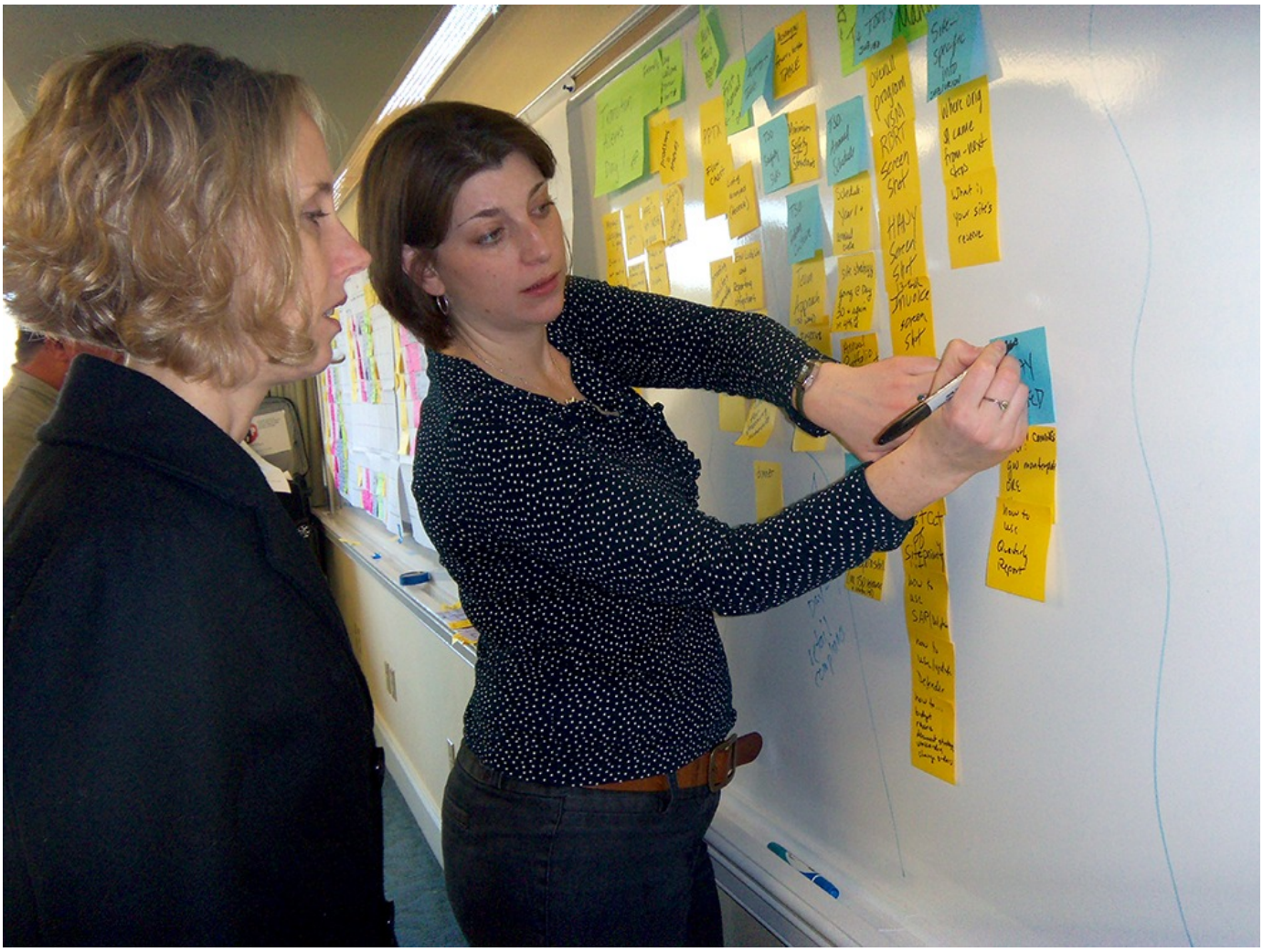

Project

Corrective Action Plan created in record time saves millions after one of the largest oil spills in US history

75%	**$116,000**	**Millions**
time saved creating a CAP	saved in immediate project costs	saved in regulatory liabilities

Summary

- After a leak of more than 20,000 barrels of crude oil, our client faced millions in fines and cleanup costs.
- We created a Corrective Action Plan that satisfied stakeholders and regulatory agencies.
- We completed the plan in two months (which would normally take nine months) while reducing the likelihood of litigation.

HALEY ALDRICH

Client challenge

An environmental event caused more than 20,000 barrels of crude oil to leak from a pipeline owned and operated by a confidential client. The leak impacted 18 acres of a nearby farm and attracted heightened media and regulatory attention. The operator also faced the possibility of millions of dollars in fines atop an already costly cleanup and potential public relations nightmare. Given the incredible urgency to address the leak, the operator asked Haley & Aldrich, a long-time trusted advisor, to apply Lean thinking to help create a Corrective Action Plan (CAP) that would satisfy the landowner, state and federal regulatory agencies, the community, and the media. Additionally, our client asked us to accomplish this in approximately one quarter of the time normally allotted to engineering and environmental consulting firms to complete such a task.

Our approach

Haley & Aldrich brought together a multidisciplinary team of remediation experts and groundwater modelers for an intensive two-day planning session. Using Lean management principles and “pull-planning” techniques, we worked backwards from the CAP deadline to deliver the desired outcomes for the project’s ultimate stakeholders — the landowner and regulatory agencies — and identified the key steps and deadlines required for submission.

Once the CAP framework was established, the multidisciplinary team conducted remediation feasibility assessments and developed associated costs while also involving agricultural soil scientists from a nearby university, the area’s most trusted agricultural extension experts, to support evaluation of the remedy effectiveness. Within just two months, the completed CAP report was ready for review, a task that normally takes up to nine months to prepare. By meeting the accelerated deadline, we supported the operator’s expedited cleanup efforts, satisfied and improved the relationships with key stakeholders, prevented lawsuits, and substantially reduced the potential of regulatory fines for our client.

Value delivered

- Developed a CAP in 25% of typical time needed, which has withstood stakeholder scrutiny throughout the project’s multi-year lifespan.
- Saved the client more than $116,000 in immediate project costs (plus, much more through avoided rework and setbacks) and set the stage to reduce potential multi-million-dollar regulatory liabilities to less than $300,000.
- Set example of an effective and rapid remediation approach for similar situations in other oil-producing states
- Reduced the likelihood of potential litigation with immediate response and accelerated action that satisfied the landowner, the operator’s management, the regulatory agencies, and the media

For more information, contact:

HALEY ALDRICH



Sue Boyle

Principal Consultant, Lean Master Black Belt



Bethany Brooks

Senior Project Manager, Manufacturing