revenue is created by sales, recognised by construction and released by escrow



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Gemini Notebook

The developer's P&L in five lines

P&L line	Definition	Where the data lives
Gross Development Value (GDV)	Value of units sold plus unsold inventory at current expected prices	Unit inventory and SPAs in the sales or CRM system, brought into PMWEB by API at project and unit-type level
Total Development Cost (TDC)	Land, construction, soft costs, marketing and sales commissions, finance costs	PMWEB budget, commitments, progress invoices, miscellaneous invoices, timesheets and accruals; finance costs from the ERP
Development profit and margin	GDV minus TDC, compared with the approved feasibility margin	Calculated in PMWEB
Revenue recognised	Sold value multiplied by certified construction progress	Certified progress from PMWEB; sold value from the sales system
Escrow position	Instalments called, collected into escrow, released to the developer, and the balance held	Collections from the sales system and bank; escrow release requests prepared and approved in PMWEB

The sales system remains the record of each buyer and each SPA. PMWEB does not need to hold 500 individual sales contracts to report the P&L. It needs sold value, unsold inventory, instalments called and collections by project and unit type, refreshed through the integration, next to the cost data it already holds.

Construction milestones: the hinge of the developer P&L

In a developer's P&L, a construction milestone is a financial event. When the consultant certifies that the structure has reached 70% complete, three things should happen: the instalment linked to that stage is called from buyers, revenue on sold units is recognised to that level, and an escrow release request can be raised with the evidence.

PMWEB holds that evidence: the schedule milestone, the contractor's progress invoice certified by the consultant, site progress photos and inspection records. An escrow release request configured as a PMWEB adaptive form, with its own workflow under the Delegation of Authority (DoA), can carry those records to the bank and to the authority.

The reverse is also true. On the sample project below, instalment 5 is linked to 70% completion and is worth 91.2. Every month that milestone slips, 91.2 of buyer payments is deferred, and the developer funds the contractor from equity or debt in the meantime.

Logged into: All Levels

Costs > Prime Contracts > Manager Page > 005 - Off-Plan Sales for Villa 100

?

RV50104 - Boston Medical Center

Draft

Prime Contracts: 005 - Off-Plan Sales for Villa 100

New Record

Print

Recap

Main

Adjustments

Clauses

Variations (AVI)

Requisitions

Payments

Notes

Attachments 2

Notifications

Header Fields

Project* / مشروع*RV50104 - Boston Medical Center

ID*005

Subject / موضوعOff-Plan Sales for Villa 100

Vendor / بائعLogrand Entertainment Group

Currency*USD - Dollar (United States of Am...

Type

Category

Reference

WBS / تكميد العمل

Effective Date26-Oct-2020 12:00:00 tt

Days1

Procurement #

Status / حالةDraft

Revision / مراجعة0

☒ Use Units / استخدام الوحدات

☐ Paid In Full

Billing And Shipping

Details

Group by: None

Layout: My Custom Layout

New Line

Add Items

Export To Excel

Paste From Excel

Preview Conversions

Line #	Attach...	Item	Description	Cost Code	UOM	Quantity	Unit C...	Total ...	Total P...	Task	Cost Pe...	Notes
1	(0)		1st Installment	00-000000 - Sales	%	0	\$4,000,000....	\$400,000.00	\$400,000.00			Jan 11
2	(0)		2nd Installment	00-000000 - Sales	%	0	\$4,000,000....	\$400,000.00	\$400,000.00			Mar 11
3	(0)		3rd Installment	00-000000 - Sales	%	0	\$4,000,000....	\$400,000.00	\$400,000.00			Sep 11
4	(0)		4th Installment	00-000000 - Sales	%	0	\$4,000,000....	\$400,000.00	\$400,000.00			Oct 11

Logged into: All Levels

Tools > Escrow Release Request (ERR) > Manager Page > 004 - Stage 4 release

?

D2000 - Creek Vista Residences

Pending Approval

Escrow Release Request (ERR) - 004 - Stage 4 release: 50% construction complete

New Record

Print

Approve

Main

Notes

Attachments (6)

Workflow

Escrow Release Request (ERR)

Escrow Management | PMWeb PMIS

Page 1 of 2

Identification

Level *D2000 - Creek Vista Residences

Record # *004

DescriptionStage 4 release: 50% construction complete

StatusPending Approval

Request Date09/14/2026

MilestoneStage 4: 50% construction

Release No.4 of 7

Escrow Account****-4471, Escrow Agent Bank

Linked Buyer InstalmentInstalment 4: 10% of price, AED 91,240,000 called from buyers

Prepared ByDevelopment Manager

Certified Construction Progress

Milestone Threshold50.0%

Progress Certified by Consultant50.4%

Consultant CertificateCC-017 dated 09/18/2026

Current Progress (09/30/2026)54.0%

Construction Cost Certified to DateAED 304,150,000

Schedule Milestone M-050Baseline 09/05/2026 - Actual 09/12/2026 (7 days late)

Amount Requested

One Milestone, Three P&L Lines

Why a construction milestone is a financial event for a developer

Illustrative values, AED millions, sample development D2000

BUYER INSTALMENT CALLED

**INSTALMENT 5:
91.2**

**70%
CONSTRUCTION
CERTIFIED**

Evidence in PMWEB: schedule milestone, certified progress invoice, inspection records

REVENUE RECOGNISED

**SOLD UNITS RECOGNISED TO
70% OF THEIR VALUE**

Current Project Status
(Sample Development D2000)

TODAY: 362 OF 504 UNITS SOLD

54% BUILT - 92.4 HELD IN ESCROW

 Each month the milestone slips, 91.2 of buyer payments is deferred and the contractor is funded from equity or debt.

ESCROW RELEASE REQUEST

**RAISED IN PMWEB WITH THE
EVIDENCE ATTACHED AND
APPROVED UNDER THE DoA**

Certify the milestone on time and three lines of the P&L move together: instalments, revenue and escrow cash.

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Where the cost comes from: the PMWEB processes behind the P&L

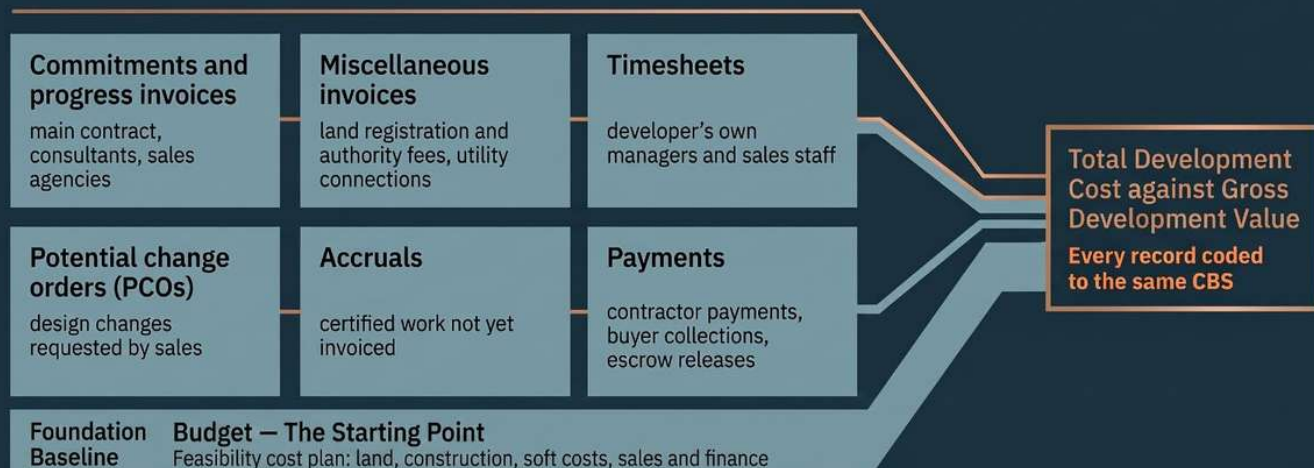
The cost side of the developer's P&L is Total Development Cost, and it goes well beyond the main construction contract. PMWEB captures each part through a defined process, starting from the budget:

PMWEB process	What it captures	Example in this perspective
Budget (the starting point)	The approved cost baseline by cost breakdown structure (CBS). Every cost and revenue record is coded to it, which is what lets cost and revenue line up line by line.	Feasibility study cost plan converted into the development budget: land, construction, soft costs, sales and finance
Commitments and progress invoices	Contracted cost: subcontracts, purchase orders and service agreements, and the work certified against them.	Main contract, enabling works, consultants, sales agencies and marketing contracts
Miscellaneous invoices	Non-contract cost: invoices with no commitment behind them, coded to the CBS so they do not sit only in the ERP.	Land registration and authority fees, utility connections, permits, advertising and small purchases
Timesheets	Non-commitment cost: hours of own staff, labour and plant, valued at PMWEB resource cost rates.	The developer's own development managers, engineers and sales staff charged to the project
Potential change orders (PCOs)	Forecast: cost (and revenue) changes that are emerging but not yet approved, so the EAC shows what is coming.	Design changes requested by sales to improve saleability, and contractor claims under review
Accruals	Work performed but not yet invoiced, so each month's P&L reflects the work, not the paperwork.	Construction work certified on site but not yet invoiced at month-end
Payments	Cash paid (A/P) and received (A/R), synchronised with the ERP.	Payments to the contractor and consultants; collections from buyers and releases from escrow

When the budget is the starting point and every record is coded to it, the PMO can compare each cost line with the feasibility study and show exactly where development profit is moving.

Where the Cost Comes From

The PMWEB processes behind the development P&L



When the feasibility study is the budget and every cost is coded to it, the PMO can show where development profit is moving.

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in Gemini Notebook

A real-time P&L: accruals ahead of the financial close

The finance team closes the development P&L monthly or quarterly. PMWEB accruals add certified progress and work in place since the last close, so the developer sees today's position. For D2000, against the June quarter close:

P&L line	Financial system (last close)	PMWEB real-time	Difference and why
Revenue recognised on sold units	419.7 (46% progress at June close)	492.7	+73.0: progress certified since the close
Construction cost incurred	314.2 (contractor invoices posted)	325.9	+11.7 cost accrual: work in place, not yet invoiced
Forecast development profit	Not available	268.5	PMWEB forecast from GDV and Total Development Cost EAC

Between closes, the board can see how far revenue recognition, escrow eligibility and cost have moved, instead of waiting for the next quarter's accounts.

