

## CONTRACT COMPLIANCE

# Pre-Payment Audit for Large Construction Projects

### Real-time, Continuous Audit for Early Detection, Correction and Prevention of Overcharges

Of all the commodity and service contract types, construction is especially exposed to overcharges. Most projects are schedule driven which can easily push contract compliance down on the list of priorities. Getting the job done and timely payment of contractors is generally the focus. And adding to the urgency of prompt payment is the challenge of verifying compliance in an environment with multiple subcontracts under the primary contract, contract amendments and change orders in varying degrees of review and approval.

It's easy to understand why billing errors and overpayments occur. However, that doesn't make it any less painful for the contractor - when long after the project is complete an audit reveals billings previously approved were non-compliant. Or for the owner - when claims for overpayment are settled for, on average, 40-60 percent of the claim amount.

### Enhance Your Contract Compliance Value

Avoid contractor abrasion and detect, correct and deter overcharges real-time with a PRGX pre-payment audit. Our auditor will be on-site monthly, embedded as a member of your project team to meet face-to-face with those responsible for preparing contractor billings while they are still in draft form. Some corrections are made before the invoice is finalized, others requiring more research are tabled and credits are given for corrections in the subsequent invoice. In addition, the auditor provides the owner's construction manager with a dashboard showing the status of dozens of items checked on each pay application, as well as an email recapping current issues with a recommendation of the amount to approve for payment.

Our auditor is closely supported by other members of our knowledgeable contract compliance staff. And our audit team works in sync to process hundreds of pages of billing documentation and analyze and track change orders, allowances and the use of contingencies enabling timely review and approval of monthly pay applications. You will also gain access to monthly tracking and reporting of audit savings and mitigated costs so you can monitor the effectiveness of the pre-payment audit program.

### Providing a Full Range of Contract Audit Types



**Traditional contract compliance audit**



**Pre-contract award audit**



**Diagnostic audit**



**Accelerated audit**



**Pre-payment audit**



**Specific risk audit**

## PRGX Helps Organizations Like Yours



### Reach Wider

Bringing together the fragmented data across all departments, systems, stakeholders, geographies, and more.



### Dig Deeper

With a data-led approach that guides you to over 300 common points of leakage in some of the hardest-to-mine areas of the source-to-pay cycle.



### Act Faster

So you can make the right insights, take action earlier, improve the bottom line sooner, and accelerate the shift from reaction to risk mitigation and prevention.

## Industry Expertise

As our auditors' expertise deepens, PRGX introduces industry cross-training to ensure senior auditors develop domain expertise across a spectrum of industries. The combination of industry specialization and cross-industry proficiency promotes knowledge-sharing and proliferates best practices, fueling the innovation mindset that's at the heart of all we do.



Banking



Insurance



Telecom



Entertainment



CPG



Oil & Gas



Utilities



Heavy  
Manufacturing



Retail



Media



Technology



Pharmaceutical

## Delivering Client Satisfaction Through:

- ◆ Ongoing cash recovery
- ◆ Root-cause prevention of errors going forward
- ◆ Operational scheduling and progress reporting
- ◆ Dedicated audit director managing each program
- ◆ Data privacy and security
- ◆ One-stop shop for recovery audit, contract compliance, advanced analytics
- ◆ Expertise and technology
- ◆ Industry pioneer/source-to-pay steward
- ◆ Global scale and reach
- ◆ Highly referenceable client base
- ◆ Diverse portfolio in numerous industries

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