CIC Group 2002 Budget Challenge - $ 1 Million Opportunities

	Budget Area	Full Year 2002 Bud.	Half Year 2002 Bud.	Scope	Unit	Rate		$ 1,000 New Scope	% Redction	Half Year New 02 2H
4DF	CIC Supervisor	$ 1,948	$ 974							$ 974
4DG	Chemical Ops - Process	$ 2,591	$ 1,296							$ 1,296
4DH	Chemical Ops - Corrosion	$ 25,392	$ 12,696	1.5	MM Gals	8.46	$/gal	1.38	7.9%	$ 11,696
4DI	Field Pigging Operations	$ 1,259	$ 630							$ 630
4DJ	Inspection	$ 7,285	$ 3,643	35000	Items	104	$/Item	25,391	27%	$ 2,643
4DK	External Corrosion	$ 5,000	$ 2,500	17500	Items	143	$/item	10,500	40%	$ 1,500
4DY	N/S Svcs - Anc Tech Labor	$ 1,078	$ 539							$ 539
	Subtotal CIC Group	**$ 44,553**	**$ 22,277**							**$ 19,277**

Notes

4DF Largely BP labour and therefore difficult to impact in the short term

4DG Process chemicals such as EB which is impoacting to production if altered

4DI Major BP labour component

4DI Smart pigging program for which work is complete or commitments made to service supplier

4DY Largely BP labour and therefore difficult to impact in the short term

4DH Difficult to assess but based on history a 10% reduction in inhibition levels would result in a 30% increase in corrosion rate

4DJ Obvious impacts wrt ORT and PACE

4DK Partner perception since this is the very issue they were concerned about

Note: The commitments made in the 2001 Corrosion Report to ADEC for 2002 were based on the $44.5 million budget clearly this would be a concern to the agency if the program was substantially lower than forecast.