Potential change orders: claims, disputes and the P&L range

A developer's P&L is also exposed to changes that are not yet settled. PMWEB PCOs record them on both sides. On the **revenue side**, they capture buyer-requested upgrades and SPA variations, and back-charges and delay damages the developer expects to recover from its contractor. On the **commitment side**, they capture contractor and consultant claims against the developer. For D2000:

PCO register	Against	Effect on the P&L	Submitted	Assessed in forecast
Buyer upgrades and SPA variations	Buyers	Potential revenue	3.2	0.0
Back-charges and delay damages	Main contractor	Potential cost recovery	4.5	0.0
Contractor claims (extension of time, prolongation)	Developer	Potential cost	21.0	6.0

PCO register	Against	Effect on the P&L	Submitted	Assessed in forecast
Consultant additional fee claims	Developer	Potential cost	2.4	1.0

Holding both sides in PMWEB lets the PMO report the P&L as a range, not a single number:

Scenario	Assumption	Forecast gross profit	Margin
Best case	Upgrades sold and back-charges recovered; claims rejected	283.2	22.9%
Expected	As assessed in the forecast	268.5	21.7%
Worst case	Nothing recovered; claims paid in full	252.1	20.4%

The developer's PMO can show the board how much of the feasibility margin depends on claims still open, and decide which to settle before handover.

Logged into: All Levels Portfolio > Home

CostDashboard ProjectP&L Commitments PrimeContract ChangeEvents PCORegister ChangeOrders AccrualsLog Payments AUDIT

Potential Change Order Register

Claims and disputes on both sides of the ledger

Data Date
09/30/2026

Project
P1000 - Mixed-Use Tower

Prime Contract PCOs	Commitment PCOs	Client PCOs Over 60 Days	No Client Recovery	Disputed	Forecast GP (Expected)	Forecast GP Range
12.4 M	9.8 M	5.1 M	3.2 M	6.9 M	54.1 M	42.6 – 58.7
11 PCOs - 7.8 M assessed	7 PCOs - 6.1 M assessed	4 PCOs, 3 of them facade	2 subcontractor claims	4 PCOs across both sides	12.1% margin	Worst 9.7% - Best 13.0%

PCO No.	Description	Type	Linked To	CBS Code	Submitted	Age (days)	Submitted (AED)	Assessed in Forecast (AED)	Status	Owner
Prime contract PCOs: potential revenue from variations and claims against the client										
PCO-PC-001	Facade: client change to panel finish	Variation	CE-P1000-014	04.100 Facade	05/25/2026	128	1,400,000.00	900,000.00	Disputed	Commercial Manager
PCO-PC-002	Facade: additional fire-stopping at slab edges	Variation	CE-P1000-016	04.100 Facade	06/18/2026	104	1,100,000.00	600,000.00	Under Engineer review	Commercial Manager
PCO-PC-003	Facade: revised louvre design	Variation	CE-P1000-019	04.100 Facade	07/09/2026	83	1,500,000.00	900,000.00	Under Engineer review	Commercial Manager
PCO-PC-004	Extension of time claim 2: prolongation	Claim	CE-P1000-021	01.200 Preliminaries	07/25/2026	67	1,100,000.00	400,000.00	Disputed	Contracts Manager
PCO-PC-005	MEP: additional BMS points	Variation	CE-P1000-024	05.300 MEP Services	08/09/2026	52	1,600,000.00	1,200,000.00	Negotiation	MEP Commercial Lead
PCO-PC-006	Lobby finishes upgrade	Variation	CE-P1000-026	06.200 Finishes	08/17/2026	44	1,400,000.00	1,000,000.00	Negotiation	Commercial Manager
PCO-PC-007	Transfer slab redesign	Variation	CE-P1000-027	03.200 Superstructure	08/26/2026	35	1,200,000.00	800,000.00	Under Engineer review	Project Manager
PCO-PC-008	Additional podium landscaping	Variation	CE-P1000-029	07.100 External Works	09/06/2026	24	900,000.00	600,000.00	Submitted	Commercial Manager
PCO-PC-009	MEP: EV charging provisions	Variation	CE-P1000-031	05.200 MEP Services	09/12/2026	18	1,000,000.00	600,000.00	Submitted	MEP Commercial Lead
PCO-PC-010	Signage and wayfinding changes	Variation	CE-P1000-032	06.300 Finishes	09/19/2026	11	600,000.00	400,000.00	Submitted	Commercial Manager
PCO-PC-011	Security barrier relocation	Variation	CE-P1000-033	07.200 External Works	09/25/2026	5	600,000.00	400,000.00	Submitted	Project Manager
Total prime contract PCOs (11)							12,400,000.00	7,800,000.00		
Commitment PCOs: potential cost from subcontractor variations and claims										
PCO-CM-001	Facade Subcontractor: panel finish change	Variation	PCO-PC-001	04.100 Facade	06/01/2026	121	1,100,000.00	1,000,000.00	Under review	Package Manager
PCO-CM-002	Facade Subcontractor: fire-stopping	Variation	PCO-PC-002	04.100 Facade	06/24/2026	98	800,000.00	700,000.00	Under review	Package Manager
PCO-CM-003	Facade Subcontractor: louvre redesign	Variation	PCO-PC-003	04.100 Facade	07/13/2026	79	1,200,000.00	1,000,000.00	Under review	Package Manager
PCO-CM-004	MEP Subcontractor: additional BMS points	Variation	PCO-PC-005	05.300 MEP Services	08/12/2026	49	1,100,000.00	900,000.00	Negotiation	MEP Package Manager
PCO-CM-005	Frame Subcontractor: disruption, transfer slab	Claim	PCO-PC-007	03.200 Superstructure	08/28/2026	33	2,400,000.00	1,000,000.00	Disputed	Contracts Manager
PCO-CM-006	MEP Subcontractor: prolongation claim	Claim	No client recovery	05.100 MEP Services	07/31/2026	61	2,000,000.00	800,000.00	Disputed	Contracts Manager
PCO-CM-007	Dry lining Subcontractor: acceleration	Claim	No client recovery	06.100 Finishes	09/03/2026	27	1,200,000.00	700,000.00	Negotiation	Package Manager
Total commitment PCOs (7)							9,800,000.00	6,100,000.00		

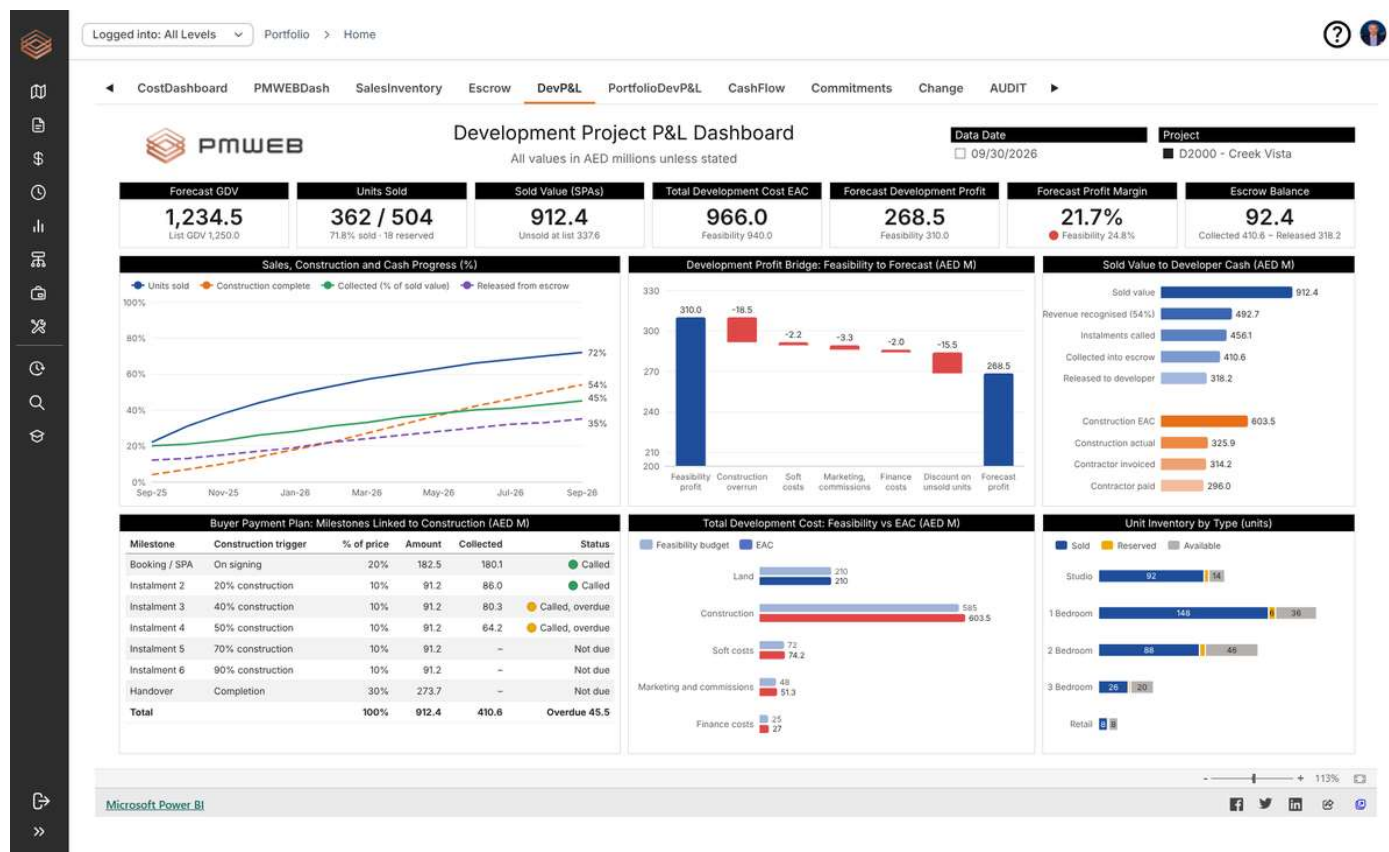
Assessed values are included in the forecast: prime contract PCOs in forecast revenue, commitment PCOs in the EAC. Age is counted from submission to the data date. Ages over 60 days in amber, over 90 days in red.

Microsoft Power BI

113%

The Development Project P&L dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting. It uses a sample residential tower, with values in AED millions.

