

# COR Yields US\$102 Million Saving

Contractor Al Turki Enterprises (ATE) has been praised by PDO for achieving a significant saving after a Contract Optimisation Review (COR) covering its work in the South.

ATE submitted dozens of proposals to be implemented in all its contracts, generating a total saving of US\$102 million from 2015 to October 2017.

CORs were introduced in PDO in 2012 with the aim of reducing operational costs by challenging ways of working, standards and specifications without compromising on safety and the quality of deliverables.

In 2015 there was a renewed COR push in the light of weakening oil prices and the need to increase efficiency and competitiveness, and the South oil delivery contract (ODC) was one of those selected for review.

PDO's Star Chamber Committee (SCC) – a body set up to quickly review and enact proposals - was convened, and a series of workshops was conducted to assess the feasibility of the high value opportunities proposed by ATE.



A total of 38 ideas were selected to be implemented with immediate effect, across PDO. These included proposals on procurement optimisation, surplus material use, design standardisation and the live tie-in of overhead lines without shutdown.



During an official recognition ceremony, Oil South Director Sami Baqi praised the company for its proactive approach and “sheer commitment”, saying: “This is a true partnership where the contractor comes forward and says we can save value, and we listen and facilitate them to do that. “Saving US\$100 million is a tremendous achievement and has massively contributed to PDO’s corporate cost savings package and the journey continues. I am sure if we work together in that spirit we can create more value in the long run.”

Oil South ODC Company Representative Badar Al Sharji said: “It would not have been possible to achieve this saving if it was not for the full support, commitment and personal involvement of the ATE management. They not only submitted good-quality proposals they also vigorously followed up with the implementation of the approved proposals.”

Oil South Engineering Manager Abdullah Al Harthy also commended the company, commenting: “The savings realised through these COR-approved opportunities were also replicated and implemented across other various contracts in PDO, and a number of cascading

sessions were conducted with the aim of cross learning.”

And Oil South ODC Contract Holder Sultan Al Owaisi said: “ATE has shown sincere commitment to savings realised by various initiatives such as challenging the existing Company standards and procurement processes. Savings in procurement mark a milestone in Company business operations and is a pioneering example of out-of-the-box thinking.”

ATE Executive Director Devaki Khimji said: “We have played a significant role in this cost optimisation drive undertaking a structured review of key cost drivers and exploring ways to improve contract performance. As a result of this, ATE identified and tabled proposals for a number of opportunities for the Star Chamber Committee’s review and approval, involving direct and indirect cost savings.

“The proposals were basically put forward for implementation in ODC South, but most of them were approved for wider implementation across PDO contracts. SCC-approved changes were subsequently incorporated in PDO specifications, wherever applicable.”

## Training Trucks

PDO has donated six fire tender trucks from its emergency vehicle fleet to the International College of Engineering & Management (ICEM). The trucks will be used to train students in



practical elements of their course work that are necessary in well engineering, health and safety, fire safety and facilities management.

They were handed over by Pipeline Infrastructure and Oil Terminal Manager Suleiman Al Maany to Fadhil Muheem Al Zadjali, Chief Fire Officer at ICEM College, at PDO’s Mina Al Fahal fire station. The Company’s Fire and Rescue department

has purchased new fire and rescue vehicles allowing it to dispense with some of its older ones.

External Affairs and Value Creation Director Abdul-Amir Al Ajmi said: “We are delighted to be in a position where we can support institutes such as ICEM and we look forward to more collaborations.”