PerspECCtive

Theme:
The Next 50 Years: Capturing Transformational Possibilities

Reducing Total Installed Cost on Future Megaprojects

Capturing lessons learned from the recent wave of megaprojects on the US Gulf Coast

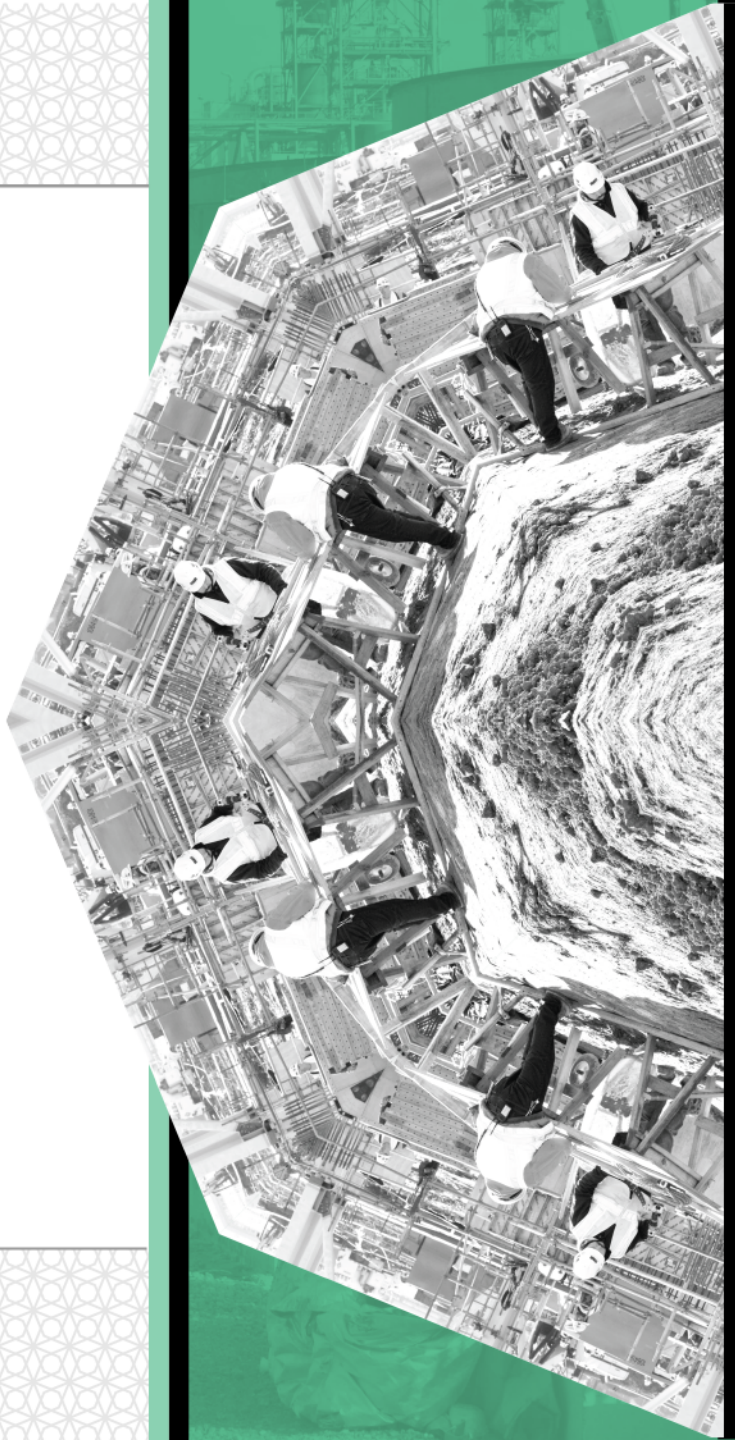
CHAMPIONING PROGRESS IN CAPITAL PROJECTS FOR 50 YEARS
50 YEARS
ECC 1968-2018

Year:
2018

Date:
Sept. 5-8

Location:
JW Marriott Hill Country
San Antonio, TX