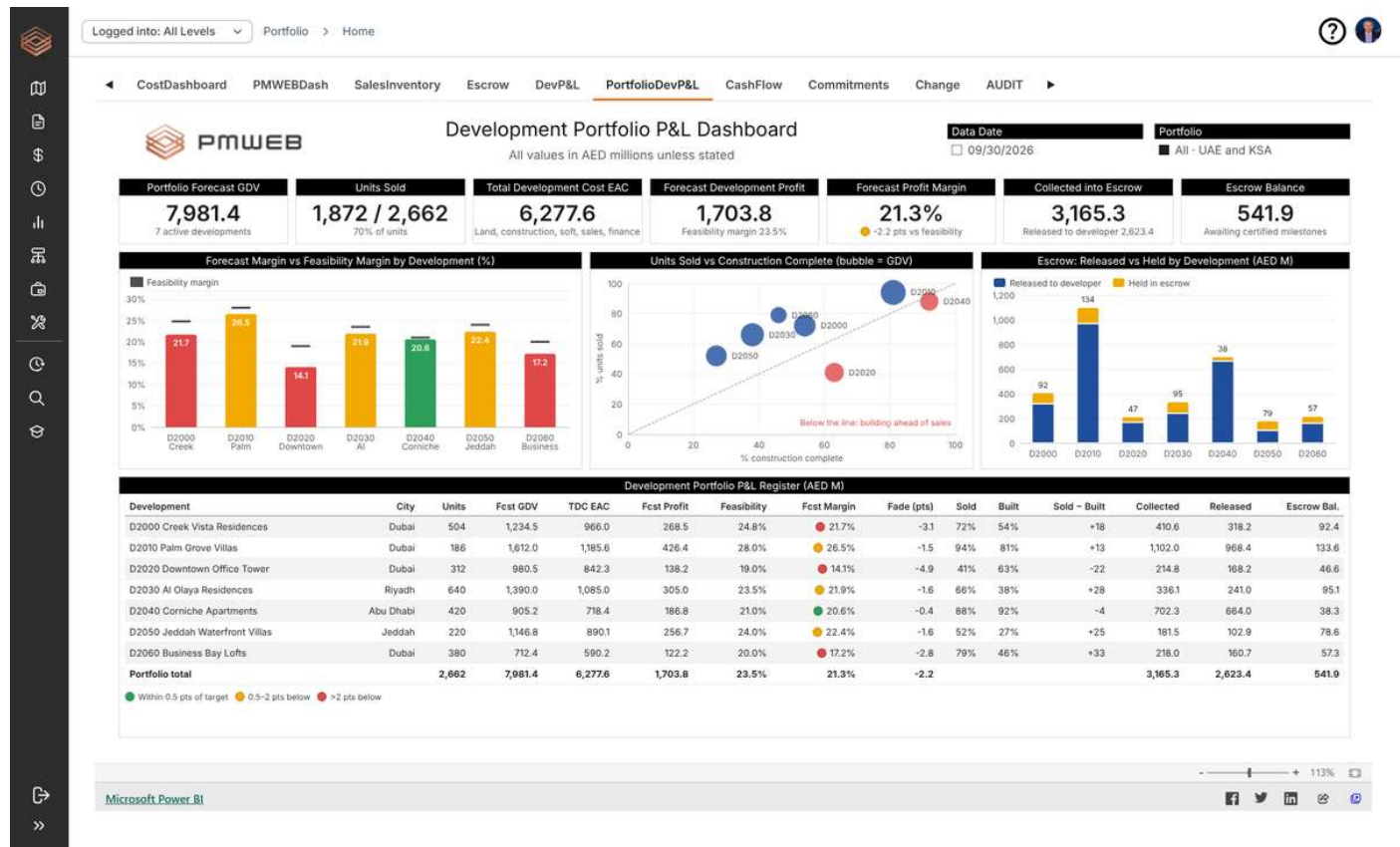


Development Project P&L dashboard in PMWEB: D2000, Creek Vista Residences (sample data, AED millions)

- **Sales are ahead of construction.** 362 of 504 units are sold (72%), while construction is 54% complete. Sold value is 912.4.
- **Profit is eroding from two directions.** Forecast development profit is 268.5, a 21.7% margin against 24.8% in the feasibility study. The construction overrun (18.5) and expected discounts on unsold units (15.5) explain 34.0 of the 41.5 lost.
- **Buyers are paying late.** Instalments called total 456.1 but 410.6 has been collected, leaving 45.5 overdue, mostly on instalments 3 and 4.
- **Cash is sitting in escrow.** 92.4 is held in escrow awaiting the next certified milestone. Released funds (318.2) already exceed the contractor's payments to date (296.0).
- **The unsold stock is the large units.** 66 of the 124 available units are two- and three-bedroom apartments. That is a pricing and marketing decision, and it sits in the P&L as the discount line.

The Development Portfolio P&L dashboard

At portfolio level, the same measures roll up across every development, city and country.



Development Portfolio P&L dashboard in PMWEB: seven developments in the UAE and KSA (sample data, AED millions)

- **The portfolio is below feasibility.** Forecast GDV is 7,981.4 and forecast development profit 1,703.8, a 21.3% margin against a weighted feasibility margin of 23.5%.
- **One development is building ahead of its sales.** The Downtown Office Tower (D2020) is 63% built but only 41% sold, and its margin has fallen from 19.0% to 14.1%. The decision is whether to slow construction, reprice, or hold part of the building for leasing.
- **541.9 is held in escrow across the portfolio.** It is cash the developer has sold but cannot use until milestones are certified, with 133.6 in Palm Grove Villas (D2010) alone.
- **Early-stage projects carry the most exposure.** Jeddah Waterfront Villas (D2050) is 52% sold at 27% built: sales are healthy, but most of the cost is still to come.

Integration: sales, cost and escrow in one view

Three systems feed the developer's P&L. The **sales or CRM system** holds units, SPAs, payment plans and buyer collections. The **ERP** holds the general ledger, payables, finance costs and payments. **PMWEB** holds the budget, commitments, invoices, timesheets, change orders, progress certification and escrow release requests. PMWEB's REST and SOAP APIs bring sales and collections in, exchange cost transactions and payments with the ERP, and report the development P&L from one database.

Reporting to investors and lenders

Real estate developments are often funded by equity investors, joint-venture partners and funds, alongside bank finance. Investors want to know whether the return they were promised is still on track. A real-time development P&L lets the developer answer with evidence instead of a quarterly narrative. For D2000:

Stakeholder	What they need to know	What the PMWEB P&L gives them
Equity investors and JV partners	Is my return on track, and when will profits be distributed?	Profit on cost of 27.8% against 33.0% at feasibility; forecast profit of 268.5 with its best and worst case
Funds and institutional investors	Which developments are on track across the portfolio?	Portfolio margin against feasibility, sales against construction pace, and escrow held by development

Stakeholder	What they need to know	What the PMWEB P&L gives them
Lending banks	Will sales and escrow releases repay the facility on schedule?	Instalments called and collected, 45.5 overdue, 92.4 held in escrow, and the next milestone that releases it
Authorities and escrow trustees	Is buyer money being released only against certified progress?	Escrow release requests with the certified progress evidence attached

Every external view is drawn from the same approved records the PMO uses, so it is consistent and audit-ready. PMWEB security settings give each party a read-only view of only the projects and measures it is entitled to see, through a role-based login or scheduled report distribution. For a developer raising capital for its next project, a track record of transparent, real-time reporting is itself an advantage.

PMWEB 2026 AI on development P&L data

AI Assistant mode	Example request from the developer's PMO
Find	"Find all progress invoices certified since the last escrow release for Project D2000"
Open	"Open the escrow release request for the 50% construction milestone"
Create	"Create a budget request to transfer contingency to the facade package"
Help	"How do I record a miscellaneous invoice for the land registration fee?"

Action is taken only with the user's approval, and **PMWEB AI honours security settings**, so sales, finance and project users each see only what their role permits.

What the developer's PMO must put in place

- **The feasibility study as the budget.** Every cost line in PMWEB traces back to the approved feasibility.
- **One unit and CBS structure** shared by the sales system, PMWEB and the ERP, so sales and cost meet at building and unit-type level.
- **Milestones treated as financial events**, with certification evidence held in PMWEB and escrow requests raised from it.
- **All cost in one place:** commitments, miscellaneous invoices, timesheets and accruals, not only the main contract.
- **A monthly development P&L review** comparing sales pace with construction pace, and margin with feasibility.

Key takeaway

A developer's profit is set by sales, recognised by construction progress and released by escrow. PMWEB connects all three to the full Total Development Cost, so the PMO can show the board whether each development is still delivering its feasibility margin, and when its cash will arrive.

Over to you: *does your development P&L link construction milestones to buyer instalments and escrow releases, or are they reported by different teams in different systems?*

Next in the series: *Part 3, The Government Entity: Cost Against Deliverables.*

Talk to us: *to see a development P&L built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.*

#PMWEB #CMCS #RealEstate #RealEstateDevelopment #PMO #ProjectPL #Escrow #OffPlan #DevelopmentManagement #PMIS #Investors #UAE #KSA

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZ-LLC, the PMWEB Authorised Implementation Partner for the Gulf Cooperation Council and broader Middle East and

North Africa region. CMCS holds the PMWEB Partner of the Year 2025 designation and serves capital project owners, contractors and consultants across the UAE, Saudi Arabia, Qatar and Kuwait.

Bassam has over four decades of experience providing project management, project controls services and project management information systems to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation and has lectured at more than three hundred and fifty international events. He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University and a Bachelor's degree in Civil Engineering from Kuwait University, with executive education at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations, and Atlanta Airport. Built on Microsoft .NET technology, PMWEB manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through document control, procurement, scheduling, asset management, and business intelligence. With 150+ pre-configured SSRS reports, drag-and-drop dashboard design, multi-currency support, and open REST/SOAP API integration, PMWEB delivers enterprise capability with implementation timelines measured in months, not years.

About CMCS

CMCS (Collaboration, Management and Control Solutions) is the regional PMWEB implementation partner for the GCC and MENA regions, awarded PMWEB Partner of the Year 2025. CMCS specialises in digital project management solutions for real estate developers, infrastructure owners, and construction companies across the Middle East and North Africa.

The Public Value P&L: Measuring Construction Cost Against What the Project Delivers

How a government PMO reports, during delivery, what each dirham of capital spending has produced

A government entity does not sell what it builds. Its revenue is what the project hands over: hospital beds and operating rooms, classrooms, kilometres of road, police stations, housing units, megawatts of data centre capacity, each to a defined quality. A government PMO that reports only budget spent tells the Ministry of Finance how much was paid, not what was delivered for it.

