

## CASE STUDY MULTI-TRADE UNION AGREEMENT HELPS SHELL SCOTFORD UPGRADER ACE 2010 MAINTENANCE SHUTDOWN



Shell Canada Energy's Scotford Upgrader has been one of the key industrial facilities in Canada's booming oil sands since its completion in 2003. In 2010, when Shell conducted the Upgrader's second major maintenance shutdown (the first was in 2006)—known in the industry as a turnaround—the project was one of the largest of its kind the global company had ever undertaken. Contractors working under a multi-trade agreement negotiated with the GPMC/NMC, Canada's leader in unionized maintenance, and approximately 2,500 skilled, qualified, professional tradespeople worked over 1.5 million hours and completed more than 60,000 maintenance activities in just over two months.

"Shell recognized and appreciated the foresight and leadership provided by the local Building Trades Unions and the General Presidents' Maintenance Committee by stepping up years in advance to support the initiative," says Terry Burton, Shell's then Manager of Construction Labour Resources for the turnaround project.

To successfully complete the turnaround, planners needed to address four key challenges: labour supply, flexible work arrangements, effective labour relations and safety.

Planning for the turnaround began three years in advance when Shell management alerted the local Building Trades Unions and the GPMC to the magnitude of the upcoming project and the importance to Shell and the economy of completing it on time.

"We needed a massive number of skilled, qualified, professional craft workers for the turnaround," explains Alain Brosseau, who was Shell's Turnaround Manager for the project, "and that required a lot of contingency planning and coordination with the GPMC and the local Building Trades Unions."

The Scotford Upgrader is located near Fort Saskatchewan, about 50 kilometres north of Edmonton, Alberta. The plant processes oil-sands bitumen, turning it into light crude ready for refining. In 2010 it had the capacity to produce 155,000 barrels of synthetic crude every day. At the time of the turnaround there were about 8,000 workers already on the Scotford site constructing the 100,000-barrel-a-day Scotford Upgrader Expansion, which came online in mid-2011.

While Shell did not want to jeopardize the construction project, Brosseau says, its priority was the turnaround—a bread-and-butter process devoted to performing essential maintenance and returning the process facility to optimal operating condition, not unlike performing a major maintenance service on a vehicle to keep it in prime condition. To ensure availability of enough skilled, qualified, professional craft workers, Shell turned to the GPMC and local Building Trades Unions to develop a protocol that would allow it to transfer construction craft workers from the expansion project to the turnaround if necessary.

The protocol was primarily negotiated through the GPMC, which had the trust of its alliance partners and 60 years of experience in administering maintenance agreements. "The process worked very well," says Brosseau. "There were no surprises, we had the people we needed, and we had no delays due to lack of tradespeople."

The GPMC and local Building Trades Unions also played an important role in promoting flexible work arrangements on the site. Before the turnaround began in earnest, approximately 700 construction craft workers were brought in to do pre-turnaround preparations such as erecting scaffolding. Bringing these 700 workers on site, in addition to the 8,000 people working on the expansion, required a focused and carefully coordinated plan to manage the traffic flow, particularly during shift changes. "The traffic overloaded the main road to the highway and created bottlenecks at the lights in Fort Saskatchewan," says Brosseau. The situation would obviously be much worse when the full crew of maintenance workers arrived.

Shell proposed re-configuring the work day and break times so maintenance workers could leave the site 30 minutes before the much larger expansion construction crew. A survey determined that the majority of workers agreed and the changes were instituted. "The leadership of the local Building Trades and their unions supported this decision and helped us make it happen," Brosseau says. Even workers who were initially reluctant to support the new break times were happy with the results: by leaving the site early, most people were able to cut their commuting times by 45 minutes to an hour.

Supporting flexible work arrangements is only one of the ways that the GPMC and the local Building Trades Union leadership helped to foster smooth labour relations during the Scotford turnaround. The GPMC agreements incorporated a streamlined grievance process and included a clause ensuring that there would be no strikes or lockouts to disrupt the essential maintenance activities.

More importantly, the GPMC management was always available and responsive. "Whenever there were potential issues, the communication lines with the GPMC were open," Brosseau says. "We were able to connect right away and address issues proactively."

Safety is paramount for Shell. In Alberta, Brosseau points out, the accident rate on construction projects is approximately four injuries for every 200,000 hours of work. The Scotford turnaround achieved a rate of three injuries per million hours. "While our goal is always zero, that was outstanding in relation to the risks involved in the kind of work we were doing," he says.

The turnaround achieved its impressive safety record through careful planning. Eighteen months before the project began, contractors were asked to develop safety plans that identified specific tools and procedures needed to minimize the risk for each task. Once the turnaround was underway, foremen met regularly with their crews to review these safety protocols.

"The other factor that made a difference was good labour relations," Brosseau maintains. "Minor issues related to parking, traffic or meals can become pet peeves that distract from doing the work." Such distractions can set the stage for industrial accidents, he believes. With a full-time Shell person helping manage labour relations for the Scotford turnaround, Brosseau says, "the distractions were reduced and people focused on the work."

Terry Burton, the Shell person then responsible for labour relations, explains that in addition to daily safety meetings with the contractors' representatives, Shell also made sure that facilities such as lunchrooms and washrooms were ample and well managed, provided traffic control for parking lots, and supported union-sponsored charitable fundraising on site.

Burton also chaired weekly meetings with job stewards to address labour issues as they arose. "We took their concerns into account, sorted them out and made sure, through documented feedback/action logs, that people were aware of how these concerns and suggestions were being addressed," he says. "That worked very well: at the end of

the turnaround the majority of the stewards told me that we had the best and most effective labour relations of any turnaround they'd ever worked on.

"From my perspective everyone—Shell, the contractors, tradespeople, job stewards, the local Building Trades Unions and the GPMC—worked hard to make this turnaround a team effort, and I think we succeeded," Burton concludes.



## The GPMC/NMC

The General Presidents' Maintenance Committee/National Maintenance Council for Canada (GPMC/NMC) is an alliance of 13 international unions that negotiates and administers labour agreements designed to facilitate maintenance at industrial plants. Through the GPMC/NMC, employers can negotiate single contracts covering up to 13 building trade unions.

Now celebrating its 60<sup>th</sup> anniversary, the GPMC/NMC administers agreements in eight out of 10 Canadian provinces. These agreements account for over 28 million work hours, or 14,000 full-time jobs, each year.



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