Cleopatra cuts construction costs

It's the stuff that any engineering construction manager's dreams are made of - a formula that ensures costs are as low as possible and enables work to start even before the design phase is completed

A co-operative venture between plants at Berre in France, Pernis in the Netherlands and Stanlow in the UK is doing just that. It has already achieved a 23 percent reduction over a year's instrument and electricity engineering costs at Berre, the site that first set the ball rolling in the search for a new way of sharing best practice.

It is based on a method of awarding contracts on a 'schedule of norms' basis, in which jobs such as welding pipework or erecting scaffolding each have a standard price based on so many Euros per hour.

"We'd been using the concept to set and agree standard prices with contractors for hundreds of engineering activities, but when you are a lone Shell site in the south of France it is very difficult to know how your 'norms' compare with those in other countries or regions," explains Alain Devouassoud, Contracts and Procurement manager at Berre.

It was during a quarterly review meeting with Alain's counterparts at Stanlow and Pernis that the idea was born of comparing these standard prices across all three sites. The result was a convincing win for Pernis, which showed a lower costs for engineering norms virtually across the board.

Now a computer-based tool called Cleopatra provides constant acces to the lowest scheduled norms.

"Shell Chemicals benefits from the fact that Cleopatra enables us to compare efficiencies between many plants, while contractors like it for the fact that by accepting our standard price they are more likely to get a continuing worklood from us, " says Alain.

"It also means we can price construction jobs accuratley from the outset, and that contractors can start work as soon as the drawings become available for each stage in a project."

Now there are plans to extend Cleopatra's database of standard costs across other sites, and possibly to use its cost-saving powers on maintenance as well as construction.

Berre's Jean Marie Laranne and Jean Louis Wery built a set of norms to enable precise benchmaking of maintenance and project costs.