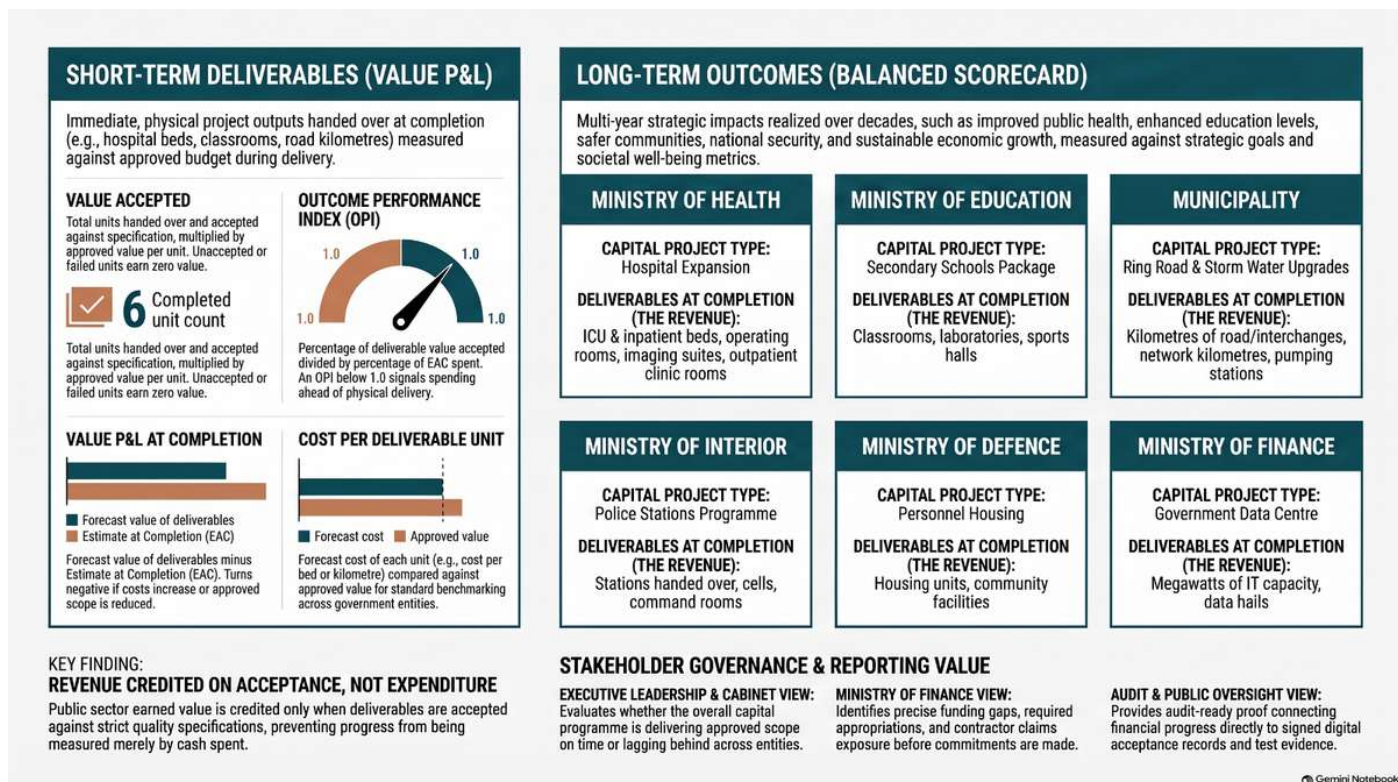
Parts 1 and 2 of this series looked at organisations that earn revenue from a contract or from sales. This article applies the same P&L discipline to government entities delivering capital projects: municipalities and ministries such as Finance, Health, Education, Interior and Defence.

What revenue means for a government entity

For a government capital project, revenue is **the deliverables the project must hand over at completion**, of the quantity and quality approved in the business case. A hospital expansion delivers a number of beds and operating rooms of a specified standard. A road project delivers kilometres of road. These are short-term, physical outputs, and they can be measured every month while the project is being delivered.

This is deliberately different from the long-term outcomes of the asset, such as reduced waiting times or lower congestion over the next twenty years. Those belong to the entity's Balanced Scorecard and strategic performance reporting. The P&L discussed here is narrower and more immediate: **did the project deliver what it was funded to deliver, at the approved cost?**

Entity	Capital project	Deliverables at completion (the revenue)
Ministry of Health	Hospital expansion	ICU and inpatient beds, operating rooms, imaging suites, outpatient clinic rooms
Ministry of Education	Secondary schools package	Classrooms, laboratories, sports halls
Municipality	Ring road upgrade	Kilometres of road, interchanges, bridges
Municipality	Storm water network	Kilometres of network, pumping stations
Ministry of Interior	Police stations programme	Stations handed over, cells, command rooms
Ministry of Defence	Personnel housing	Housing units, community facilities
Ministry of Finance	Government data centre	Megawatts of IT capacity, data halls



The Public Value P&L: Cost Against Deliverables

Unlike commercial enterprises, government capital projects derive value from delivered physical assets (e.g., hospital beds, classrooms, roads) rather than cash sales. Using sample data from Hospital Project G3000 (AED millions), the Value P&L methodology aligns actual spend against accepted deliverables to measure real-time project performance.

THE VALUE P&L CALCULATION & QUALITY GATE

Value Acceptance Formula



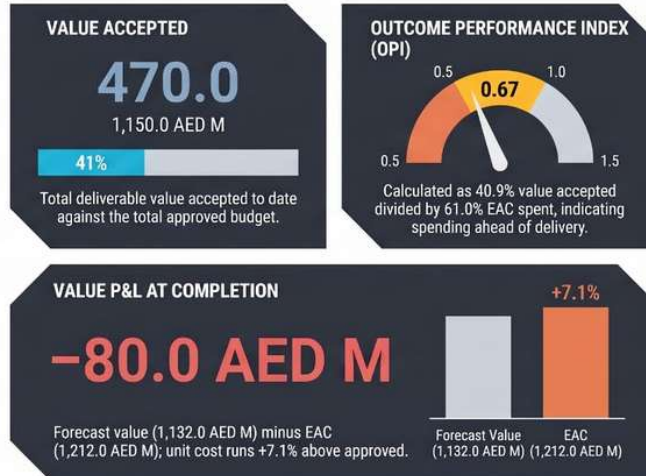
Built Is Not Delivered



Crediting Value Upon Acceptance

Value is credited only when a deliverable passes specifications, not when money is spent. ✓

HOSPITAL G3000 MEASURE CARDS (AED MILLIONS)



Core Takeaway: Value is earned when a deliverable is accepted against its specification. The Value P&L sets that value against the full cost.

(CMCS | PMWEB Authorised Implementation Partner, GC Gemini Notebook)

Holding the deliverables in PMWEB

PMWEB holds the deliverables schedule as the project's revenue line. Each project carries its deliverable types, specification, target quantity, approved value per unit and planned handover dates, linked to the schedule milestones. Each handover is recorded as a deliverable acceptance record, configured as a PMWEB adaptive form with its workflow under the Delegation of Authority (DoA). It links to the evidence already held in PMWEB: inspection and test records, commissioning certificates, snag lists, and the end user's acceptance.

Because acceptance is a record, not a statement in a progress report, the PMO can show exactly how many beds or operating rooms have been accepted, how many are awaiting acceptance and why, and what value has been credited.

PMWeb

PMIS

Logged into: All Levels

Tools

Deliverables Schedule (DLS)

Manager Page

001 - Deliverables at completion

?

G3000 - Hospital Expansion

Approved

Deliverables Schedule (DLS) - 001 - Deliverables at completion: approved business case

New Record

Print

Main

Notes

Attachments (3)

Workflow

Deliverables Schedule (DLS)

Deliverables the project must hand over at completion, as approved in the business case

Identification

Deliverables Schedule (DLS)

Capital Programme Value Management | PMWeb PMIS

Page 1 of 2

Identification

Level *

G3000 - Hospital Expansion

Record # *

001

Description

Deliverables at completion: approved business case

Status

Approved

Entity

Ministry of Health

Business Case Reference

BC-G3000, approved 03/2024

Approved Budget

AED 1,150,000,000

Data Date

09/30/2026

Value Accepted to Date

AED 470,000,000

Value Planned to Date

AED 634,000,000

Forecast Value at Completion

AED 1,132,000,000

Units Awaiting Acceptance

3 (2 ORs, 1 imaging suite)

Deliverables at Completion

#	Deliverable Type	Specification	Target Units	Budget Allocated (AED)	Approved Value per Unit (AED)	Planned Handover	Plan to Date	Accepted to Date	Awaiting Acceptance	Forecast at Completion	Value Accepted (AED)
1	ICU and HDU beds	Critical care, negative-pressure isolation rooms	40	160,000,000	4,000,000	40 Mar-26	40	40	-	40	160,000,000
2	Inpatient beds	Single and twin rooms to MoH ward standard	260	676,000,000	2,600,000	80 Jun-26 40 Sep-26 140 Jun-27	120	80	-	260	208,000,000
3	Operating rooms	Ultra-clean ventilation, integrated OR	12	192,000,000	16,000,000	4 May-26 2 Sep-26 6 Jun-27	6	4	2	12	64,000,000
4	Imaging suites	Shielded suites, 3T MRI and 128-slice CT	4	72,000,000	18,000,000	1 Jul-26 1 Sep-26 2 Jun-27	2	1	1	3 *	18,000,000
5	Outpatient clinic rooms	Consultation and examination rooms	50	50,000,000	1,000,000	10 Mar-26 20 Sep-26 20 Jun-27	30	20	-	50	20,000,000
Total				1,150,000,000					3		470,000,000

Value per unit = budget allocated to the deliverable type in the approved business case ÷ target units. Value is credited only when a unit is accepted against its specification. * One imaging suite deferred by approved change request CR-018.

Recent Acceptance Records

Acceptance Record	Date	Deliverable	Units	Result and Evidence	Status
ACC-G3000-014	09/26/2026	Imaging suite 2 (CT)	1	Radiation shielding survey failed: rework of door seals	Awaiting re-test
ACC-G3000-013	09/22/2026	Operating rooms 5 and 6	2	Ventilation pressure regime test failed	Awaiting re-test
ACC-G3000-012	08/27/2026	Inpatient beds, Wards 2A (80 beds)	80	Accepted by end user; commissioning certificate CX-2A	Accepted
ACC-G3000-011	08/20/2026	Operating rooms 3 and 4	2	Accepted; validation report OR-VAL-04	Accepted
ACC-G3000-010	07/18/2026	Imaging suite 1 (MRI)	1	Accepted; shielding and acceptance tests passed	Accepted

Deliverables schedule (PMWEB adaptive form) for the hospital project: G3000 (sample data)

Logged into: All LevelsToolsDeliverable Acceptance (DAC)Manager Page013 - Operating rooms 5 and 6

G3000 - Hospital Expansion

Re-test Required

Deliverable Acceptance (DAC) - 013 - Operating rooms 5 and 6: acceptance

New RecordPrint

MainNotesAttachments (6)Workflow

Deliverable Acceptance (DAC)

Acceptance of deliverables against their approved specification

PMWeb

Identification

Deliverable Acceptance (DAC)

Capital Programme Value Management | PMWeb PMIS

Page 1 of 2Identification

Level *

G3000 - Hospital Expansion

Record # *

013

Description

Operating rooms 5 and 6: acceptance

Status

Re-test Required

Deliverables Schedule Line

DLS-001 / 3: Operating rooms

Specification

Ultra-clean ventilation, integrated OR

Phase

Phase 2B

Planned Handover

09/30/2026

Units Presented

2 (OR5, OR6)

Units Accepted

0

Approved Value per Unit

AED 16,000,000

Value Not Yet Credited

AED 32,000,000

Acceptance Tests

Inspection Date

09/22/2026

Tested By

Validation Specialist (independent)

Witnessed By

Project Consultant, MoH Biomedical

Re-test Planned

10/08/2026

Test	Acceptance Criterion	Result	Status
Room pressure regime vs sterile corridor	≥ +15 Pa	ORS: +9 Pa · OR6: +11 Pa	Failed
Air change rate	≥ 25 ACH	ORS: 27 · OR6: 26	Passed
HEPA filter integrity (DOP test)	No leakage > 0.01%	Both rooms within limit	Passed
Particle count at operating table	ISO Class 5	Both rooms ISO Class 5	Passed
Temperature and humidity	18–24 °C · 40–60% RH	21.5 °C · 48% RH	Passed
Medical gases and isolated power	HTM / NFPA compliance	Certificates MG-56, IPS-56	Passed

Linked test records TR-OR-051 to TR-OR-053 and commissioning report CX-OR-2B are held under Attachments.

