

Purchasing —



Heroes Behind The Scenes

Mustang's Purchasing Department works behind the scenes performing miracles on a daily basis. Projects involve a wide range of challenges, including remote locations, fast track requirements, foreign language skills, heavy lifts of giant equipment, continual expediting, logistical nightmares and unusual requests. This group has experienced them all and can share a multitude of examples. This skilled group led by 17-year Mustanger Ted Kelly, procures more than \$400 million worth of equipment annually and makes sure it arrives at its intended location without incident.

Remote Locations

Not all purchasing efforts are fast-track, but many require ingenuity or have unique aspects. Remote locations can present some unexpected challenges with language, customs and minimal infrastructure. At a refinery revamp project in Eastern Europe, for instance, Mustang was required to send a traffic specialist to the country to survey the route and road conditions for moving heavy equipment to the refinery site. In order to get the job done right, the

specialist walked several miles of rural farm roads near the site to assess the conditions. He then had to negotiate with a local farmer, mostly through an impromptu form of sign language, to allow the removal of a section of his fence so that the heavy equipment hauler could negotiate a particularly tight turn on the narrow route.

Projects in remote areas can lead to strange requests, since needed items are often not available locally. Take, for example, an international project on a remote West African island whose procurement list included bicycles, grass seed and sundry items not normally expected in the construction of a process plant.

Heavy Lifts

Heavy lifts and large items particularly test the group's skills in facilitating logistics for loadout, transport, transfer and lift at the site, whether by air, water or land. Such was the case for transporting an entire 95-ton pump station by air to the Middle East. Mustang engaged the world's largest air cargo transport plane, the giant Antonov 124 (pictured above), to transport the load.



On a Gulf Coast project, the team had to secure Department of Energy and Department of Transportation approvals to ship three 130-foot by 18-foot diameter gas scrubber towers by barge from two shoreline fabrication locations to an onshore site. Each of the towers weighed in at 155 tons and was



set on its respective foundation with no incidents.

Land shipments can require unconventional logistics also. A recent

shipment of a mammoth tank from a Houston fabricator to a Northern California refinery (almost 1,700 miles) required a two-truck tandem with a total of 74 wheels to move the 330,000 lb. cargo with dimensions of 19+ feet high, 20 feet wide and 144 feet long. The trip took more than two weeks with a top cruising speed of 15 miles/hour and with travel often restricted to late at night on many of the rural roads along the way.



Business As Usual



Fast Track Turnarounds

In any deliberate plant shutdown, clients have planned extensively, establishing precise schedules to assure the shortest possible production downtime. Any small delay or deviation from plans can cost millions of dollars in lost revenues or missed opportunities. In these situations, experienced purchasing and expediting personnel can, and do, make a huge difference.

One such opportunity for Mustang came as the result of a recent call from a valued client whose refinery turnaround, scheduled in just ten days, was in jeopardy due to a supplier's inability to deliver more than \$200,000 in critical piping materials. The Mustangers accepted the challenge and were presented a four-page list of critical items needed for the turnaround. The team sprang into action, sourcing and costing the materials while cutting purchase



orders and investigating suitable freight alternatives to get the piping delivered to the remotely located plant.

The solid relationship forged between Mustang's purchasing group and its valued vendors played a significant role in its reliability to deliver as promised. On this project, Mustang relied on a project-proven supply company and had them marshal the required materials at their warehouse while Mustang made arrangements for two high-alloy specialty items to be fabricated elsewhere.

Coordination and expediting were key and were closely monitored by Mustang's logistical experts to assure that delivery schedules would be met. Again, a trusted vendor with expertise in air freight of large industrial items, was added to the team. Within five days, all the materials had been delivered to the supply house,

assembled, packaged for shipment and air freighted to the customer's plant. As a result of Mustang's efforts, the plant turnaround was completed on time and without a hitch.

Adding Value

While beginning a Caribbean project, Mustang learned that the client had surplus material from an earlier major renovation and facility turnaround. Mustang proposed the re-use of as much of this material as possible. They went to the site, took inventory and entered the data into a material control system, which Mustang had set up at the job site. As the project progressed, the surplus diminished and, upon project completion, the client determined that by eliminating material repurchase and shipping costs, Mustang's purchasing team had saved them close to \$2,000,000!!!

While many of the projects requiring the efforts of Mustang's purchasing team appear to be unusual, the team members themselves consider these challenges to be just "business as usual". To them, it is all part of the effort of super-motivated people that makes heroes of customers, vendors and Mustangers.

