

INCITEC PIVOT CASE STUDY

The Company

McMahon Services provide a range of diversified construction, engineering, environmental and contract maintenance services. With some 160 key staff, McMahon Services and has been operating in Australia for the past 10 years.

The Opportunity

Incitec Pivot supplies more than 50 % of Australia's agricultural plant nutrient needs, and due to its scale - underpins its position as a sustainable low-cost supplier. The company's five manufacturing plants are strategically located, and the import facilities and distribution networks stretching from far north Queensland to Tasmania and South Australia give it unequalled capacity to meet the market's needs.

In line with a culture based strongly on safety, Incitec Pivot decided to engage in the mechanical demolition to part of a Prill Tower based at their plant at Gibson Island. The plant manufactures ammonia, urea prill and granulated ammonia and is currently producing 800 plus tonnes of ammonia a day. The tower, decommissioned in the mid 1990s had lost its structural capacity due to internal corrosion, and, combined with a forecast of high winds and cyclonic conditions for the summer, posed a potential risk to the rest of the plant.

As a result, the overhead processing unit on top of the tower was scheduled for demolition. Nesting within the structure however, were a family of highly territorial peregrine falcons, adding to the complex nature of the project.



Given these unique issues and constraints, Ian Smith, the Procurement Director responsible for outsourcing the demolition, requested Industry Capability Network (ICN) to find local companies with the appropriate capability and capacity to meet the projects requirements. According to Ian "Whenever I have procurement requirements for projects, I know ICN can come up with the goods."

The Results

Ben Matthews, Chief Engineer and Industrial Projects Manager quickly identified a list of companies that were able to meet Incitec's needs technically and commercially. McMahon Services, a Queensland company that was nominated by ICN, provided a low cost solution and won the contract to demolish the Prill tower. McMahon worked with Incitec and sourced a local falcon handler to safely remove the falcons and their young, before engaging in the demolition. The total project was worth approximately \$1.2 million with McMahon being the principal contractors. According to Craig Ross, Project Manager at Incitec Pivot "McMahon Services provided value for money, expertise and were committed to our safety standards, results such as these reinforce that ICN's sourcing capability and knowledge is unbeatable".

As a result of the work carried out from this initial demolition, Incitec has re-employed McMahon Services for a number of new initiatives including refurbishment projects and major asbestos removal. Martin Armstrong, head project manager at McMahon Services says "ICN provided us with a clear avenue to bid on this project, and that's seen as an invaluable service to all Queensland manufacturers".



For more information or advice, please contact:

ICN Queensland
Phone: (07) 3364 0670
Email: info@icnqld.org.au