

SUMMARY

A \$60 million brownfield CapEx project faced complex contractor oversight challenges. Implementing the TRACK platform delivered real-time cost tracking, automated workflows, and robust change order validation. The result? \$4 million to \$5 million in cost savings, a 5% cap on overtime, and enhanced project safety — turning CapEx management into a model of efficiency and transparency.



Capital Project Management: How TRACK Saved Millions and Enhanced Efficiency

Overview

A client of Management Controls embarked on a \$60 million brownfield expansion project located at the perimeter of an existing facility. This two-year initiative required the collaboration of an EPC (Engineering, Procurement, and Construction) firm for project management and several prime contractors for specialized tasks. With several high-stress periods due to surge events and manpower spikes, the Client faced various operational challenges that required a robust solution for contractor and project management.

Challenges

Before adopting a tailored contractor data management solution, the Client faced several difficulties:

- **Incomplete Service Coverage:** The EPC only managed about 50% of the required services. The Client wanted their prime contractors, who were familiar with the facility, to be managed under the EPC's oversight.
- **Complex Project Boundaries:** Being a brownfield project with activities outside the existing facility's gated perimeter added layers of complexity in monitoring and tracking.
- **Diverse Commercial Strategy:** The Client needed a system to handle multiple commercial arrangements, including fixed-fee, lump sum, and time-and-material (T&M) contracts, but lacked an integrated platform to manage them.
- **Change Order Management:** A method to track and validate change orders for scope expansion or contraction was necessary for controlling project costs.
- **Timesheet and Payroll Automation:** The Client wanted to streamline the submission and approval of timesheets to eliminate duplicate entries for vendor payroll and invoicing.



The Challenge: Complex Oversight & Cost Control



The Solution:

Real-Time
CapEx Integration

- **Separating Projects:** They sought a solution to manage capital, turnaround, maintenance, and engineering projects separately while enabling a unified reporting system.
- **Daily Labor Cost Updates:** The existing Capital Management Software Solution (CMSS) required daily updates on labor hours and costs by craft and task, which the Client could not effectively deliver.



- **Transparency with Subcontractors:** There was a need for visibility into subcontractor approval processes for T&M work to ensure transparency and accountability.

Solution: Implementing TRACK for CapEx

The Client implemented the TRACK platform, which addressed all their operational challenges in a comprehensive manner. Here's how TRACK was able to transform their project management:

- **Seamless Integration with the EPC:** The TRACK platform allowed the EPC to manage the Client's prime contractors as subcontractors while offering full visibility into their operations.
- **Enhanced Commercial Management:** TRACK supported various commercial arrangements (fixed-fee, lump sum, T&M) while maintaining transparency and streamlining the invoicing and approval process.
- **Real-Time Labor and Cost Tracking:** TRACK automated the updating of labor hours and costs into the CMSS and client ERP daily, allowing project teams to make timely adjustments.
- **Automation of Timesheets and Payroll:** The system automated the capture of hours, costs, allocations, approval, timesheet creation, and invoice authorization, eliminating redundancies and errors in payment.
- **Change Order Validation:** With real-time data available, TRACK helped validate & track scope changes, preventing unnecessary change orders.
- **Unified Project Reporting:** TRACK enabled the Client to manage capital projects separately from other engineering and maintenance activities but still allowed unified reporting.

Key Outcomes

- Saved \$4-5M through optimized T&M management
- Rejected \$500K in invalid change orders
- Maintained <5% overtime, reducing labor costs
- Enhanced safety with fatigue management policies



The Results: Significant Cost Control & Efficiency

- **Fatigue Management:** TRACK's real-time badge event capture enabled the Client to implement a fatigue management policy, preventing overtime abuse and increasing safety.

Results

The implementation of TRACK led to significant improvements in project efficiency, cost control, and overall management:

- **Cost Savings:** By utilizing T&M for undefined tasks, the Client saved an estimated \$4-5 million.
- **Change Order Management:** The Client challenged and successfully rejected \$500,000 of change orders, as TRACK revealed that the estimated hours by craft skill had not been achieved for the project task.
- **Overtime Control:** The Client maintained overtime under 5% by leveraging TRACK's Insights capabilities, avoiding higher labor costs.
- **Agile Project Management:** By using TRACK's real-time data, the Client was able to adjust project timelines, pulling tasks forward or delaying them as necessary, preventing a potential 7-9% increase in project costs.
- **Enhanced Safety and Accountability:** The system captured all badge events, enabling the implementation of a strict fatigue policy, increasing overall job site safety.



Conclusion

Through the adoption of the TRACK platform, the Client effectively managed a large, complex capital project with multiple stakeholders, commercial models, and safety requirements. The solution enabled them to realize millions of dollars in savings, improve efficiency, and ensure project transparency. This case highlights how digital contractor management solutions like TRACK can turn operational challenges into opportunities for cost savings and performance optimization.

Get Started With myTrack

MCI helps companies of all sizes gain better visibility, control, and productivity from their workforce. We put owners and contractors on the same page. myTrack is the next-generation platform for contractor data management. Learn more about the myTrack Platform and how it can help your company better manage and reduce contract labor, equipment, and material costs.

Connect With Us

Find out how the myTrack Platform can streamline CapEx projects and help you better manage and reduce contractor costs.

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ABOUT MCI

Management Controls Inc. (MCI) is a developer of a Contractor Data and Spend Management platform designed for industries that rely heavily on contractors for operations, routine maintenance, turnarounds, and capital projects. The company's myTrack software offers an end-to-end solution for all parties involved in tracking the costs of contractor labor, equipment, and materials, transforming the working relationship between owners and contractors by providing both parties full visibility, significant cost controls, and immediate savings.