

Clean Harbors' InSite Services Takes Charge of BASF Site Container Management



Case Study



Container Management Identified as an Area for Optimization

The BASF Corporation manufacturing site in Geismar, Louisiana leases containers for solid and bulk manufacturing waste. The 2,300-acre facility manufactures a wide variety of chemicals used in hundreds of consumer products.

Company and facility management are focused on quality, safety and efficiency. In support of these goals, management established a Lean Manufacturing Team that regularly reviews site operations with an eye towards identifying and implementing optimizations.

The team identified container management as an area for optimization and developed a process that defined how a container management service would support manufacturing operations.

The BASF chemicals manufacturing site in Geismar, Louisiana wanted better control over leased waste containers. Clean Harbors' InSite Services implemented a web-based container tracking and barcode system to improve tracking and lower costs, resulting in:

1. Significantly reduced inventory and costs
2. Centralized, plant-wide management
3. All invoices reconciled to usage

Centralized Contracts - Decentralized Control

Prior to the Lean Manufacturing Team's involvement, BASF negotiated Geismar site-wide contracts with a number of suppliers of tanks, rolloffs, trucks and berms.

The master contracts delivered savings. However, the individual manufacturing units requisitioned the containers, maintained their own inventories and were responsible for working directly with each vendor to schedule drop-offs and pick-ups. This resulted in less than optimal use of the scores of container units deployed on the site.

Commented Greg Staples, Container Management Contract Administrator, "With the amount of billing we were seeing, it was clear that the management of rental containers could be improved. We were just not able to keep up with it."

Several factors contributed to the inefficiency:

- Excess containers were ordered and stored on site.
- Containers were mislabeled.
- Onsite tracking was not effective.
- Multiple production units often had the same type of container in the lay down area - unused.
- Containers, once they left the site, were not always removed from the rental inventory in a timely manner.
- It was virtually impossible to reconcile invoices to actual usage.

Matt Caswell, BASF Procurement Agent, recommended consolidating and outsourcing the function to a service provider that had the expertise and could apply the necessary staffing and technical resources to manage the container leasing process. Caswell and Staples took the lead on researching suppliers. The company put the process out to bid and the contract was awarded to Clean Harbors.



Clean Harbors Tracks Onsite Containers

Clean Harbors came in with its InSite Services program using a container management and tracking process that it had developed and used extensively to track more than 8,000 Clean Harbors containers.

Clean Harbors' close management approach is remarkably similar to the Lean Manufacturing Team's job scope. With the components of the Container Management solution being a web-based application utilizing handheld scanning devices and barcode labels, the implementation was completed quickly.

The purchasing and accounts payable process stays the same - BASF continues to issue the container contracts and pay the invoices - but everything else is handled by Clean Harbors.

Now, when a manufacturing unit requires a container, the request is placed with the Clean Harbors InSite staff. They quickly check the inventory online using the web-based Container Management application and either move an available container from an onsite lay down area or order one from one of the approved suppliers.

Once received, Clean Harbors staff assigns a barcode to each container. The barcode is a 4X6-inch vinyl label that is inserted into a sleeve with a magnetized back. It is attached to the container and becomes the tracking mechanism as long as the container remains onsite. The Clean Harbors staff delivers and sets up the container at the proper location.

The tracking number is entered into the Clean Harbors database along with all relevant information, including vendor, date received, location, cost center, materials to be stored in the container, etc.

The barcode is scanned with a handheld scanner and the database is updated every time the location or status of the container changes.

The requesting unit also lets Clean Harbors know when they expect to be finished with the container. Clean Harbors follows up at that time to either collect the container or extend the rental in the database.

The centralized management process substantially reduces the required inventory for the site, increases responsiveness and ensures that the container is set up properly with required berms and anchors.

Control Extends Off-site

The new process also addresses a persistent problem that BASF previously faced - how to track containers after they left the site for disposal but were still in inventory. They previously relied entirely on supplier invoices.

Although Clean Harbors removes the barcode label and checks the container out when it leaves the site, it remains active in the database and continues to be monitored by the Clean Harbors staff.

The database is set up to provide the InSite team with online reports they can use to generate follow-up alerts. The staff checks on the container's status by contacting the supplier to inquire about and expedite the disposal process.

This close monitoring enables the container to be removed from inventory as soon as possible without having to rely on reports from the suppliers.

The Clean Harbors staff also generates weekly reports for BASF management. They can see how many units are onsite, an aging report, containers by production unit, etc. - essentially any cut of the data that they need.



The results have been impressive. Commented Staples, "When I initially came on and did an inventory on the containers, we had a listing seven pages long. Now, we're down to two pages."

Reconciling Invoices

The final and perhaps most crucial step occurs when the invoices are presented for payment. Although the suppliers' contracts are with BASF, the invoices are sent to the Clean Harbors staff. They reconcile each line item in the invoices with the database to ensure that BASF pays the correct amount. If a charge is challenged, Clean Harbors has the database log to back up the claim. Only after invoices have been reconciled is the corrected amount forwarded to BASF for payment.

Process Delivers Results

The results have been impressive. Commented Staples, "When I initially came on and did an inventory on the containers, we had a listing seven pages long. Now, we're down to two pages."

In addition, Clean Harbors inspects the containers to ensure that they are safe and up to standards. They also have the ability to ramp up staff for shutdowns or for emergency response to disasters, such as hurricanes.

The savings and efficiency will continue. Clean Harbors, in cooperation with BASF, has developed Key Performance Indicators (KPIs) to monitor performance going forward.

Contact Us

For additional information about Clean Harbors Container Management contact your Clean Harbors representative or call 781.792.5000.

