ALYESKA PIPELINE SERVICE COMPANY

Consolidated CAPA Drives Continuous Improvement

Increasing Operational Efficiency by Consolidating Management Actions and Commitments

AssurX

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One of the longest and most regulated oil pipelines in the world faced a significant challenge: a comprehensive internal audit discovered that Alyeska Pipeline Service Company (Alyeska) had more than 60 different methods of corrective actions. Officials at Alyeska knew that they needed to streamline their approach to monitoring safety issues, environmental surveillance maintenance and overall quality efforts to operate the safest and most efficient pipeline system possible.

"AssurX allowed us to implement our business processes without redefining them. This resulted in our ability to efficiently accomplish our business goals."

Regulatory Affairs Manager I Alyeska Pipeline

The Company

Alyeska Pipeline Service Company formed in 1970 to design, build, maintain and operate the Trans-Alaska Pipeline System (TAPS). Today, the pipeline is recognized as a landmark engineering feat and remains essential to Alaska's economy and central to the state's industry. Alyeska's "office" goes far beyond four walls and stretches across hundreds of miles of pipeline, mountain ranges and major rivers.

Alyeska is focused on safe and flawless operations and sustainability through continual quality improvement. The company has a proud history enriched by teamwork, innovation and a commitment to safety, reliability, and the integrity of TAPS. Alyeska operates with an innovative, positive mindset based on the concept, "as long as there's oil…we'll continue to move it."

The Challenge

TAPS must work closely with more than twenty primary regulatory bodies, including the Department of Transportation, Bureau of Land Management and the U.S. Coast Guard. In addition, they are accountable to their ownership consortium.

After an internal audit of their corrective action process, leadership knew they needed to improve quality practices to meet regulatory guidelines for identifying and correcting hazards to personal, environmental and ecological safety. They found that they were not meeting their high and medium priority commitments, and monthly delinquency rates ranged between 5% and 20%—an immediate threat to their commitments to regulators as well as their funding.

Alyeska wanted to clearly define formal quality processes and find an automated compliance management system to adapt to their process. After performing a thorough assessment, the Alyeska team identified four key shortfalls in their process:

1. Lack of an intuitive tool with standards for prioritization
2. Duplicative tracking databases due to the current system limitations
3. Extensive time and effort for reporting because of the difficult user interface
4. Lack of connectivity between processes was resulting in delinquencies and non-compliance

The AssurX platform has enabled Alyeska to eliminate delinquency rates of 5% to 20% by creating a workflow-driven corrective process that efficiently monitors and manages safety issues.

"In the course of managing the pipe-line, Alyeska is required to adhere to many regulations imposed by state and federal government. We anticipate that AssurX will help us to ensure that any notable conditions that are discovered are consistently acted upon in a timely manner and tracked to closure."

Chief Operating Officer | Alyeska Pipeline

Alyeska's overall commitment was to develop a **Management Actions and Commitments (MAC)** program that would provide assurance to regulators and the public that environmental, technical and safety-related commitments and corrective actions are being effectively managed.

The consortium's grant for the pipeline required "Adequate and appropriate means and procedures for the detection and prompt abatement of any actual or potential condition that is susceptible to abatements…which at any time may cause or threaten to cause a hazard to the safety of workers or to the public health or safety, or harm or damage to the environment."

To establish a proactive strategy, Alyeska used MAC as its corrective action process (CAP). The TAPS compliance model relies on formal business processes to monitor and ensure ongoing compliance and conformance.

Selecting AssurX

Alyeska required a flexible and automated system. They developed a rigorous qualitative selection matrix to help them find their solution. The software selection matrix focused on important criteria that included:

+ Risk based on vendor maturity/stability, product maturity/stability and other preliminary costs
+ Process compatibility with defined business requirements
+ User interface and intuitive nature of the product
+ Data compatibility with data fields identified in MAC process
+ Technical compatibility with Alyeska's IT infrastructure and operations

Alyeska first looked at developing a custom solution. But the high costs, extensive time for development and long-term support concerns led them to search for a proven Corrective and Preventive Action (CAPA) system that could meet or exceed TAPS' demanding requirements. AssurX delivered a working prototype via hosted Internet connection and Alyeska made the decision to go forward.

Implementation

With the AssurX platform identified as their choice, the Alyeska team—backed by AssurX support—put together a project team with key personnel from all supporting vendors.

Alyeska went through a formal functional design phase and detailed every aspect. Before anything was built, the functional design needed to be fully understood, Taking this best practices approach to a structured process implementation assured all stakeholders would approve design details before implementation.

Development was done on an off-site hosted server and a second system was set up at Alyeska for quality control. Handling testing this way saved a lot of time, Jessee emphasized. Because of AssurX's ability to immediately provide a hosted site for development, Alyeska didn't have to wait until all the hardware was installed before they could start migration and testing information in batch mode.

After going live with the AssurX platform, performance metrics specified within the Management Actions and Commitments (MAC) program have been raised to 99%.

"Alyeska personnel are now able to hit deadlines, monitor assignments and better communicate through automation."

Chief Operating Officer | Alyeska Pipeline

Training

The user training system was designed by Alyeska employees. The team took the training process and made it into an interactive tool with audio that explains how the process works and what the different roles are. It takes users about 30 minutes to go through the complete training course. Users understand their roles and where they contribute to ongoing quality improvement.

New Process Impact

The new system has resulted in significant improvements. Management no longer needs to hold monthly meetings to review delinquencies because AssurX provides an automatic online report published on the first of each month. Management now receives their reports straight from the system in real-time which has eliminated all manual requirements and back-tracking on their end.

In addition, delinquency rates of 5% to 20% are gone. Since implementation, delinquencies are few and far between. Alyeska personnel are now able to hit deadlines, monitor assignments and better communicate through automation. The culture of compliance driven by Alyeska has raised the bar for its own performance standards.

Performance metrics have been raised to 99% of all MAC actions and commitments in a timely manner, an order of magnitude in improvement. The AssurX system has seamlessly handled hundreds of changes as part of Alyeska's continuous improvement program.

Alyeska officials are proactive work with regulators to identify ongoing regulatory obligations that are due on a quarterly or yearly basis. By doing so, MAC has been able to assign these recurring actions and assure ongoing compliance by documenting a complete history.

Conclusion

The AssurX Compliance Platform enabled Alyeska to consolidate dozens of disconnected process into a company-wide corrective action system. As regulations across different bodies change, AssurX enables Alyeska to rapidly adapt their processes as necessary. The company is continually finding new ways to use the tool to manage compliance activities.