Snag List

Snag No.	Description	Responsible	Due	Status
SN-OR5-01	Door seal leakage, OR5 sterile corridor door	Doors Subcontractor	10/03/2026	In progress
SN-OR5-02	Supply damper calibration, AHU-OR-02	MEP Subcontractor	10/03/2026	In progress
SN-OR6-01	Room pressure sensor recalibration	BMS Subcontractor	10/02/2026	Open
SN-OR6-02	Ceiling tile gap above laminar flow canopy	Finishes Subcontractor	09/29/2026	Closed

3 of 4 snags open. Value is credited to the deliverables schedule only when both rooms pass the re-test and the end user accepts them.

Database: Demo | User: Bassam Samman

Deliverable acceptance record (PMWEB adaptive form), Main tab: operating rooms 5 and 6 failed the pressure regime test

Logged into: All LevelsToolsDeliverable Acceptance (DAC)Manager Page013 - Operating rooms 5 and 6

G3000 - Hospital Expansion

Re-test Required

Deliverable Acceptance (DAC) - 013 - Operating rooms 5 and 6: acceptance

New RecordPrint

MainNotesAttachments (6)Workflow

6 Attachments

+ Add File+ Link RecordDownload All

Name	Type	Added By	Date	Size
TR Test record TR-OR-051: room pressure regime (failed)	Linked record	Validation Specialist	09/22/2026	–
TR Test record TR-OR-052: air changes and HEPA integrity (passed)	Linked record	Validation Specialist	09/22/2026	–
TR Test record TR-OR-053: particle count, temperature and humidity (passed)	Linked record	Validation Specialist	09/22/2026	–
SL Snag list SL-OR-56: operating rooms 5 and 6 (4 items)	Linked record	Project Consultant	09/23/2026	–
PDF Commissioning report CX-OR-2B, ventilation systems	File	Commissioning Manager	09/21/2026	3.4 MB
IMG Test photographs, OR5 and OR6 (16 images)	Files	Site Engineer	09/22/2026	28.7 MB

6 attachments - 4 linked PMWEB records (three test records and the snag list) and 2 files

Database: Demo | User: Bassam Samman

Attachments tab: linked test records, snag list and commissioning report

Tracing Cost to Value: PMWEB Processes Behind the Value P&L

**Full cost against value of deliverables accepted —
Every record coded to the same CBS.**

Every record shares the same CBS to measure total expenditure against accepted deliverables.

Commitments & Progress Invoices

Captures commitments, non-contract fees...

Miscellaneous Invoices

...non-contract fees...

Timesheets

...Internal staff hours...

Contracted Cost

Non-Contract Cost

Own Staff/Labour/Plant

Emerging Change

Work Not Yet Invoiced

Cash

Potential Change Orders

...emerging changes...

Accruals

...accruals...

Payments

...and payments.

APPROVED BUSINESS CASE BUDGET

Baseline budget is allocated by deliverable type, funding source, and fiscal-year appropriations.

Start from the approved budget allocated by deliverable, and every cost traces to the beds, classrooms or kilometres it delivers.

CMCS | PMWEB Authorised Implementation Partner, GCC and MENA.

Gemini Notebook

A real-time P&L: accruals ahead of the financial close

Many government financial systems record capital expenditure when it is paid. PMWEB accruals and certified invoices show the cost of work already in place, and PMWEB holds the deliverables value that no financial system records. For G3000:

P&L line	Financial system (last close)	PMWEB real-time	Difference and why
Cost incurred	702.0 (payments made)	742.6	+40.6: work certified or accrued, not yet paid
Value of deliverables accepted	Not recorded	470.0	Units accepted × approved value per unit
Estimate at completion	Not available	1,212.0	Commitments, remaining work and assessed PCOs

The Ministry of Finance sees the true cost position and the value delivered today, not only the cash paid at the last close.

Potential change orders: claims, disputes and the P&L range

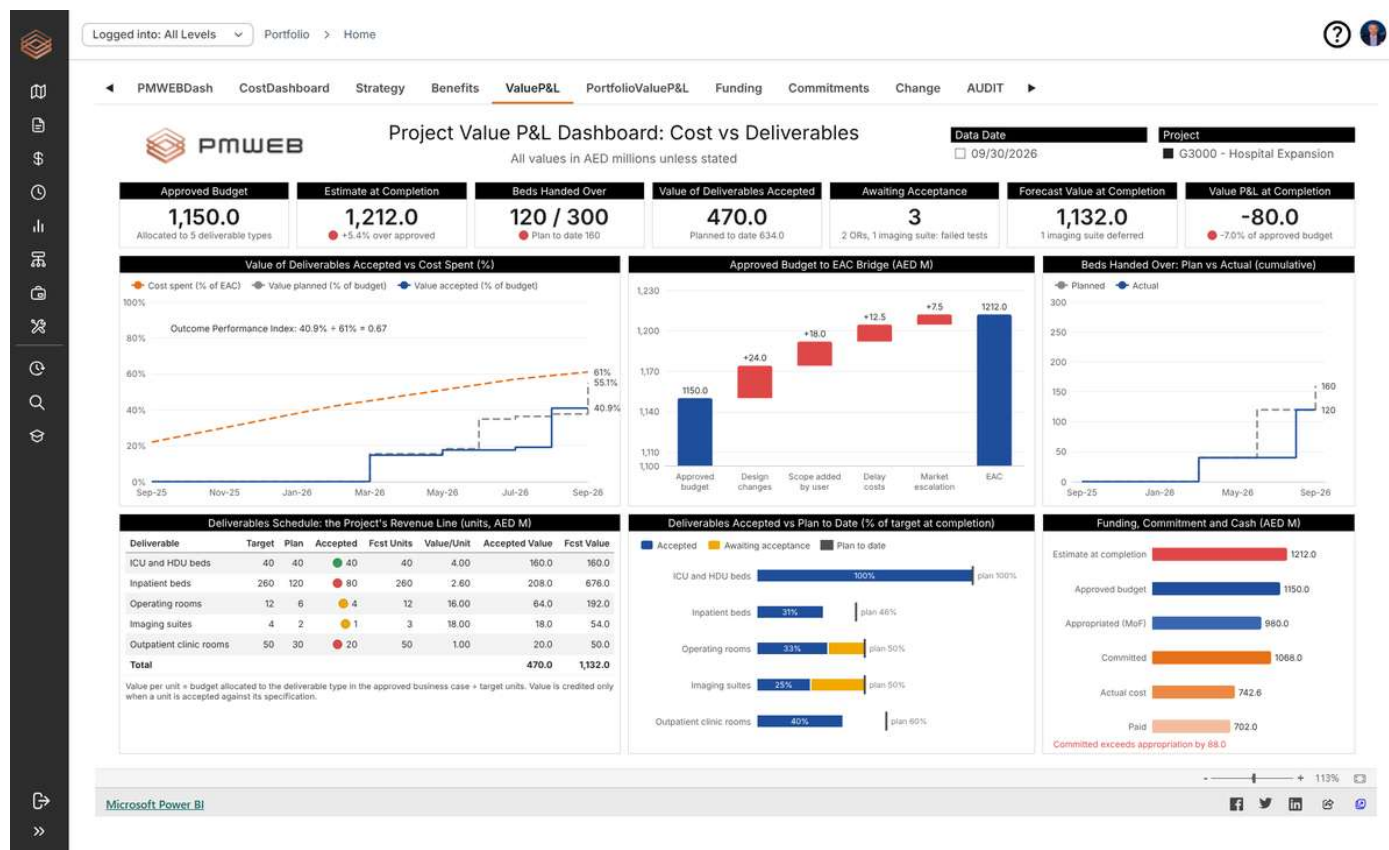
PCOs record contractor and consultant claims and disputes against the entity before they are settled, so the Value P&L shows their potential effect. For G3000:

PCO register	Against	Effect on the P&L	Submitted	Assessed in forecast
Contractor claims (extension of time, prolongation, disruption)	Entity (main contract)	Potential cost	41.0	12.5
Consultant additional fee claims	Entity	Potential cost	3.6	1.2

Holding both sides in PMWEB lets the PMO report the P&L as a range, not a single number:

The Project Value P&L dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for a sample hospital expansion, with values in AED millions.

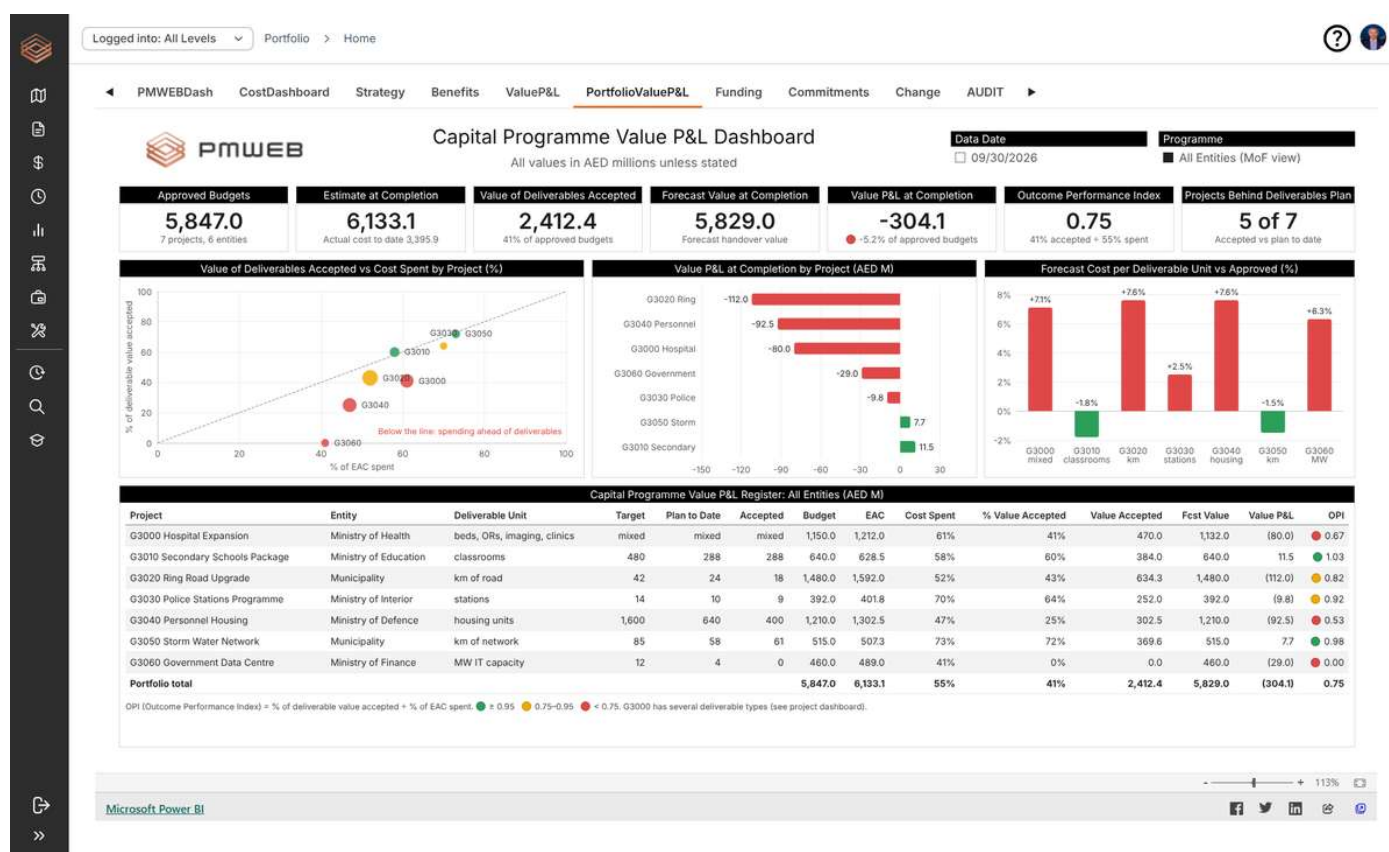


Project Value P&L dashboard in PMWEB: G3000, Hospital Expansion (sample data, AED millions)

