



# Project Construction

## Reviewing your contracts for compliance

From production to refining, today's energy environment involves hundreds of millions—even billions—of dollars in projects. It is vital to have processes in place that provide assurance that your primary contractor and subcontractors comply with their contractual obligations. In high-dollar projects where even small misinterpretations can mean very large overbillings, these contractor compliance reviews are a necessary component of any risk management and post-procurement process.

An AMS-PAR construction review offers the opportunity to detect control weaknesses, close control and invoicing gaps on future contracts, and recover lost profits. In our typical reviews, recoveries are made in areas such as improper billing for contractor time, inaccurate costs mark-ups, and billing for items that are contractually covered by overhead.

### Our construction reviews include:

- Drilling programs
- Platform construction
- Processing and treating facilities construction
- Pipeline and compression construction
- Construction cost allocations

### Why do you need an AMS-PAR review?

- Construction contracts can be complex. A review helps ensure that negotiated terms and conditions are accounted for properly.
- Summarized billings do not provide sufficient detail to validate charges.
- Claims must be appropriately documented, which cannot be done without access to the general contractor's records, vouchers, and supporting data.
- Accounting and procurement departments are focused on daily activity and don't have the tools or data to ensure materials and services are properly invoiced.
- Validating charges often requires an analysis of services provided by the general contractor, subcontractors, or other companies—information usually not available to those approving invoices.
- Verifying compliance with job levels and appropriate pay rates for individual workers must be done on a case-by-case basis.
- Invoices and related change orders are difficult to validate without full analysis backed by original and amended contracts.

### Analysis leads to cost recovery

AMS-PAR's professionals are experienced in these areas and will provide detailed analyses to give you a complete assessment of your contracts. The objective of our construction engagements is to evaluate whether charges made to your company were properly calculated and equitably assessed.



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