CASE STUDY
Fortune 10 Energy Company

TRACK PLATFORM

Problems

- Lack of visibility into who is in the plant
- Lack of knowledge about cost of services on a daily basis
- Suspicion that over-billing was occuring
- An understanding that contracts were not being complied with
- No way of measuring how many hours of services they were buying

Objectives

- Identify contractor billing anomalies using the Fall Turnaround as the Pilot Project.
- Improve turnaround profitability by mitigating contractor over-billing
- Identify negative behavior and trends
- Obtain useful gate log information for security enforcement personnel
- Enhance badge security reporting and capabilites
- Track the total number of contractor personnel in the refinery by company, employees and skills
- Standardize the process for a Contractor Management System (CMS)
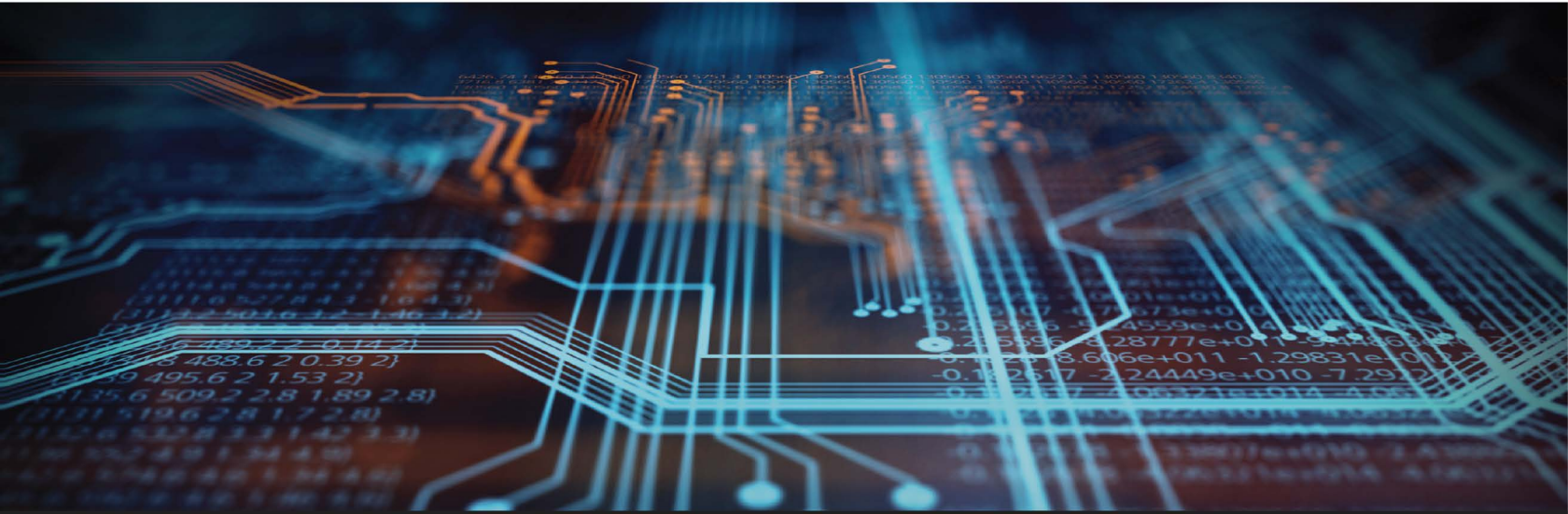
SOLUTIONS

1 **TRACK PLATFORM**
Installed TRACK

2 Began by Tracking 9 Contractors for their Q2 Turnaround & subsequent Q4 turnaround

3 Integrated to the Access Control Badge System

Summary of Findings

- Administering TRACK at the Q2 Turnaround saved Client an actual captured amount of $1.6MM across 9 contractors.
- Administering TRACK for the Q4 Turnaround has saved Client an additonal amount of $1.1MM
- Several Processes were identified having gaps and are currently being worked
  Culture change and shock for all has lead to more awareness and behaviour changes

Procedural Findings

Contractor Agreement terms, conditions and rates were identified to have gaps in how they were interpreted by both parties. Some were found to be missing conditions in which the contractor has been billing the owner for years.

Badge readers at several of the entrypoints had equipment device malfunctions or lacked appropriate accessories to help with efficient badge scanning (green/red light towers on exit bound, time clocks on entry /exit).

Security's "vehicle exit and entry procedure/training" was not set up to handle contractors whose badges do not scan properly or those who do not have a badge when leaving the refinery.

