TxC Managing Contractor Costs

By Texas City Team | Wednesday, July 08, 2009

Sophisticated software tools have made it easier for BP Texas City to track, analyze and control contractor expenditures on turnarounds (TARs), capital projects and general maintenance activities.

Using the Contractor Cost Tracking System (CCTS) tool, the site was able to save about $20 million in 2008 alone, according to Doris Prewitt, supervisor, Information and Data Control. In addition, they are giving project management teams the data they need to make informed decisions to keep their projects on time and on budget.

Prewitt recently made a presentation on BP Texas City's effective cost-cutting efforts at a meeting of the National Petrochemical and Refiners Association. As she told meeting attendees, contractors are issued maintenance orders via the SAP Work Management System for all work they do at the site. As they incur costs for labor, rental equipment and materials as well as third-party charges against those maintenance orders, the contractors enter the expenses into Contractor Cost Tracking System (CCTS).

"The goal is for all of the cost information for a given shift to be entered within a few hours after the end of each shift," Prewitt reported.

Each contractor sent two or more employees for several training sessions with the site's CCTS administrators before they went live on CCTS, she added.

Another program, called Epoch, which was piloted during the Fluid Catalytic Cracking Unit No. 3 (FCCU 3) TAR last fall, integrates the data from the other programs as well as information about contract employees' arrival and departure times captured by unit electronic badging systems.

While CCTS is being used site wide, the Epoch program currently is being used only for turnarounds, but as Prewitt pointed out, "we plan to move Epoch into routine maintenance next."

Each morning, the project managers receive a data extraction and analysis of contractor activity and expenses from the previous day. This information enables them to develop progress and cost flow projections; if a project is going over budget or behind schedule, they can take action early enough to get it back on track. It also enables them to detect unauthorized expenditures quickly before they are submitted for payment.

Before the software systems were installed, cost overruns and unauthorized expenses often were not identified until the contractor invoices arrived. Data were entered manually onto Excel spreadsheets, which took significant time and effort.