ECC



Introducing our speakers

Moderator

Westney Consulting Group

Kurt Schoeffler

Engagement Manager
& ECC Future Leader

Panelists

Chevron Phillips Chemical Company LP

Steve Wardle

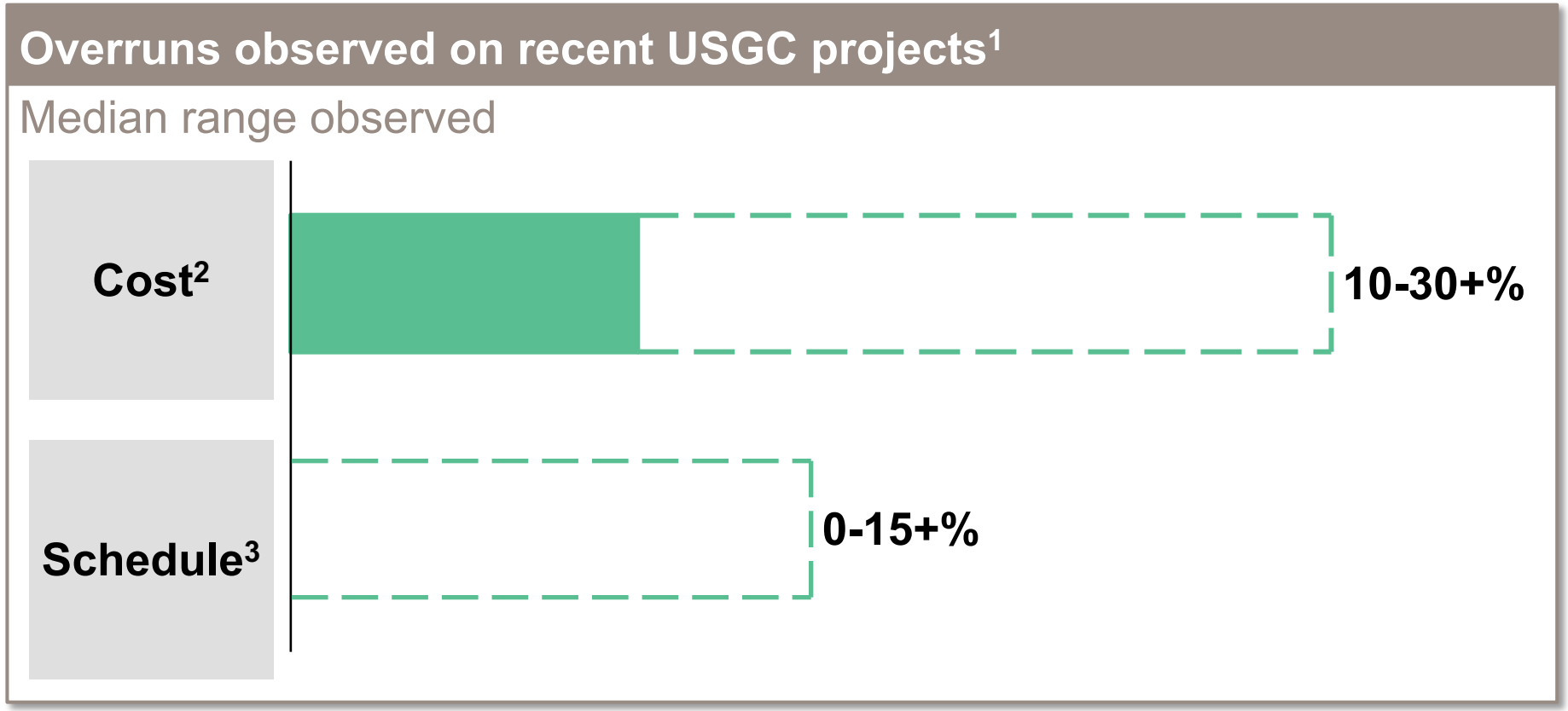
Executive
Project Director

ZACHRY

Matt Key

Vice President of
Construction Operations

Recent US Gulf Coast megaprojects have failed to meet cost and schedule objectives



