

# Industrial Manufacturing Case Study

MULTIPLE LOCATIONS, Nationwide

## VALUE DELIVERED

- Developed a contractor consolidation strategy, taking over 20 contractors on one site down to only one.
- Reduced project costs of 30% on one site by changing contractor execution strategy from firm fixed price to T&M
- Onsite safety specialist increased safety rates and built a stronger safety culture at the plants
- Increased efficiency of workforce by moving skilled craftsman from plant to plant as needed
- Developed uniform shutdown schedule across all plants
- Incorporated PPM's "Path to Craft" certification program for untrained workers who were hired to provide auxiliary services



## CLIENT OBJECTIVES

A large international manufacturer had numerous plants within various regions of the United States. Each plant operated independently with varied strategies to accomplish plant maintenance. Most plants used numerous local contractors (between 10-20 at each site) assuming the response time and local work force would save them money. With numerous safety issues and consistently high costs, they were looking for a different solution.

## SCOPE OF WORK

PPM provided the following services to multiple plants across the U.S.:

- Mechanical construction support and maintenance
- Electrical construction support and maintenance
- Landscaping services
- Janitorial services
- Outage support
- Capital project construction planning and support

MANUFACTURING/INDUSTRIAL

MANUFACTURING

# CASE STUDY

### OPERATING COMPANY

PPM

### CLIENT

International Industrial Manufacturer

# EMCOR

**morppm.com**  
**843-378-4700**

 **PPM**  
An EMCOR Company

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## SOLUTIONS

PPM provided the true value to the client by developing a comprehensive contractor consolidation strategy.

**Costs and Efficiency Savings:** Previously, each plant would develop bid packages for individual projects, taking a lot of time to develop bid documents, holding prebids, walking projects and reviewing quotations. They also would have 3 bidders on each project to ensure they were receiving the best pricing, but would find that there was a wide range of pricing, depending on the contractor's work load. Additionally, the plants were also indirectly paying for a lot of overhead by utilizing so many contractors. In addition to the reduced overhead cost, by consolidating site contractors, the volume of work results in lower time and material rates. Additionally, by changing the contractor execution strategy from firm price to time and materials, this resulted in lower pricing for each plant. One of the plants experienced a 30% project savings simply by changing from a firm fixed price contract (with its built-in higher profits and contingencies to a time and materials contract.)

**Safety Solutions:** Contractor safety was of paramount importance and varied greatly between contractors and from plant-to-plant. Most contractors were locally-based and smaller and just didn't have the resources to manage safety as required.

By consolidating the contractors PPM was able to place a Safety Specialist onsite. Not only did the Specialist observe work, conduct safety meetings, inspect equipment and tooling, and conduct safety training and certification but the plant now had one contact for all questions and concerns. The plants also benefited from PPM's exceptional safety track record by paying less for insurance coverage.

**Workforce Efficiency:** Most of the contractors weren't able to ramp up for shutdowns and when they occurred, other projects would suffer.

By consolidating a region, the plants were able to get the most out of the resources. PPM was able to move craft employees from plant to plant and worked with all the plants on a unified shutdown schedule. PPM also consolidated more auxiliary services such as scaffolding, janitorial and landscaping to be able to hire untrained workers and provide a path to craft certification through our training programs.

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