

The Client

Bechtel, a global leader in engineering, procurement, construction and project management (EPCM), in partnership with one of the world's top ten project freight forwarders.

The Requirement

The client was delivering a major LNG project at Curtis Island, Queensland, Australia. 287 x 40' HC units were required for shipment of cargo from Houston to Brisbane with onward trucking over 600km to the LNG project site at Curtis Island. All units were required to conform to Australian Quarantine and Inspection Service (AQIS) standards to protect Australia's favorable biohazard status.

The Challenges

Limited availability of HC units in large numbers in Houston and variable schedule dates led to on-hire difficulties. At Brisbane the opposite problem arose. The destination port was a known surplus location for line equipment; carriers required their units to be repositioned to a specified port of demand for re-export. This created unpredictable repositioning and equipment surcharges for the project.

The Solution

Our organization leveraged its commercial strength to create a 'shipping pool' of HC containers in Houston; steam cleaned to conform to AQIS specifications. This investment by us gave the client instant access and availability to units when required by the clients' schedule. Up-to-date tracking information was provided from our systems to the clients organization to conform to both parties' information requirements.

The flexibility of the SOC lease enabled the client to avoid the financial and operational uncertainties of using line equipment. Our organization off-hired its units in Brisbane, saving the client significant cost in shipping line repositioning surcharges to relocate the units from Brisbane to a port of demand.

The need to store the imported materials for an extended period of time created a further risk to the client. After a minimal number of days a carrier solution would have incurred a high charge for demurrage. Use of the SOC lease avoided these demurrage costs. In the event of project overrun or further use for the containers the client was also protected. The flexible lease enabled the units to be purchased at any time, pre-determined in the lease agreement, should purchase of units become a more cost compelling option than a continued lease.