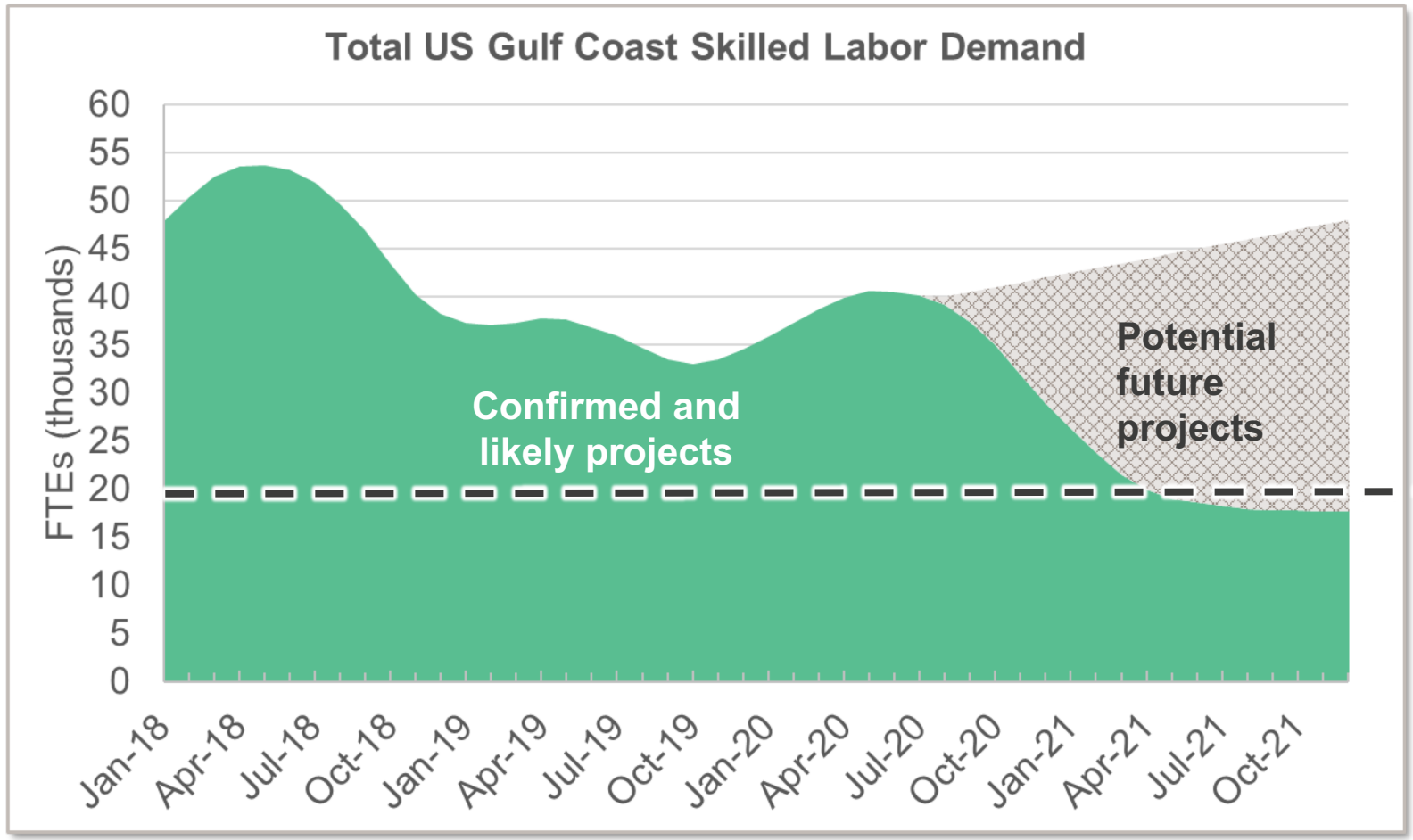
Source: Westney Consulting Group

[1] 20 USGC petrochemical projects >$250 million in capex. Results hold for projects >$1 billion in the dataset.