- **Spending is ahead of delivery.** 61% of the EAC has been spent, but only 40.9% of the deliverable value has been accepted. The OPI is 0.67.
- **Beds are behind plan.** 120 of 300 beds have been handed over against 160 planned. Inpatient beds are at 80 against a plan of 120.
- **Quality is holding back value.** Two operating rooms and one imaging suite are built but awaiting acceptance after failed tests. Until they pass, they earn no value.
- **The project will cost more and deliver less.** The EAC is 1,212.0 against an approved 1,150.0, driven by design changes, scope added by the end user, delay and escalation. One imaging suite has been deferred, so the forecast value at completion is 1,132.0. The Value P&L at completion is -80.0, or -7.0% of the approved budget.
- **Funding needs a decision.** Commitments of 1,068.0 already exceed the 980.0 appropriated, so a further appropriation must be approved before new commitments are made.

The Capital Programme Value P&L dashboard

At portfolio level, the Ministry of Finance or a central PMO can compare every project across entities, because each deliverable is valued in the same currency.



Capital Programme Value P&L dashboard in PMWEB: seven projects across six entities (sample data, AED millions)

- The programme will deliver 304.1 less value than it costs.** Approved budgets total 5,847.0, the EAC is 6,133.1, and the forecast value of deliverables is 5,829.0.
- Two projects explain most of the gap.** The Ring Road Upgrade (-112.0) and Personnel Housing (-92.5) account for 204.5, about 67% of it.
- Personnel Housing has the weakest OPI.** 25% of its housing units have been accepted for 47% of its cost spent (OPI 0.53).
- Some projects deliver below approved unit cost.** The Secondary Schools Package (+11.5) and the Storm Water Network (+7.7) are forecast to deliver their full scope for less than approved.
- 5 of 7 projects are behind their deliverables plan,** including the Government Data Centre, which has spent 41% of its EAC with no IT capacity accepted yet.

Reporting the government's capital programme

Beyond each entity, government leadership needs to report how the capital programme as a whole is moving: what has been delivered, what it has cost, and where intervention is needed. Because every project in PMWEB values its deliverables the same way, the Value P&L rolls up across entities. For the sample programme:

Stakeholder	What they need to know	What the PMWEB P&L gives them
Cabinet, council or executive office	Is the capital programme delivering what was approved?	Value of deliverables accepted of 2,412.4 against 3,395.9 spent; 5 of 7 projects behind their deliverables plan
Ministry of Finance	Where is the next appropriation needed, and why?	Value P&L at completion of -304.1, funding gaps by project, and claims exposure
Audit and oversight bodies	Is reported progress supported by evidence?	Acceptance records with test and commissioning evidence for every deliverable credited
The public	What has been delivered in my city?	Beds, classrooms, kilometres and stations handed over, published from the same data

Every external view is drawn from the same approved records the PMO uses, so it is consistent and audit-ready. PMWEB security settings give each party a read-only view of only the projects and measures it is entitled to see, through a role-based login or scheduled report distribution.

PMWEB 2026 AI on Value P&L data

AI Assistant mode	Example request from the government PMO
Find	"Find all deliverables awaiting acceptance for more than 30 days, with the reason"
Open	"Open the acceptance record for operating rooms 5 and 6"
Create	"Create a budget request for the additional appropriation on Project G3000"
Help	"How do I record my team's hours on the hospital project?"

Action is taken only with the user's approval, and **PMWEB AI honours security settings**, so each entity sees only its own projects unless the user's role covers the whole programme.

What the government PMO must put in place

- **A deliverables schedule for every project**, taken from the approved business case: types, specifications, quantities and approved value per unit.
- **Acceptance as a recorded event**, with the test and commissioning evidence held in PMWEB.
- **The approved budget as the starting point**, allocated by deliverable, so each cost traces to what it delivers.
- **All cost captured**, including the entity's own staff time and non-contract fees.
- **A monthly Value P&L review** in which each project shows value accepted, cost spent, OPI and Value P&L at completion, with an owner and action for every red item.
- **Long-term outcomes left to the Balanced Scorecard**, so the P&L stays focused on what the project can deliver and the PMO can control.

Key takeaway

For a government entity, the revenue of a capital project is what it hands over at completion, in the quantity and quality approved. PMWEB values each accepted deliverable against the approved business case and sets it against the full cost, so the PMO can show what every dirham has delivered while there is still time to act.

Over to you: *does your entity report capital projects by budget spent, or by the beds, classrooms and kilometres actually accepted for that spend?*

Next in the series: *Part 4, The Contractor: Progress Invoices and the Unbalanced-Bid Trap.*

Talk to us: *to see a Value P&L built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.*

#PMWEB #CMCS #Government #PublicSector #CapitalProjects #PMO #ValueForMoney #ProjectPL #Mashroat #PMIS #UAE #KSA

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZ-LLC, the PMWEB Authorised Implementation Partner for the Gulf Cooperation Council and broader Middle East and North Africa region. CMCS holds the PMWEB Partner of the Year 2025 designation and serves capital project owners, contractors and consultants across the UAE, Saudi Arabia, Qatar and Kuwait.

Bassam has over four decades of experience providing project management, project controls services and project management information systems to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation and has lectured at more than three hundred and fifty international events. He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University and a Bachelor's degree in Civil Engineering from Kuwait University, with executive education at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations, and Atlanta Airport. Built on Microsoft .NET technology, PMWEB manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through document control, procurement, scheduling, asset management, and business intelligence. With 150+ pre-configured SSRS reports, drag-and-drop dashboard design, multi-currency support, and open REST/SOAP API integration, PMWEB delivers enterprise capability with implementation timelines measured in months, not years.

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The Unbalanced-Bid Trap: Why Contractors Need a True Project P&L in PMWEB

Separating billed revenue from earned revenue on remeasured contracts in the Middle East and the Gulf

For a contractor, revenue is what the Engineer certifies on each progress invoice. On remeasured contracts priced against a bill of quantities, that number can flatter the project for most of its life. Unbalanced bids load the early items and underprice the late ones, so the margin reported in year one disappears in year three. A contractor's PMO needs PMWEB to show the true margin from the first month.

This final part of the series applies the P&L discipline to general contractors, EPC contractors, design-build contractors and specialist contractors, where profit is the gap between cost of construction and the value certified on progress invoices.

How a contractor earns revenue

- **Progress invoices (interim payment applications).** Each month the contractor applies for measured quantities at contract rates on a remeasured contract, or for milestones and schedule-of-values items on a lump-sum or EPC contract.
- **Certification.** The Engineer certifies the amount due, less retention and advance-payment recovery.
- **Variations.** Instructed changes are valued and added to the contract, often months after the work is done.
- **Cost.** Subcontracts and purchase orders, the contractor's own labour, staff and plant, site overheads and non-contract expenses.

The simple contractor P&L is certified revenue minus cost. The problem is that certified revenue is priced at contract rates, and contract rates are not always a fair measure of the value of the work done.

Unbalanced bidding: the problem hidden in the BOQ

In competitive tenders across the Middle East and the Gulf, contractors often keep the total price competitive but spread it unevenly across the bill of quantities. Two patterns are common:

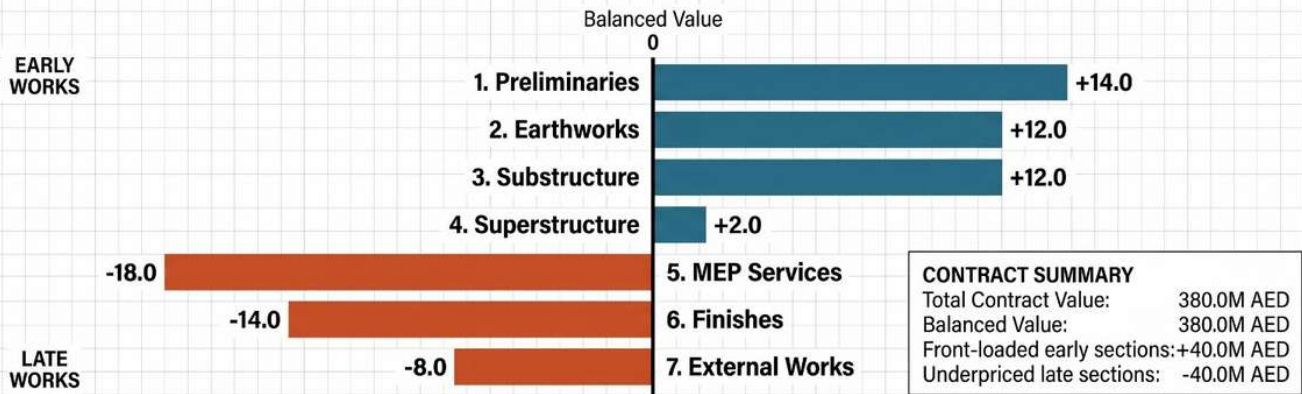
- **Front-loading:** high rates on early items such as mobilisation, preliminaries, earthworks and substructure, and low rates on late items such as MEP, finishes and external works. It improves cash flow early, when financing costs and slow payments bite hardest.
- **Quantity speculation:** high rates on items the contractor expects to increase, and low rates on items expected to decrease or be omitted.

The tactic is a commercial choice, but it has a cost if it is not visible internally. Billed revenue runs ahead of the real value of the work, so the reported margin is inflated in the early months. The surplus reverses when the underpriced late sections are built, which produces a margin cliff near completion. If loaded items are reduced or omitted, the expected surplus never arrives. Meanwhile, bonuses, dividends and new bids may be based on margins that do not exist.

On the sample contract below, worth 380.0 million, preliminaries, earthworks, substructure and superstructure are priced 40.0 million above their balanced value, and MEP, finishes and external works are priced 40.0 million below it. The total is unchanged; the timing of the profit is not.