On-site contractor parking lots were not set up to accommodate timely exiting from the refinery when the lots are full to capacity. These long waiting periods lead to aggressive behaviors.

Behavioral Findings

The "Runner" category tended to be overused

Commonplace for most contractors to bill for a full shift when actual time on site was less.

Timekeepers entered time into the ERP using the foreman's report rather than the Track report which identified discrepancies.

Timekeepers delayed entering time into the ERP until all work orders and releases were "ready for billing"

In/Out gate activity for contractors dropped off over the course of the event keeping contractors on the job.

Security guards on occasion waved contractors into or out of the refinery without having them badge nor sign in/out.

Contractors lining-up at the gates to exit prior to quitting time was reduced from 45 minutes to less than 10 minutes.

Overall Q2 Turnaround Savings

Based on audit findings can claim an estimated overall savings of ~$1.66M for the full 56 days of the Q2 turnaround.
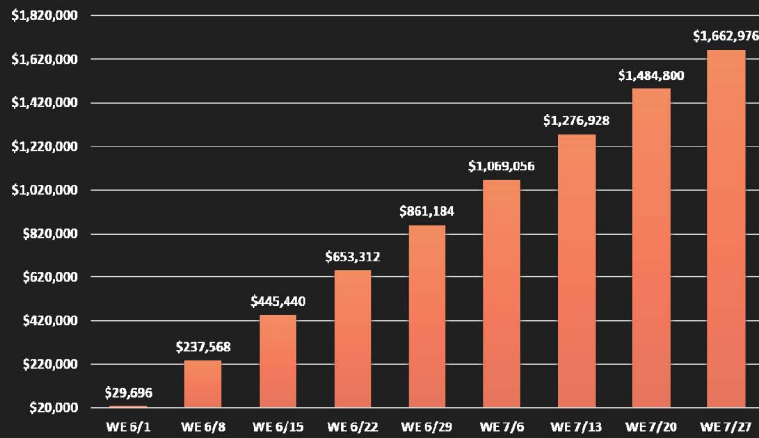
Holiday Overbilling

We can claim a savings of ~$92K for this "Memorial Holiday" catch billed on 6/1, as overtime in Passport for the employees that worked. We can claim a savings of ~$120K for preventing this repeat on 7/6, for the Friday following the 4th of July.
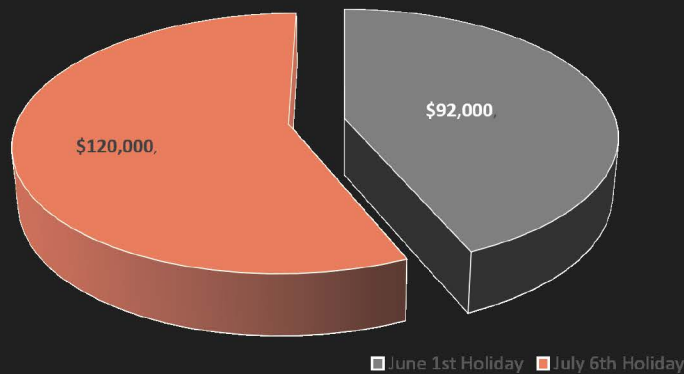

