ANSWERING THE CALL

How one team has proven that successful outcomes are still achievable on major US Gulf Coast projects

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Yes, Virginia, there is a successful US Gulf Coast project\(^1\)

**Major project completing with best-in-class performance**

Our belief that successful project results can still be achieved on the US Gulf Coast has been proven. MEGlobal America Inc.’s (MEGlobal) ethylene glycol (EG) project – nearing completion in Freeport, TX, with Jacobs as EPCM and Fluor as constructor – leveraged a well-developed workforce and followed proven construction planning practices to deliver results that haven’t been observed in decades.

**It begins with effective site leadership**

Each of the key stakeholders (MEGlobal, Jacobs, and Fluor) fully understood and executed their role on the project. The MEGlobal team was lean but staffed with experienced personnel who understand construction from a contractor’s perspective, and who were fully committed to enabling contractor success. Jacobs assured design deliverables, equipment, and materials were available according to the high-level path of construction, but did not try to direct the work. Fluor utilized frontline-oriented planning with a workforce developed over three consecutive projects. Accountability was clear across all parties and the project was executed with jointly agreed discipline.

**Craft work was managed by rates of production**

The high-level path of construction was created with achievable rates in mind (e.g., actual linear feet per week installed on previous projects). Packages were calendared and corresponding daily goals assigned to frontline supervision (e.g., pieces of steel, spools of pipe, number of lifts). “Crew performance was then assessed daily,” Fluor VP of Construction Rocky Plemons explained, “so corrections could be made immediately, instead of waiting 7 to 10 days to learn you are in trouble.” The crafts were also responsible for building their work packages (IWPs), with engineering support, only once factual data was available.

**The results speak for themselves**

- **Safety performance is equal to US Gulf Coast best.** The TRIR for the project is an excellent 0.07.
- **There are only 4 rejects out of the total 80,000 welds.** The weld reject rate is 0.23% (current US Gulf Coast average is ~5%). The MEGlobal project contains 250k+ linear feet of heavy-wall, high-alloy, 8” average diameter pipe, installed in a difficult, congested structure.
- **Construction duration is a historic best for projects of this size.** The MEGlobal project will complete construction in 21 months, compared to the current industry average of 29 months and an historic best of 24 months (achieved in 1988). Construction duration is defined as 60% concrete drawings IFC to mechanical completion, including functional testing of instruments.
- **Pipe productivity achieved likely saved $60+ million compared to market performance.** Piping productivity for the MEGlobal project has been 4.5 workhours per linear foot of pipe. Our current industry average for all large bore, heavy wall pipe is 10.0 workhours per linear foot of pipe. For projects that best match the workhours of the MEGlobal project, the average is 6.8 workhours per linear foot of pipe. Workhours include handling and support craft hours.

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\(^1\) Reference to a quote from a popular newspaper editorial: “Yes, Virginia, there is a Santa Claus.” More details regarding the reference can be found at [www.wikipedia.org/wiki/Yes,_Virginia,_there_is_a_Santa_Claus](http://www.wikipedia.org/wiki/Yes,_Virginia,_there_is_a_Santa_Claus).