



CASE STUDY



Jazan Refinery Project



ABOUT THE CLIENT

Industry	Oil and Gas
Revenues	\$200+ billion
Employees	80,000
Location	Middle East
BSI Service or Solution	Cost and Price Intelligence

Key Challenges

- Client had designed an entire plant around a single key supplier such that the procurement situation had become non-competitive
- Market information, especially pricing, was missing from the procurement process
- A strategy was needed to inject price sensitivity and pressure into the remaining contracting process

Why BSI was Selected

- Cost estimation expertise
- Deep technical knowledge of refineries and processing routes
- Cost engineering expertise
- Proven supply chain cost reduction capability

Project Scope

- 23 IGCC (Integrated Gasification Combined Cycle) plants
- Construction, operating, and maintenance costs
- Adaptation and customization of gas turbines

Project Approach

- Conducted primary research
- Toured plants and facilities
- Built cost structures from ground up and compared to actual bids, bottom-up, top-down and laterally
- Developed high-impact negotiating points

Financial Benefits Realized

- Significant cost savings, even after management had lost hope of regaining negotiating leverage

Operational Benefits Realized

- Helped establish the operating mission as part of the procurement process, thereby deciding future maintenance issues and related OEM relationship issues
- Benchmarked procurement philosophies, priorities, and processes, leading to greater comfort in major decisions