

# 10 Checks for Financially Healthy Construction Projects

*What Great Project Managers Do—  
And What We Can Do For You*





# *What Is This Checklist?*

Even the best-run projects can hide financial risks.

This checklist shows what top project managers do to stay in control - without burning out.

If it feels like too much to take on, that's where we come in.



# 1 Validate General Conditions Early

**What:** These costs often become a black hole.

**How:** Set a not-to-exceed cap and require detailed breakdowns.





## 2 Track Labor Rates Before Contracts Are Signed

**What:** Labor rates often hide inflated costs.

**How:** Review rate build-ups and remove hidden profit before approval.





# 3

## Audit Pay Apps Monthly

**What:** Errors & overcharges compound fast.

**How:** Review pay apps against job cost data and contract terms.





# 4 Watch for Staffing Creep

**What:** Unnecessary personnel = unnecessary cost.

**How:** Compare actual site logs to staffing plans.





# 5

## Scrutinize Change Orders

**What:** These are a top source of budget bloat.

**How:** Require documentation and tie approvals to contract terms.





## 6 Check for Duplicate or Misclassified Charges

**What:** Costs often get buried in the wrong categories.

**How:** Cross-check invoices, job cost reports, and contract exclusions.





# 7 Confirm Subcontractor Payments

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**What:** Underpayments can lead to legal risk and liens.

**How:** Validate that subs are paid in full and on time.





# 8 Ensure Documentation Matches Billing

**What:** Missing or inconsistent support = red flag.

**How:** Require consistent backup for every pay app.

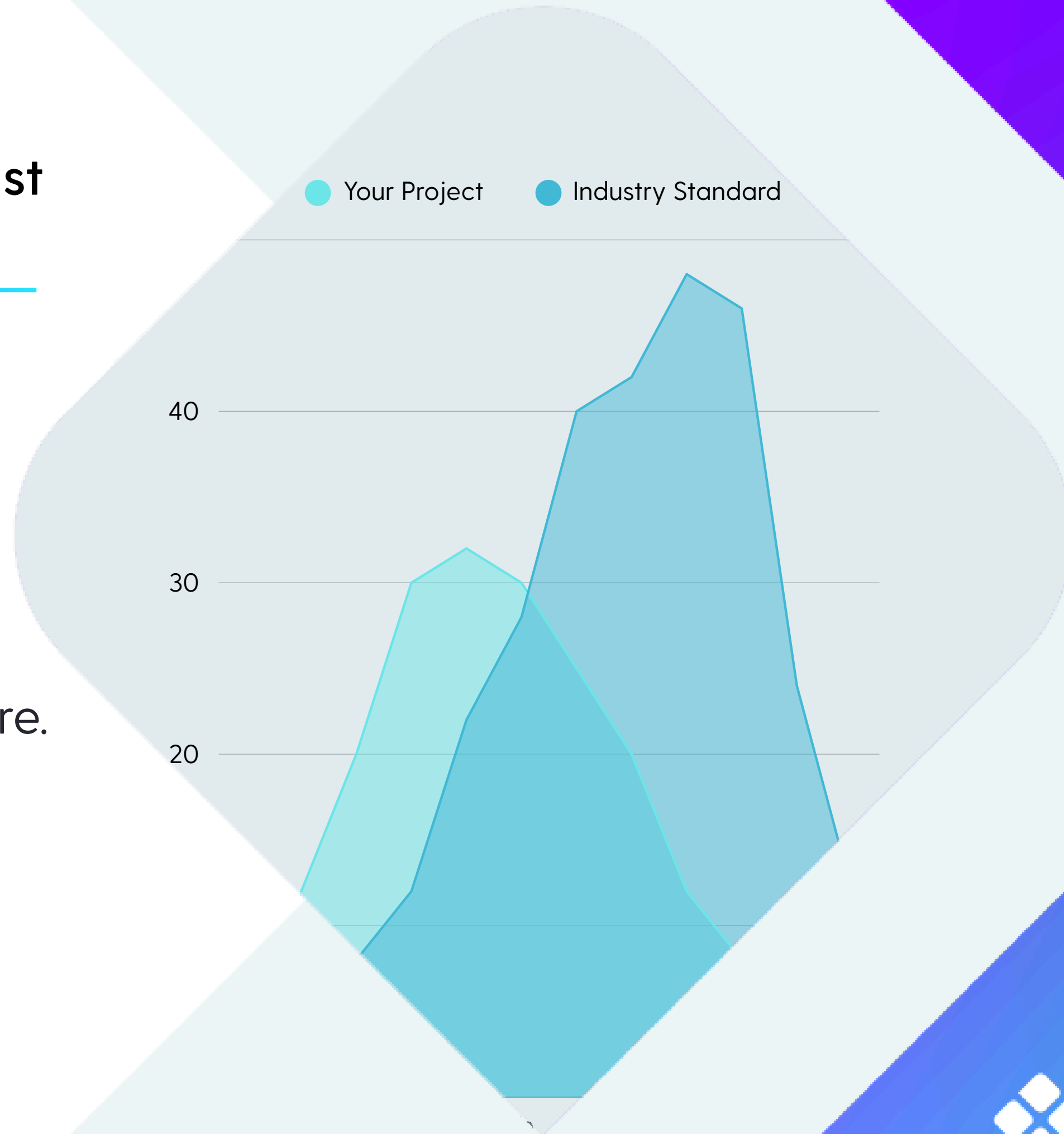




# 9 Benchmark Costs Against Industry Standards

**What:** Without benchmarks, it's hard to spot overcharges.

**How:** Use PRGX insights or tools like RSMeans to compare.





# 10 Set the Tone with Transparent Contracts

**What:** Vague terms invite abuse.

**How:** Define audit rights, cost ceilings, and reporting expectations up front.





# Want These Results Without the Work?

PRGX has audited over 200 construction projects and \$27B in spend.

Leave the pay apps to us and focus on what matters.

Learn more about the value of construction audits at our latest webinar.



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