

GLOBAL PROJECT COMPLEXITY DRIVES MAC APPROACH FOR CHEVRON

Chevron Turns to Deeper Relationships with Fewer Suppliers to Increase Project Execution Consistency

by Keith Larson

Even when you're a global energy player like Chevron, managing complex "mega" projects presents a tall order. Indeed, over the past 10 years, the project management workload of Chevron's internal project management arm, Chevron Energy Technology Company (ETC), has grown from perhaps eight at any given time to several dozen simultaneous projects today. A main automation contractor (MAC) relationship with Yokogawa has helped Chevron in its efforts to standardize its project approach and become more consistent and efficient, according to Roy Corbett, technical team lead for MAC within Chevron ETC's Process Automation Unit. Corbett shared how the company has leveraged its MAC methodology together with other work process improvements at this week's

Yokogawa Users Group Americas meeting in Houston.

Chevron's Enterprise Automation Strategy to achieve "flawless automation" is based on three primary initiatives, Corbett said. First, the company uses a more limited number of suppliers, which is intended to promote deeper levels of mutual expertise and understanding between the user and supplier organizations. Second, where possible and practical, Chevron will promote the use of common work processes and drive standardization globally. Third, it will optimize project execution by using MAC contracts with a more select group of suppliers to ensure that Chevron standards are met on a consistent basis. "It used to be lowest cost; now the emphasis is on value," Corbett said. "We're relying on much closer collaboration with our suppliers to raise our game."



"It used to be lowest cost; now the emphasis is on value." Chevron's Roy Corbett on the company's increased reliance on main automation contractor (MAC) relationships for capital project execution.

CLOSER COLLABORATION, DEEPER UNDERSTANDING

Chevron's MAC relationships in turn are based on Alliance Supplier Relationship (ASR) agreements, which stipulate twice-annual, executive-level meetings to set objectives and report on progress. The ASR core team meets every six weeks during the course of a project. These meetings also provide a venue for Chevron to provide Yokogawa with longer-term input, to influence their technology roadmap, Corbett explained. "It's not all sunshine and roses," Corbett added, "but there is a commitment on both sides to resolve any issues."

Chevron also has created an "Automation Toolkit" that is intended to help standardize and streamline 80% of project effort, while leaving room to accommodate aspects unique to any given project. "We're looking for commonality from one project to the next," Corbett said. "The Toolkit consists of best practices for achieving Chevron engineering standards with Yokogawa technology."

Now that several projects implemented using Chevron's MAC approach and Automation Toolkit are about to come online, Chevron is looking to document advances in execution time, capital expense and return on investment achieved, Corbett said. Some additional measures are anecdotal, but telling; for example, the number of alarms on day one of operation. "If that number is 10,000 it really tells you something!" ■