

Elektrarny Opatovice, a.s (EOP)



Elektrarny Opatovice (EOP) in the Czech Republic is involved in the generation and supply of electric energy and heat and is a subsidiary of International Power, a global power generation company with interests in 28 power stations in 12 countries.

ANALYSIS

A comprehensive 3 week analysis of EOP by Renoir Consulting Limited identified considerable opportunities by improving the utilisation of maintenance sub-contractors. The findings included:

- Little or no active supervision of maintenance jobs resulted in excess levels of maintenance sub- contractors.
- Poor communication between sub-contracting companies.
- Standard times not current.
- Maximo system does not have the capability to review plan vs. actual duration of shutdown maintenance.
- Perception that the shutdown sub-contractors did not need to be actively managed because of the flat rate contract.established.

A Project proposal was agreed to address these issues, resulting in an improvement of 10%-15% of the utilisation of maintenance sub contractors or £150,000-£300,000 for hourly workers and £150,000-£300,000 for fixed price contracts.

PROJECT APPROACH

Two Management Action Teams (MAT's) were formed. The Regular Maintenance MAT's objective was to reduce costs by improving the utilization of sub-contractors. During the Assessment, Renoir had found that almost 40% of the activity of the sub-contractors was non value adding (NVA). Renoir took the MAT through the same process and a base of 35% NVA was established. The target was set at 15% and by monitoring, recording and acting upon the activity of the sub-contractors, the level of NVA dropped to less than 10% by the end of the Project, halving hourly maintenance costs.

The Shutdown MAT had an objective to reduce costs by 10%-15% of its fixed rate contracts. As with the hourly rate sub- contractors, Renoir had identified significant NVA during the Assessment – 42%. Along with the MAT, the observations and sampling were repeated and a target of 22% was set. The MAT, supported by Renoir, then held meetings with the top 15 contracting firms, (in terms of spend) and openly discussed the findings, root causes and actions required to reduce the NVA.

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IMPLEMENTATION/NEXT STEPS

There are further activities which need to be performed to ensure sustainable benefits.

MAT Fixed Rate

Once the work packages have been defined and the cost of carrying out the jobs has been calculated, EOP will be in a position to meet with the sub-contractors and offer complete work packages.

MAT Hourly Rate

The next steps for the hourly paid maintenance jobs are to fully install the short interval control database. Senior management must continue to review the weekly key performance indicator report, taking action as appropriate. It is important for them to enforce compliance from the maintenance supervisor so that they are completing short interval control for all jobs.

THE RENOIR GROUP

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