Double Dipping: Per Diem & Overtime

Timekeepers when billing for the travel per diem also billed an additional 8 hours of overtime for said resource. This is not allowed per the contract and the audit flagged this condition and claimed a savings of ~$288K.
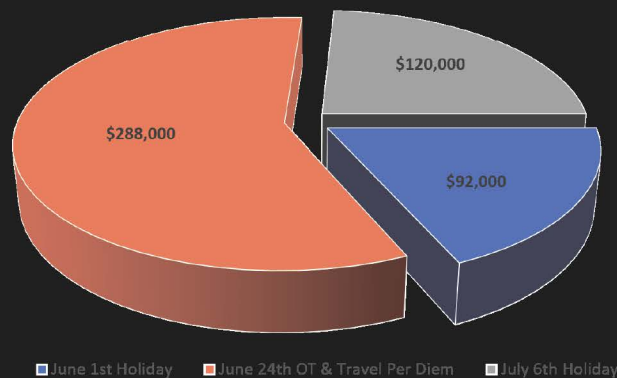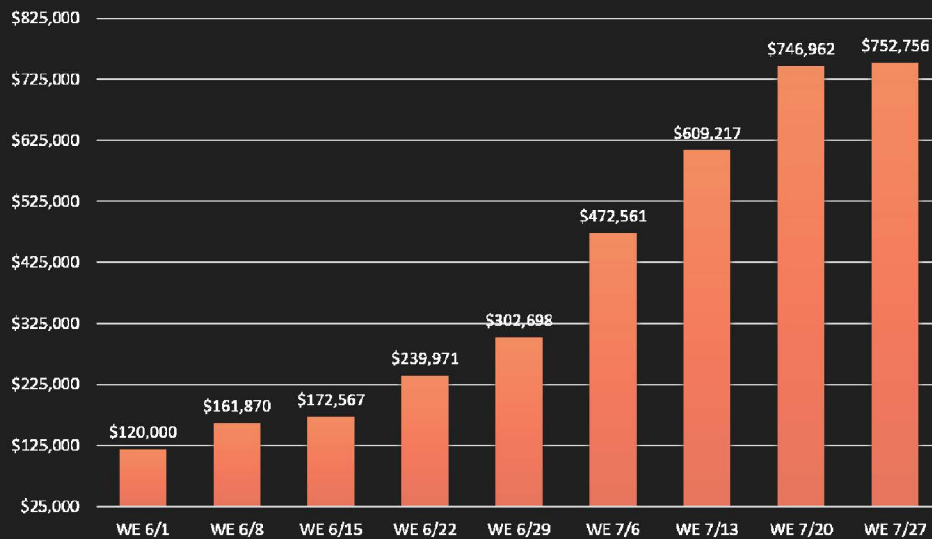
1/2 Hour Overbilling Phenomenon

We can claim a savings of ~$286k for preventing the contractors from billing an extra 0.5 hours for approximately 20% of their work force on a daily basis.
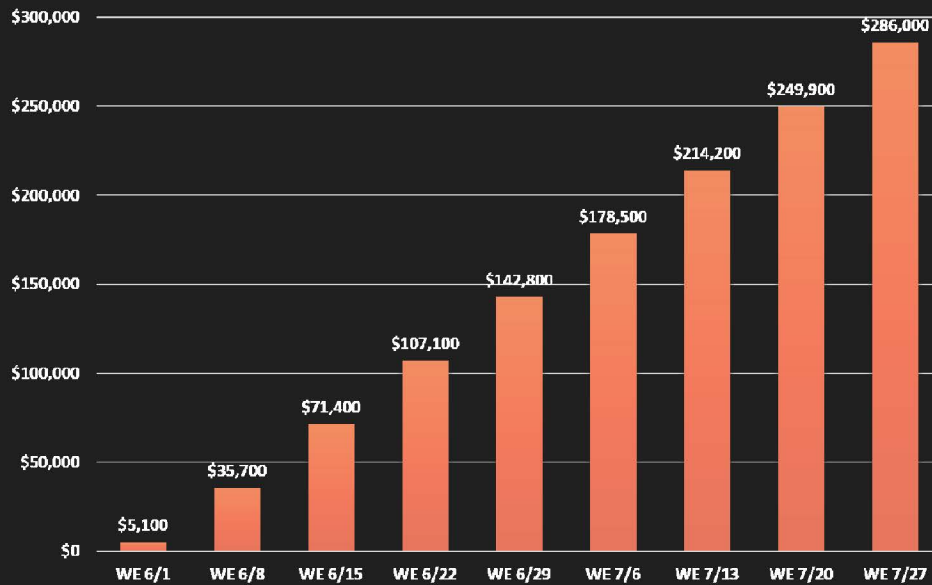
Timesheet Rejects

Conducted 135 "enforcement" audits on seven vendors yielding ~$822K in timesheet rejects.

Management Controls, Inc. (MCi) helps companies obtain better visibility, control and productivity from their contract workforce. MCi's TRACK Platform provides automated contract compliance as well as a holistic view across the entire labor, equipment and materials spend. TRACK's real-time data stream can be proactively applied to optimize performance and safety for routine maintenance, turnarounds, capital projects and operations.

With the powerful addition of MCI's customized analytics service, Insights, and its managed service offering, TRACK-as-a-Service (TaaS), companies can leverage MCi's 29 years of experience to get even more out of TRACK, as well as identify opportunities to improve site productivity overall.

Industrial Sites using TRACK Platform	Annual Contractor Spend Processed	Daily Activity & Earnings of Contract Laborers Monitored	Retention Rate Since Launch (30 years ago)
300+	$60 BILLION+	4 MILLION+	99.8%

TRACK PLATFORM

MANAGE TRACK OPTIMIZE

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MANAGEMENT CONTROLS