[2] Percent increase over budget at sanction.

[3] Percent increase over original duration for EPC phase.

Current projections show that elevated levels of major project activity are likely to continue



Historical level of skilled labor available for major capital projects on the US Gulf Coast

Source: Westney Consulting Group, Construction Insider® database

Which areas provide the greatest opportunity for reducing Total Installed Cost (TIC)?

1. Contracting Strategy
2. Project Culture
3. Design & Layout
4. Modularization
5. Craft Productivity

1 Contracting Strategy

Key considerations

- Understanding how risk is being appropriated and why
- Most contract types can work

2 Project Culture

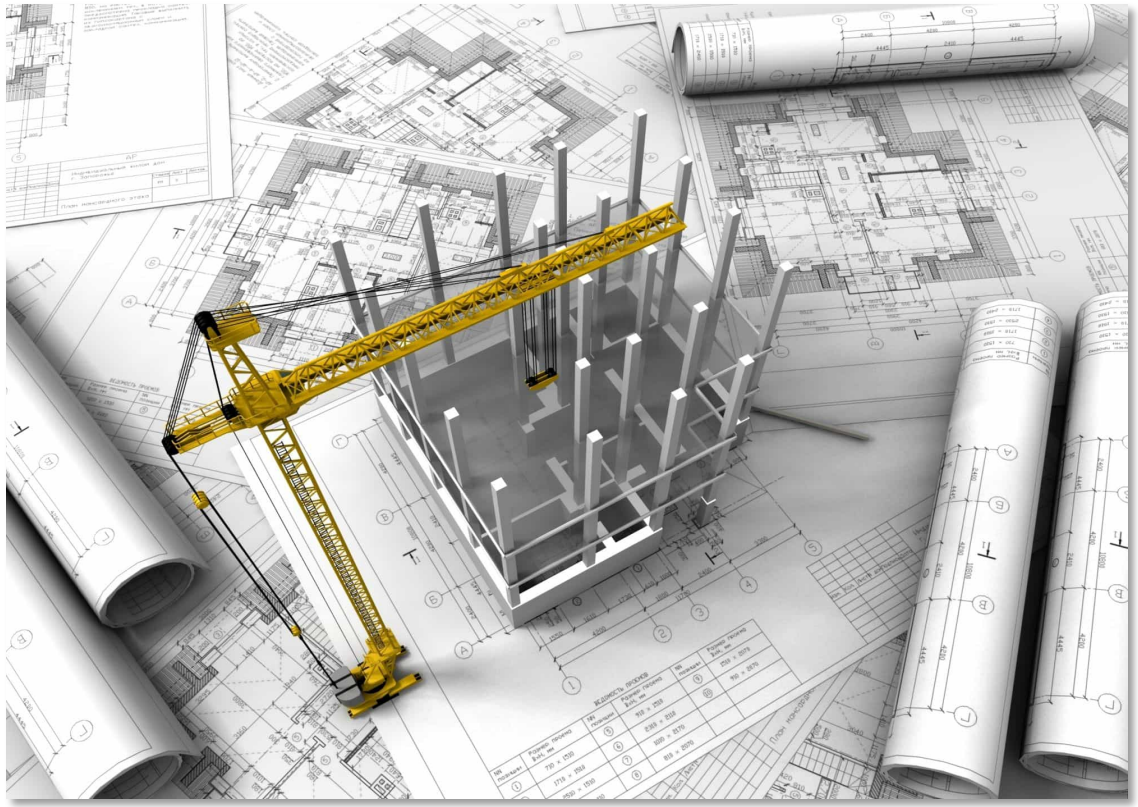
Key considerations

- Transparency and trust
- Win-win approach – is it real?
- Importance of “one team”