Unbalanced Bidding: How Rate Loading Works

Sample contract C4000, illustrative values in AED millions



FINANCIAL RISKS & COMMERCIAL REALITY

Early Profit Margin Inflation

Billed revenue outpaces real work value, creating phantom profits in early project years.

Margin Cliff at Project Completion

Profitability drops sharply when constructing severely underpriced late-stage trade packages.

Unrecoverable Surplus Exposure

If front-loaded scope items are reduced or omitted, projected profit surpluses permanently vanish.

Front-loading is a commercial choice. Reporting it as profit is a management error.

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Gemini Notebook

Balanced value: the contractor's internal truth

The remedy is to keep two values for every BOQ section in PMWEB:

- **Contract value**, at the rates in the contract. This is held on the prime contract schedule of values and drives the progress invoices (requisitions) submitted to the client.
- **Balanced value**, equal to the tender cost estimate plus a uniform tender margin. The tender estimate becomes the PMWEB cost budget by CBS, mapped to the BOQ, and the balanced value sits next to it.

Each month, PMWEB compares **revenue billed** at contract rates with **revenue earned** at balanced rates for the same progress. The difference is the front-loading surplus. It is reported as revenue received in advance, not as profit. The **true margin** is earned revenue minus actual cost, over earned revenue.

Finance may already recognise revenue on a cost-to-cost basis in the statutory accounts. The risk sits in the monthly project reports and the management decisions based on them, which usually run on billed value. PMWEB puts the true margin in the same report.

PMWEB process	What it captures	Example in this perspective
Commitments and progress invoices	Contracted cost: subcontracts, purchase orders and service agreements, and the work certified against them.	Subcontracts and material purchase orders, and the subcontractors' progress invoices
Miscellaneous invoices	Non-contract cost: invoices with no commitment behind them, coded to the CBS so they do not sit only in the ERP.	Site utilities, rentals, permits, insurance, labour and visa fees, and small purchases
Timesheets	Non-commitment cost: hours of own staff, labour and plant, valued at PMWEB resource cost rates.	The contractor's own labour gangs and staff, and owned plant hours, valued at resource cost rates
Potential change orders (PCOs)	Forecast: cost (and revenue) changes that are emerging but not yet approved, so the EAC shows what is coming.	Variations awaiting the Engineer's instruction and claims in preparation, with forecast cost and revenue
Accruals	Work performed but not yet invoiced, so each month's P&L reflects the work, not the paperwork.	Subcontract work done but not yet invoiced at month-end
Payments	Cash paid (A/P) and received (A/R), synchronised with the ERP.	Payments to subcontractors and suppliers; receipts from the client

Starting from the tender budget, every cost lands on the same BOQ section as the revenue it should earn. That is what makes balanced value and true margin possible.

Where the Cost Comes From

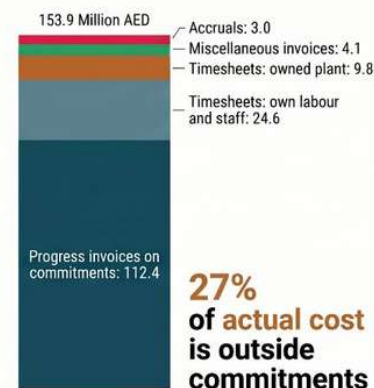
The PMWEB processes behind the contract P&L



Contracted cost · Non-contract cost · Own staff, labour and plant · Emerging change · Work not yet invoiced · Cash

True cost against earned revenue

Every record coded to the same CBS



A true margin needs a true cost: commitments, timesheets, miscellaneous invoices and accruals, all coded to the BOQ.

Scenario	Assumption	Forecast gross profit	Margin
Best case	All owner PCOs recovered; subcontractor claims rejected	53.5	13.2%
Expected	As assessed in the forecast	47.4	11.8%
Worst case	No owner PCOs recovered; subcontractor claims paid in full	36.5	9.3%

Logged into: All Levels Portfolio > Home

CostDashboard ProjectP&L Commitments PrimeContract ChangeEvents PCORegister ChangeOrders AccrualsLog Payments AUDIT

Potential Change Order Register

Claims and disputes on both sides of the ledger

Data Date
09/30/2026

Project
P1000 - Mixed-Use Tower

Prime Contract PCOs:	Commitment PCOs	Client PCOs Over 60 Days	No Client Recovery	Disputed	Forecast GP (Expected)	Forecast GP Range
12.4 M 11 PCOs - 7.9 M assessed	9.8 M 7 PCOs - 6.1 M assessed	5.1 M 4 PCOs, 3 of them facade	3.2 M 2 subcontractor claims	6.9 M 4 PCOs across both sides	54.1 M 12.1% margin	42.6 – 58.7 Worst 9.7% - Best 13.0%

PCO No.	Description	Type	Linked To	CBS Code	Submitted	Age (days)	Submitted (AED)	Assessed in Forecast (AED)	Status	Owner
Prime contract PCOs: potential revenue from variations and claims against the client										
PCO-PC-001	Facade: client change to panel finish	Variation	CE-P1000-014	04.100 Facade	05/25/2026	128	1,400,000.00	900,000.00	Disputed	Commercial Manager
PCO-PC-002	Facade: additional fire-stopping at slab edges	Variation	CE-P1000-018	04.100 Facade	06/18/2026	104	1,100,000.00	600,000.00	Under Engineer review	Commercial Manager
PCO-PC-003	Facade: revised louvre design	Variation	CE-P1000-019	04.100 Facade	07/09/2026	83	1,500,000.00	900,000.00	Under Engineer review	Commercial Manager
PCO-PC-004	Extension of time claim 2: prolongation	Claim	CE-P1000-021	01.200 Preliminaries	07/25/2026	67	1,100,000.00	400,000.00	Disputed	Contracts Manager
PCO-PC-005	MEP: additional BMS points	Variation	CE-P1000-024	05.300 MEP Services	08/09/2026	52	1,600,000.00	1,200,000.00	Negotiation	MEP Commercial Lead
PCO-PC-006	Lobby finishes upgrade	Variation	CE-P1000-026	06.200 Finishes	08/17/2026	44	1,400,000.00	1,000,000.00	Negotiation	Commercial Manager
PCO-PC-007	Transfer slab redesign	Variation	CE-P1000-027	03.200 Superstructure	08/26/2026	35	1,200,000.00	800,000.00	Under Engineer review	Project Manager
PCO-PC-008	Additional podium landscaping	Variation	CE-P1000-029	07.100 External Works	09/06/2026	24	900,000.00	600,000.00	Submitted	Commercial Manager
PCO-PC-009	MEP: EV charging provisions	Variation	CE-P1000-031	05.200 MEP Services	09/12/2026	18	1,000,000.00	600,000.00	Submitted	MEP Commercial Lead
PCO-PC-010	Signage and wayfinding changes	Variation	CE-P1000-032	06.300 Finishes	09/19/2026	11	600,000.00	400,000.00	Submitted	Commercial Manager
PCO-PC-011	Security barrier relocation	Variation	CE-P1000-033	07.200 External Works	09/25/2026	5	600,000.00	400,000.00	Submitted	Project Manager
Total prime contract PCOs (11)							12,400,000.00	7,800,000.00		
Commitment PCOs: potential cost from subcontractor variations and claims										
PCO-CM-001	Facade Subcontractor: panel finish change	Variation	PCO-PC-001	04.100 Facade	06/01/2026	121	1,100,000.00	1,000,000.00	Under review	Package Manager
PCO-CM-002	Facade Subcontractor: fire-stopping	Variation	PCO-PC-002	04.100 Facade	06/24/2026	98	800,000.00	700,000.00	Under review	Package Manager
PCO-CM-003	Facade Subcontractor: louvre redesign	Variation	PCO-PC-003	04.100 Facade	07/13/2026	79	1,200,000.00	1,000,000.00	Under review	Package Manager
PCO-CM-004	MEP Subcontractor: additional BMS points	Variation	PCO-PC-005	05.300 MEP Services	08/12/2026	49	1,100,000.00	900,000.00	Negotiation	MEP Package Manager
PCO-CM-005	Frame Subcontractor: disruption, transfer slab	Claim	PCO-PC-007	03.200 Superstructure	08/28/2026	33	2,400,000.00	1,000,000.00	Disputed	Contracts Manager
PCO-CM-006	MEP Subcontractor: prolongation claim	Claim	No client recovery	05.100 MEP Services	07/31/2026	61	2,000,000.00	800,000.00	Disputed	Contracts Manager
PCO-CM-007	Dry lining Subcontractor: acceleration	Claim	No client recovery	06.100 Finishes	09/03/2026	27	1,200,000.00	700,000.00	Negotiation	Package Manager
Total commitment PCOs (7)							9,800,000.00	6,100,000.00		

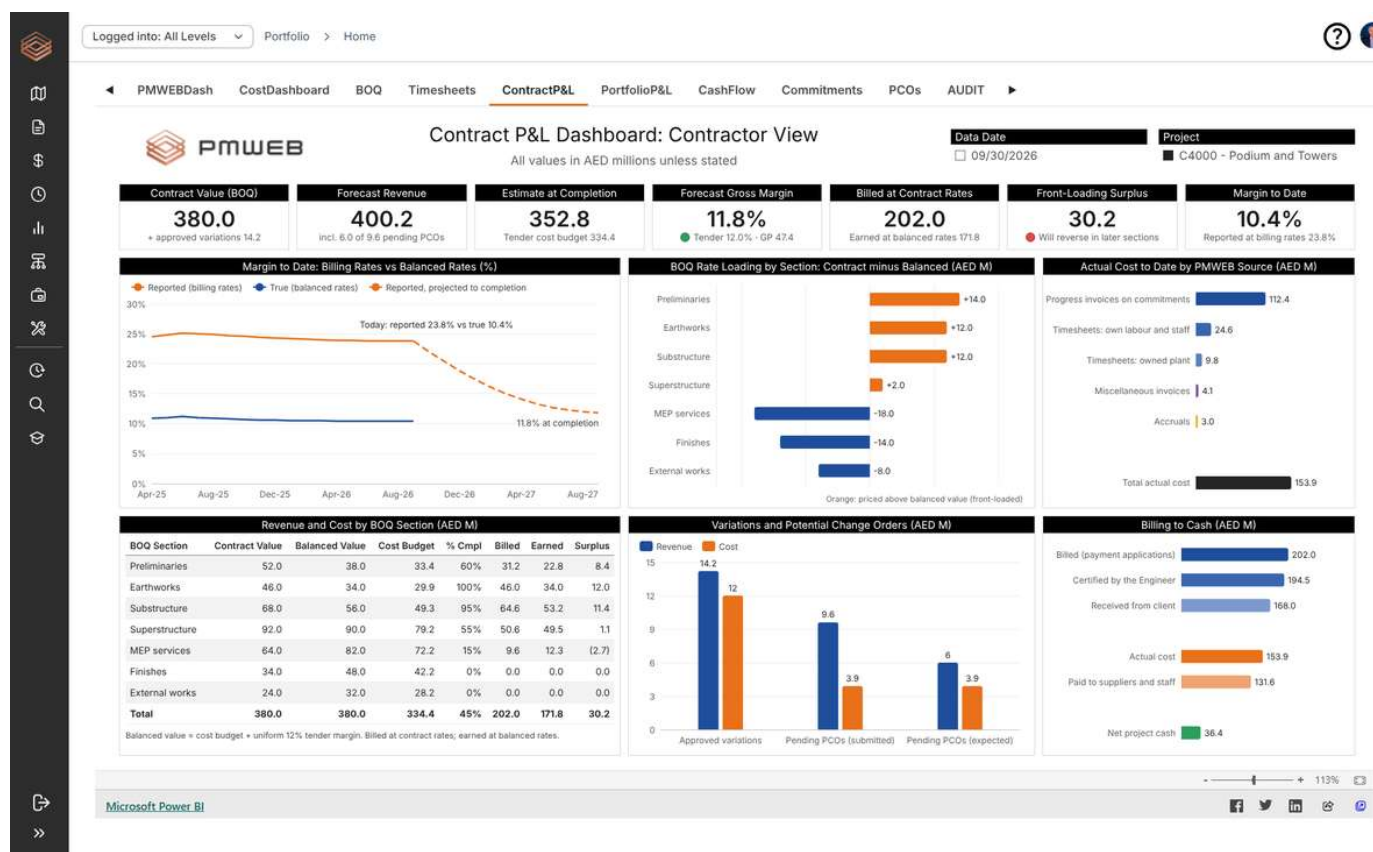
* Assessed values are included in the forecast: prime contract PCOs in forecast revenue, commitment PCOs in the EAC. Age is counted from submission to the data date. Ages over 60 days in amber, over 90 days in red.

