

CAPITAL PROJECTS

PRGX Case Study: Multi-Facility Construction

AUDIT SCENARIO

- ◆ Years of CC Audits 2017 to Current – N.A.
- ◆ Annual audit activity range 10-15 audits per year
- ◆ Approximate spend under audit; \$2.3B

BREAKDOWNS IDENTIFIED

- ◆ Subcontractor Markup Excessive
- ◆ Change Order Billed in Excess of Cost
- ◆ Unallowable Insurances Billed
- ◆ Self Performed Labor Overbillings
- ◆ Invalid Sales Tax Billings
- ◆ Related Party Billings Excessive Markup Small
- ◆ Tools and Consumables Billed In Error

OTHER KEY LEARNINGS

- ◆ Needed training for Construction managers to prevent error recurrence.
- ◆ Need for continuous pre-payment audit program to ensure errors caught before invoices paid.



3 Year Future
Savings
Corrected Actions
Identified

>\$14M

Historical Cash
Recoveries
Realized

\$4.2M