

## *Bulk Tanking Review & Contract Renegotiation Support*

An external perspective of an outsourcing contract and its early implementation prevents a costly termination



A manufacturer and distributor of bulk chemicals had entered into an outsourcing contract for distribution. Problems in the early implementation led to conflict between contractor and client, which might have resulted in a costly and unnecessary termination without the help of an objective and independent third party view.

### The Client

- Albion Chemicals, the UK market leader in the manufacture and distribution of bulk and packed hazardous chemicals

### The Objective

- To review the bulk tanking operations in the UK, with specific support in assisting in the conflict resolution and commercial negotiation of a major 5 year national distribution contract, the implementation and start-up of which had failed
- To clearly determine the scale and allocation of implementation failures and the resultant contract liabilities
- To understand the impact of any identified business profile changes on the operation going forward
- To review alternative future strategies

### The Solution

- Established audit of the reasons for and impact of the failed contract implementation and start-up
- Assistance in the preparation and commercial claim, and development of a contract and commercial negotiation strategy
- Development of a detailed contingency plan including remodelling of the revised alternative operational solutions

### The Client Benefit

- Robust audit trail of the contract implementation and start-up liabilities
- Detailed analytical understanding of the impact of both the changing business characteristics and the contractor performance failures
- Strong commercial and contract position resulted in previously agreed increases in contract charges being reduced, saving the equivalent of £500K pa