



CIMIC Group, Australia

Key Facts

Company: CIMIC Group (formerly Leighton Contractors)

Website: www.cimic.com.au

Industry: Oil & Gas

Country: Australia

Products Used:

- Intergraph Smart® Materials

Key Benefits:

- Share materials information between contractors and sites
- Reduce delays in project schedule
- Minimize wastage and over-issuing of materials
- Accurate forecasting and scheduling functionality

CIMIC Group Uses Intergraph Smart® Materials to Assist in Securing New Deal on LNG Mega Project

Effective materials management solution helps secure further work

CIMIC Group (formerly Leighton Contractors) is a construction company with operations spanning Australia, Asia, New Zealand and Papua New Guinea. The company has about 24,600 employees, delivering and supporting about 160 projects.

CIMIC Group delivers projects across the construction spectrum, from project management to build, own and operate. It delivers infrastructure projects including roads, railways, tunnels, airports, buildings, social infrastructure, water, energy and resources. This includes Public Private Partnerships, which involves partnering with governments and other companies to deliver important assets such as motorways, hospitals and schools.

Identifying Goals

CIMIC Group is a leading construction company with 200+ project sites across Australia and New Zealand. Within the oil & gas industry, CIMIC Group has particular expertise in the areas of civil construction of process plants and infrastructure; gas capture and processing; transmission and distribution plants and infrastructure; and liquefied natural gas (LNG) plants and infrastructure.

In 2012, CIMIC Group was awarded two major multimillion-dollar contracts to build key gas and water infrastructure as part of the first phase of the Australia Pacific LNG Gathering Project, a coal seam gas (CSG) to LNG project that includes the development of substantial coal seam gas resources in the Surat and Bowen Basins; a 530-kilometer transmission pipeline; and a multi-train facility on Curtis Island. The contracts involved the construction of gathering systems that collect the water and gas produced from individual wells for processing, and the construction of water treatment facilities.

Overcoming Challenges

This project required more than 1,200km of high-density polyethylene welded pipeline, 1,700km of fibre optic and power cabling and well-head equipment to be managed across six construction sites, with three sub-contractors involved in the construction.

Adding to the complexity, the client required CIMIC Group to manage all materials – a somewhat unusual scenario. Typically, a client buys and manages most of the materials for a project (known as free issue materials), while the remainder is purchased and managed by the contractor (known as contractor-supplied materials). CIMIC Group had never managed materials on behalf of a third-party before – let alone on a project of this size and complexity.

Realizing Results

The CIMIC Group project team evaluated four materials management software packages before selecting Intergraph Smart® Materials, a solution tailored to the unique processes of the oil & gas industry. The solution came highly recommended by Ken Bishop, CIMIC Group's delivery support manager for this project.

"I had already used Hexagon software on other projects, so I had no hesitation about recommending Smart Materials for the task of receiving, issuing, transferring and forecasting all free issue materials and contractor-supplied materials," Bishop said.

"I expected the solution to drive procurement efficiency with lower risks and costs through accurate and effective materials management – and I wasn't disappointed."

Bishop had particular praise for Smart Materials' reporting functionality.

"The centralized, real-time reporting allowed us to share complete and consistent data across all sub-contractors and sites," Bishop said. "Material usage forecasting also helped to avoid delays in the schedule by pinpointing exactly where materials were required."

"The sophisticated reporting features also allowed us to minimize wastage due to over-issuing."

The solution not only helped to drive efficiency during the construction phase of the contract – Bishop said he believes it was instrumental in helping to win new work for CIMIC Group.

"Smart Materials enabled us to support the client in managing their material with the accuracy and thoroughness they expect," said Bishop. "It was also a key factor in the client awarding us a second contract after handover – to look after materials in the yard on behalf of another contractor."

Following this success, CIMIC Group deployed four Smart Material licences to the Northern Territory, where the company is delivering the Main Civil Works on the Ichthys Project Onshore LNG Facilities.

Moving Forward

Bishop said that CIMIC Group hopes to further streamline its processes by interfacing Smart Materials with the company's financial system. Further down the track, a move to Hexagon's PPM division's plant information management system, SmartPlant® Foundation, is also under consideration.



Leighton's Ken Bishop has high praise for Smart Materials

About Hexagon

Hexagon is a global leader in sensor, software and autonomous solutions. We are putting data to work to boost efficiency, productivity, and quality across industrial, manufacturing, infrastructure, safety, and mobility applications.

Hexagon's PPM division empowers its clients to transform unstructured information into a smart digital asset to visualize, build and manage structures and facilities of all complexities, ensuring safe and efficient operation throughout the entire lifecycle.

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 21,000 employees in 50 countries and net sales of approximately 3.8bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us @HexagonAB.