

Case Study

DataSplice CLEAR: Collecting and Reconciling Contractor Labor and Equipment Costs for Outages and Turn-arounds



At a glance ...

Customer

Coffeyville Resources LLC, a refinery in Coffeyville, Kansas, processing around 112,000 barrels per day.

Challenge

Several times a year Coffeyville shut down its plant for inspection, construction, and maintenance. During such outages, a large force of contractors arrived on the scene to perform the required tasks. In the past, this

outage work significantly increased administrative overhead dealing with contractor labor and equipment usage. Increased paperwork required additional temporary staff to capture and reconcile information for accurate cost accounting and management of daily contractor performance. Coffeyville needed a way to eliminate the paperwork, provide accurate and timely project performance data to managers, and reduce outage management costs.

Solution

DataSplice **Contractor Labor and Equipment Accounting Reconciliation Software (CLEAR)** allowed Coffeyville to easily and accurately collect, manage, reconcile, and monitor labor and equipment costs associated with their large temporary workforce of contractors and subcontractors. And they accomplished this without additional staff.

Benefits

- Reduced total project costs by almost \$50,000 – costs associated with temporary accounting staff, their offices and training, and extra software licensing.
- Allowed for quick collection and reconciliation of contractor input that significantly reduced the accounting department's efforts and costs.
- Integrated accurate cost data with the maintenance management and financial systems for improved project and contractor management
- Ensured that contractors were paid the right amount – on time.

A Problem with Costs, Data and Time

During major scheduled outages, Coffeyville Refinery brings contractors onsite to perform maintenance, construction, and inspection tasks. To handle the accounting duties associated with the outage project, Coffeyville was forced to hire additional temporary accounting staff to help input the labor, equipment, and per diem information.

Accounting then spent considerable time reconciling the input from the contractors with the original purchase order (PO) that defined allowable time and costs. Every contractor's input had to be checked against the approved personnel, equipment usage, and per diem rates. Any discrepancy had to be resolved so that both accounting and the contractor would know

exactly where they were in the project, and what the true accumulated project costs were.

The cost of training additional accounting staff, providing them with office space and software, and paying their salaries for the outage period, was very expensive. On top of this, the accounting staff found it difficult to complete the review and reconciliation tasks necessary to pay the contractors the correct amounts against their original POs.

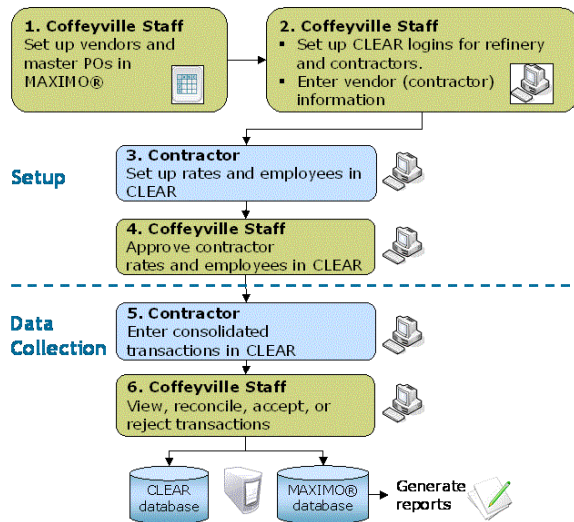
The pressure to generate accurate daily reports on project costs and schedules – reports crucial to the engineering department for managing the project – was problematic. Something had to be done!

A Collaborative Solution

Coffeyville worked with DataSplice Mobile Computing to design and implement the CLEAR product expressly to solve this problem. After a joint analysis of the current process, DataSplice created a software solution that provided electronic entry of labor, equipment, and per diem costs, and automatic reconciliation of the collected information against the originally issued PO.

All data could then be imported into the refinery's existing Computer Maintenance System (CMMS) – in this case, MAXIMO® Software, from MRO Software Company.

Today, both the refinery and its contractors use CLEAR in a collaborative process.



Setup

1. First, Coffeyville enters information about the contractor's Master PO into the maintenance management system. All other entries in the CLEAR system are keyed to these data values.
2. Using the CLEAR client, Coffeyville staff sets up logins for refinery staff and contractors who will be using CLEAR. The staff then enters basic contractor (vendor) information.
3. The contractor supervisors log into their own CLEAR clients and add information about their employees, along with labor, equipment, material and per diem rates.
4. This information is then electronically verified and approved by Coffeyville.

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Data Collection

5. Once the setup is complete (a one-time effort), data collection begins. The contractor supervisor provides consolidated transaction data in one of two ways:
 - Logs into his own time-keeping system and extracts data to be uploaded to CLEAR.
 - Logs into CLEAR and directly inputs the day's labor and equipment transactions.
6. Once the contractor completes the upload to CLEAR, the Coffeyville staff can: a) view the information in CLEAR; b) reconcile it automatically against the original PO; c) verify, accept, or reject the discrepancies; d) and upload the accepted information to their CMMS for purchasing or project reporting.

Benefits

Now that CLEAR is installed at the Coffeyville Refinery and used during actual outage projects, the following benefits have been realized:

- **All data is now captured in electronic format.** In the past, all information was handled manually, with spreadsheets and many manual entries into MAXIMO®. The new electronic process makes all information easier to access and share:
 - Quick collection of labor and equipment data.
 - Greatly reduced effort to reconcile discrepancies.
 - Integrates directly with MAXIMO® Software and other maintenance management software.
- **The system allows daily turnaround of cost data.** This gives a more accurate picture of project status and the contractor's progress relative to project costs and completion expectations. As a result, engineering can better monitor the project and work with the contractors on problems.
- **CLEAR eliminates the temporary accounting staff.** This means no extra software licenses, training, computers, or office space for the additional temporary accounting staff, saving a total of \$50,000!
- **Coffeyville accounting department now has an efficient process.** This helps eliminate errors, over and under payments, and conflict with the contractors.

CLEAR doesn't eliminate the work, but it does provide more auditable cost control, less stressful project management, and accurate, on-time contractor payments.