



MINUTES OF
MULTI-PROJECTS CONSTRUCTION CONTRACT MEETING

October 12, 1971

Representatives from all Celanese Texas located plants were present. The pros and cons of committing major construction work in Texas to a single contractor were fully discussed and the following recommendations were made:

Recommendation No. 1: Celanese operating companies in Texas jointly negotiate an exclusive contract for major projects construction.

Recommendation No. 2: The Construction Services Section (CSS) be recognized as the Celanese coordinator of personnel supplied from a multi-projects construction contractor.

Discussion at the meeting covered the following points:

1. Brown and Root was recognized as having been the unofficial multi-projects construction contractor in the past, and improved work efficiencies would result if B&R was the official multi-projects contractor in the future provided Celanese work was more centrally coordinated.
2. Use of proven B&R crews supplied through a multi-projects contract could easily result in savings estimated at 10% of labor cost because of improvement in:
 - a. Labor efficiency
 - b. Utilization of support equipment and tools
 - c. Work methods
 - d. Manhour prediction and planning
 - e. Care of equipment and tools
3. A multi-projects construction contractor would provide leverage on work performed by maintenance contractors and would be very beneficial in performing small jobs at places like CCTC.
4. Negotiation of multi-projects contract should result in a low fee of about 6% of labor cost and, hopefully, should result in lowering the labor differential that exists between Bishop and Houston.

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5. Celanese would have the opportunity of adjusting the timing of capital work to realize savings from optimizing use of proven contractor as well as Celanese personnel.

Mr. Homer C. Wilson will transmit these minutes to your Plant Managers and to Mr. Charlesworth with his recommendation for appropriate action.



G. M. Perkins

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