

# CONTRACT MANAGEMENT

## PRGX Case Study: IT Contract Labor Suppliers

### AUDIT SCENARIO

- ◆ Global IT/Technical Contract Labor Suppliers
- ◆ 9 Suppliers, Auditable Spend Range \$20-\$150M
- ◆ Managed Service Provider & Sub-Suppliers
- ◆ Multiple Global Payroll; Rules and Currencies

### BREAKDOWNS IDENTIFIED

- ◆ Miscalculated Cost-Based Labor Rates
- ◆ Incorrect/Unauthorized Rates Applied
- ◆ Employees Billed Out of Labor Class Time
- ◆ Billed versus Time Paid Variations
- ◆ Application Errors; Overtime/PTO
- ◆ Offshore/Onshore Team Mix Variations
- ◆ Incorrectly Computed Discounts/Rebates

### OTHER KEY LEARNINGS

- ◆ VMS System Compliance Limitations
- ◆ Rogue Spend: Supplier Billing Interpretations

3 Year Future  
Savings Corrective  
Actions Identified

> \$10M

Historical Cash  
Recoveries  
Realized

\$2.7M