3 Design & Layout

Key considerations

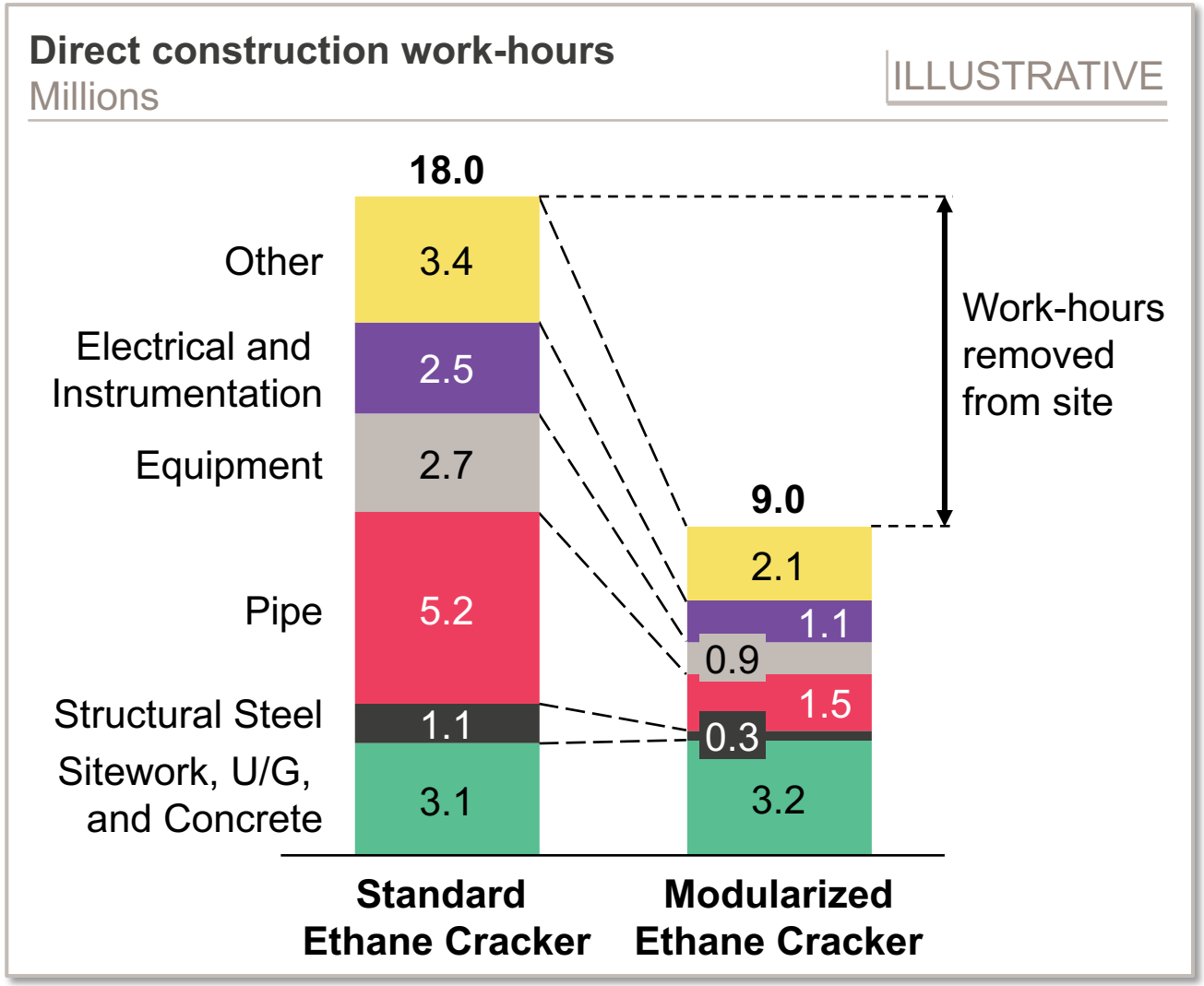
- Owners pursuing “capital efficiency”
- Plant arrangement / layout
- Constructability
- Owner specifications / requirements



4 Modularization

Key considerations

- Levels and drivers of modularization
- Yard location and availability
- Risks and trade-offs
- Cost vs. stick built



5 Craft Productivity

Key considerations

- Construction-driven planning
- Developing competency of front-line leadership
- Strong completion practices and tools
- Logistics
- Engineering delivery

Q & A

Thank You