



Engineering, Operations, and Technology Committee

4/13/2026 Committee Meeting

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Subject

Overview of Construction Management at Metropolitan

Executive Summary

Metropolitan's Construction Management Unit (CMU) oversees the construction phase of capital projects to ensure safety, quality, cost control, and timely delivery. Staff conducts continuous and hold-point inspections, manages contracts and budgets, leverages technology for efficiency, and coordinates with Metropolitan's operating groups. CMU consistently meets performance targets for cost-effectiveness and safeguards Metropolitan's financial interests. Using a collaborative partnering approach, CMU fosters trust and proactive issue resolution with contractors. Through effective construction management, CMU reduces risks, improves quality, and ensures projects are completed on time and within budget.

Fiscal Impact

None

Applicable Policy

Not applicable

Related Board Action(s)/Future Action(s)

Not applicable

Details and Background

Background

Metropolitan's CMU within the Engineering Services Group works to ensure that Metropolitan's construction projects are successfully completed. CMU's managers, engineers, and inspectors are involved in all phases of Metropolitan's capital projects, including planning and design, advertisement and contract award, construction, and warranty and legal support. The CMU ensures that construction projects meet established goals for safety, quality, functionality, cost, and schedule.

Construction projects are complex endeavors that require cooperation between Metropolitan and its contractors. The CMU employs a collaborative partnering approach with contractors to establish a unified project team that aligns on common goals, builds trust, and proactively resolves issues. This approach shifts away from the historical adversarial owner/contractor relationships to ensure successful project delivery (i.e., on time, within budget, and high quality) through shared commitment and open communication, often utilizing workshops to address project risks.

CMU construction project staff includes Residents in charge of construction, who have primary responsibility for overseeing construction; Assistant Residents for larger projects; field office engineers; construction inspectors; and materials testing technicians. They conduct continuous inspections to assess key aspects of construction work, including compliance with health and safety regulations, quality of workmanship, and conformance with project

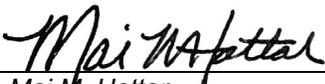
specifications. The CMU project team coordinates with operating staff to schedule equipment outages and minimize impact to operating facilities. Metropolitan also performs hold-point inspections, which establish checkpoints in the construction process where work must pause for verification and approval. These inspections are essential for ensuring quality and for preventing deficiencies from being concealed, such as verifying reinforcing steel (rebar) installation and embedded features before concrete is placed. CMU management continually reviews project needs and adjusts in-house staff assignments, as appropriate, and supplements them with on-call inspection services staff when needed. Management also aims to assign staff to a variety of project types and roles to support staff career development.

In addition to field oversight, the CMU is responsible for contract administration and budget control functions that are critical to the financial and contractual management of Metropolitan's construction projects. This includes documenting construction issues, tracking extra and disputed work, managing project costs and schedule, verifying construction progress payments, and ensuring contractor compliance with all contractual obligations. CMU regularly negotiates adjustments to contract amounts and durations with contractors to address inevitable changes, using real-time cost and performance data to protect Metropolitan's financial interests.

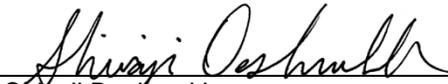
CMU leverages technology to boost collaboration, increase safety and efficiency, reduce costs, optimize resources, and minimize waste. Key technology implementations include mobile devices (tablets) and connected communication platforms (e.g., Bluebeam, SharePoint) for real-time access and streamlined workflows. CMU also works closely with Metropolitan's External Affairs regarding public outreach to mitigate the impacts of Metropolitan's construction contracts on local communities.

To measure project performance efficiency and identify areas for continuous improvement, Metropolitan has established performance metrics for construction management activities. The metric compares the cost of construction management and inspection versus the total construction cost. For projects with construction contracts of \$3 million or less, the target is 9 to 15 percent, and for projects greater than \$3 million, the target is 9 to 12 percent. CMU typically meets these targets and carefully documents the reasons and causes when the target values are exceeded and evaluates potential changes to improve its processes.

In summary, the ability of Metropolitan to maintain a formally established in-house construction management function directly benefits projects by saving time and money, improving quality, and reducing risks through better planning and communication, thereby ensuring projects are completed on schedule, within budget, and with high quality. Engineering Services' CMU is committed to supporting Metropolitan's mission through effective construction management.



Mai M. Hattar
Chief Engineer
Engineering Services
3/24/2026
Date



Shivaji Deshmukh
General Manager
3/24/2026
Date