Microsoft Power BI

113%

The Contract P&L dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for a sample remeasured building contract, with values in AED millions.

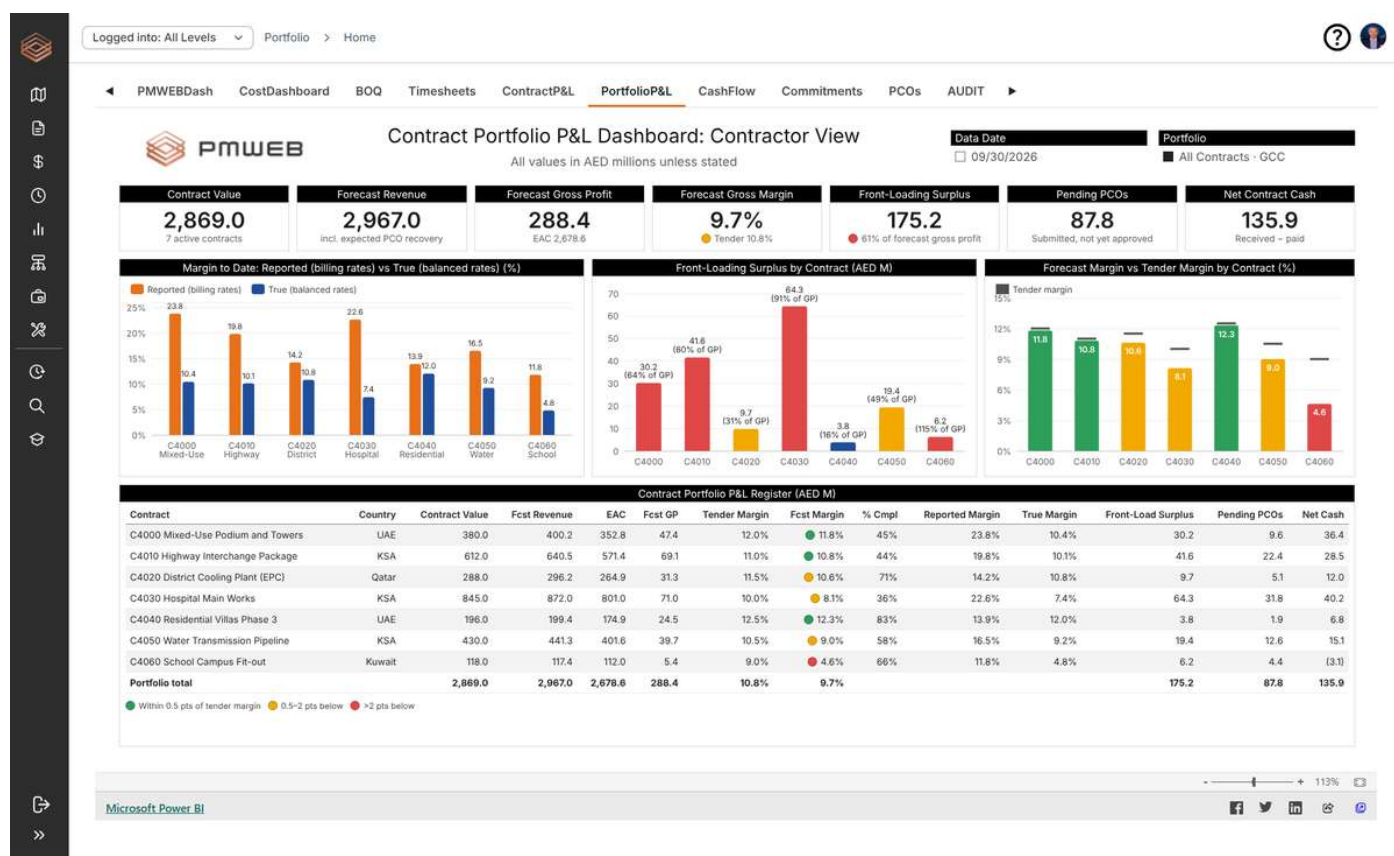


Contract P&L dashboard in PMWEB: C4000, Mixed-Use Podium and Towers (sample data, AED millions)

- **Billed is not earned.** 202.0 has been billed at contract rates, but the same progress is worth 171.8 at balanced rates. The 30.2 difference is a front-loading surplus.
- **The reported margin is more than double the true margin.** At billing rates the margin to date is 23.8%; at balanced rates it is 10.4%.
- **The cliff is ahead.** As MEP, finishes and external works are built, the reported margin falls towards 11.8% at completion.
- **A quarter of the cost is outside commitments.** Of the 153.9 actual cost, 41.5 (27%) comes from timesheets, miscellaneous invoices and accruals.
- **PCOs keep the forecast honest.** Pending PCOs of 9.6 are expected to recover 6.0, and their cost of 3.9 is already in the EAC. The forecast margin is 11.8% against 12.0% at tender.
- **Cash looks strong for the wrong reason.** Net project cash is +36.4, but 30.2 of it comes from front-loading and will be consumed in the later sections.

The Contract Portfolio P&L dashboard

At portfolio level, the contractor's executive team sees reported and true margins side by side for every contract.



Contract Portfolio P&L dashboard in PMWEB: seven contracts across the GCC (sample data, AED millions)

- **Forecast gross profit is 288.4**, a 9.7% margin against a weighted tender margin of 10.8%.
- **Front-loading surplus totals 175.2, equal to 61% of forecast gross profit.** Most of the profit reported so far has been billed in advance of the work that earns it.
- **The Hospital Main Works (C4030) is the largest exposure.** Its reported margin is 22.6% against a true 7.4%, and its surplus of 64.3 is 91% of its forecast profit.
- **The School Campus Fit-out (C4060) has no real profit to date.** Its surplus of 6.2 exceeds its forecast gross profit of 5.4, and its net cash is already negative.
- **Without front-loading, portfolio cash would be negative.** Net cash is +135.9, less than the 175.2 surplus.

Reporting to banks and financial institutions

Contractors in the region depend on banks for working-capital facilities, advance payment and performance guarantees, and sometimes project-specific funding. A lender's risk is not the reported margin but the real one, and the cash the contract will need before it finishes. For C4000:

Stakeholder	What they need to know	What the PMWEB P&L gives them
Working-capital lenders	Will the contract generate the cash to repay the facility?	Net cash of +36.4, of which 30.2 is front-loading that will be consumed in the late sections
Guarantee and bonding banks	Is the contract healthy enough to support the guarantees issued?	True margin of 10.4% to date, forecast margin of 11.8%, and the P&L range from 9.3% to 13.2%
Credit committees	How exposed is the contractor across its portfolio?	Front-loading surplus of 175.2 against forecast gross profit of 288.4 across seven contracts
Project owners and JV partners	Is the contractor financially able to finish?	Certified, received and outstanding amounts, and the claims position on both sides

Every external view is drawn from the same approved records the PMO uses, so it is consistent and audit-ready. PMWEB security settings give each party a read-only view of only the projects and measures it is entitled to see,

through a role-based login or scheduled report distribution. A contractor that shows its lenders the true margin and the coming cash need, months in advance, negotiates its facilities from strength.

PMWEB 2026 AI on contract P&L data

AI Assistant mode	Example request from the contractor's PMO
Find	"Find all PCOs on Project C4000 submitted to the Engineer more than 60 days ago"
Open	"Open the September progress invoice for Project C4000"
Create	"Create a PCO for the additional dewatering instructed on site"
Help	"How do I enter plant hours on a timesheet?"

Action is taken only with the user's approval, and **PMWEB AI honours security settings**, so commercial data is visible only to the roles that are permitted to see it.

What the contractor's PMO must put in place

- **The tender estimate as the budget**, mapped to the BOQ, with the balanced value calculated at award.
- **Two revenue lines every month**: billed at contract rates and earned at balanced rates.
- **Front-loading surplus reported as revenue in advance**, never as profit.
- **All cost captured**: commitments, timesheets for labour, staff and plant, miscellaneous invoices and accruals.
- **PCOs raised as soon as a change emerges**, with both cost and revenue forecast.
- **Bids and bonuses based on true margin**, not on reported margin.

Key takeaway

An unbalanced bid moves profit forward in time. If the PMO reports billed revenue as profit, the contractor discovers the truth at the margin cliff. PMWEB holds contract value and balanced value side by side, with every source of cost, so the true margin is visible from the first progress invoice.

Over to you: does your monthly contract report show the margin at contract rates, or the margin the work has really earned?

The series: *Part 1, Why the PMO Must Report the Project P&L; Part 2, The Real Estate Developer: Sales, Milestones and Escrow; Part 3, The Government Entity: Cost Against Deliverables; Part 4, The Contractor: Progress Invoices and the Unbalanced-Bid Trap.*

Talk to us: to see a contract P&L with balanced value built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

#PMWEB #CMCS #Contractors #EPC #ConstructionManagement #UnbalancedBidding #ProjectPL #CostControl #PMO #ProjectFinance #PMIS #GCC

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZ-LLC, the PMWEB Authorised Implementation Partner for the Gulf Cooperation Council and broader Middle East and North Africa region. CMCS holds the PMWEB Partner of the Year 2025 designation and serves capital project owners, contractors and consultants across the UAE, Saudi Arabia, Qatar and Kuwait.

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