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**TVCC Alyeska Course - Peter DeMay - Project Overview, 10/75**

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**Notes: Originals on 7 inch reels. Master copies on CD.**

A man, Larry, introduces the topic of the lecture to a group of students: an overview of project management on the trans-Alaska oil pipeline. Larry also introduces the lecturer, Peter DeMay, vice-president of project management for Alyeska pipeline. He gives a brief summary of DeMay's education, career and experience.

Peter DeMay speaks. He gives a humorous opening comment. He says that project management is about putting together a task force to carry out a certain objective. Big projects, such as the pipeline, are generally financed by big companies. The companies take people from within their organization and put them on the task force.

Project management is a unique business because there are no two projects which are the same. And no two companies carry out project management in the same way.

DeMay compares project management to building a custom house. You make a contract with an architect and you tell the architect about the site and about your requirements for the house. The architect will make various designs; you will approve one. The architect will get a contractor and follow the performance of the contractor to make sure that the agreed quality, cost and timeframe are met.

In Alyeska, the owner companies would be the person having a custom house built, Alyeska project management would be the architect and builder would be the many execution contractors.

Alyeska reports to the owners. The owners have a construction committee made of key individuals from the owner companies. The construction committee operates like a board of directors. The task force reports to the construction committee. DeMay provides details about internal structure of the hierarchy that controls project management including presidents and vice-presidents. DeMay then provides more detail about the internal structure of project management itself.

The company was first formed in early 1969. There were three owner companies at that time. Each company had a representative; together they formed a triumvirate. These men brought with them people to design the pipeline, "loanees", who worked for one of the parent companies and were assigned to a specific assignment. This group worked out of Houston, TX.

To supplement the loanee's skills, numerous other specialists were hired. Engineering firms were also hired. The design progressed through 1969 and 1970. Offices were set up in Alaska. Tests were done.

Archaeological surveys were done. Materials were bought. Then the Environmental Protection Act was passed and became effective.

There was an initial injunction against the issuance of the permit. However, during this time Alyeska, with the permission of the state, did build the Livengood road from Fairbanks to the Yukon River. By the end of 1970 the number of owners had climbed from three to eight and Alyeska was set up. A new office was opened outside of Seattle, WA. The task was broadened from trying to build the pipeline to trying to build the pipeline and get the permit. They were also distracted from design by trying to prepare a project description and to answer questions from numerous government agencies. The environmental impact statement was issued in March of 1972. The secretary of the department of the interior, on May 11, 1972 reflected his intentions to issue the permit to Alyeska.

In the summer of 1972, hopes were high that construction on the pipeline would start soon. There was a tremendous legal debate going on, however, that was not resolved November of 1973 by legislation that was signed into law and passed by Congress. In the meantime, people working on the project were busy lobbying, while the project management crew was told to finish the design and be ready to start construction whenever permission was given. In early 1972, they came up with the idea that there should be a construction management contractor: a contractor that would supplement the expertise already available from the project management staff. So, they hired Arctic Constructors to help with the planning work for the pipeline. In the meantime, they began to review the engineering design in detail. Thought the designs had started years ago, they were far from complete, and much had to be redesigned because of more restrictive seismic criteria, air quality standards, and water quality standards that had come to pass in the intervening years. This portion of the design work was contracted out to the Fleur(?) Corporation.

Because they were supposed to be ready to build at the drop of a hat, if became necessary to force the owners to force the owners to commit to move materials by barge to Prudhoe Bay. A construction management contractor for the pipeline portion of the project was also selected: Beckham(?).

Designing the pipeline was a very difficult task. There were no contractors that knew about building a pipeline in the permafrost. Construction began on April 29th, 1974. The CMC (?) was not obtained until late 1974. Planning wasn't done when there came a big push to begin construction. They were planning to have their headquarters in Anchorage because of the housing problems and unreliable infrastructure in Fairbanks. But it turned out that the headquarters was in Fort Wainwright in Fairbanks. There were pros and cons to having the headquarters in Fairbanks. There were many problems with logistics, in part because of having the headquarters in Fairbanks. DeMay does think, however, that having the headquarters in Fairbanks contributed to earlier completion of the project. There were branches and teams working on the pipeline in various cities in the lower 48 as well.

With the addition of construction activities, project management changed. Work on planning and logistics slowed down when construction [of the road?] started. There were shortages of spare parts and of warehouse space. There were difficulties in transporting materials. These delays were expensive but everyone persevered. Eventually, the engineering on the pipeline was advanced enough that the

Houston branch was phased down and all people who were brought on or stayed on were moved to Anchorage. The only people moved to Fairbanks were those that had to be in Fairbanks due to shortages.

[Continued on 01-75-09 PT2]