

CONTRACT MANAGEMENT CONSTRUCTION SERVICES

PRGX Case Study: Fulfillment Center Program

AUDIT SCENARIO

- ◆ Partial Owner/Tenant Funded, Developer/Landlord-Controlled Projects
- ◆ Developers, Architects, General Contractors and Subcontractors
- ◆ 19 Audits, \$2.46 Billion Auditable Billings
- ◆ Cost Plus GMAX Construction Contracts with Lump Sum Subcontracts
- ◆ Soft Costs with T&M and Cost-Reimbursable Contracts

APPLIED SOLUTION

- ◆ Contract Compliance Audits (completed and “in-flight” projects)
 - ◆ Identified non-compliance and root causes; facilitated recovery of overpayments and recommended governance improvements
- ◆ Improved Contracts
 - ◆ Collaborated with Legal in re-write of the Development Agreement template
- ◆ Educated Owner Project Managers
 - ◆ Presented key findings and recommended preventative actions

BREAKDOWNS IDENTIFIED

- ◆ Overbillings
 - ◆ Soft costs
 - ◆ Costs of work
 - Trades
 - General Conditions
 - ◆ Insurance
 - ◆ Fees



Global retailer leverages contract compliance audits to realize cash recoveries and process improvement going forward

RESULTS:

Actual Realized Recoveries
\$6.08M

Preventative Cost Mitigation
\$1M