

CONTRACT MANAGEMENT

PRGX Case Study: MRO Single Supplier

AUDIT SCENARIO

- ◆ Western Canada Based Operations Auditable
- ◆ Spend \$150M, 3 Year Scope
- ◆ Pricing Types: Price Sheet, Complex Cost Plus
- ◆ >1.5M In Scope Purchase Transactions

BREAKDOWNS IDENTIFIED

- ◆ Average Weighted Cost Computation Errors
- ◆ Inaccurate Product Group Classifications
- ◆ Misapplied Buy-Out Markups
- ◆ Miscalculated Zone Adders
- ◆ Fee Charge Exceptions

OTHER KEY LEARNINGS

- ◆ Rogue Supplier Purchase Exclusions
- ◆ Supplier System Limitations Preventing Full Compliance to Contractual Terms

Specific and
Systems Future
Savings Corrective
Actions Identified

> \$9M

Historical Cash
Recoveries
Realized

\$1.5M

