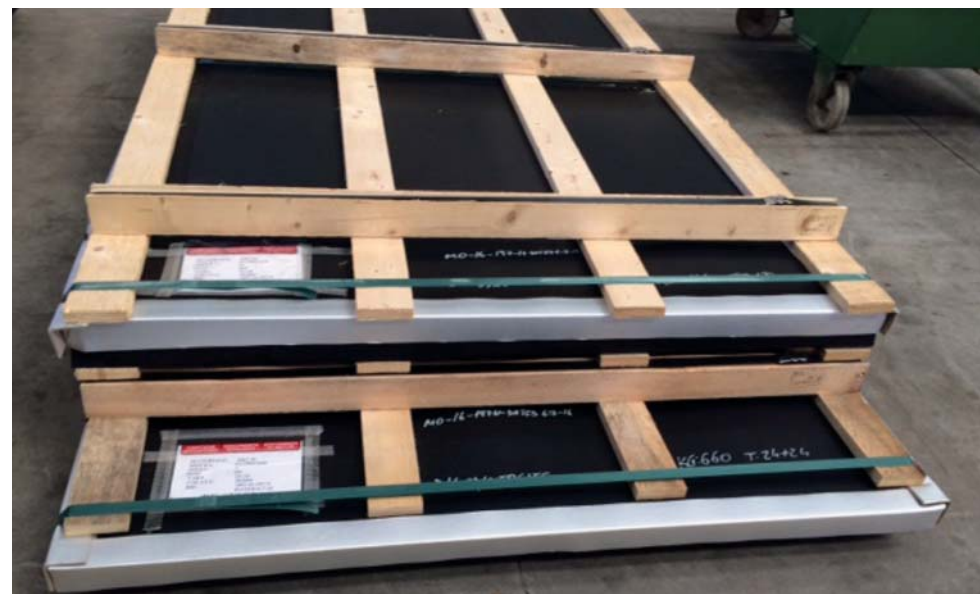


Challenges (Opportunities) in Sourcing Special Materials

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Stainless steel doors with a minimum molybdenum content of 2.5% packaged for shipping to an oil platform.

The projects in oil and gas upstream and downstream are today more demanding than ever before. Progress made in the fields of engineering, materials, project management, communications and logistics have led to end users expecting more from their contractors and partners.

The oil price downturn in 2015-2016; resulted in an unusual “urgency” by oil companies resulting in extra-ordinary pressure on oilfield operators. Besides the much publicized hold or cancellation of projects; there was also a

push to expeditiously complete the projects which were already running and nearing completion. Oil companies wanted to leverage the falling oil prices by delivering their products while prices were still “high”. Falling prices were showing millions of dollars losses for each day of delay.

Along with the regular urgency; sourcing of special materials adds to the challenge. One such case is of one of the largest EPC contractor in India and our value customer. Over the years the end user saw that using stainless

steel 316L for doors on the oil platform was not yielding the desired result. They noticed corrosion and rusting; especially on the edges. To overcome this problem; the end user specified a grade similar to SS 317L as the MOC for this scope of the project. Stainless steel 317L is a molybdenum bearing, low carbon content “L” grade austenitic stainless steel that provides improved corrosion resistance over 304L and 316L stainless steels. However 317L is an extremely slow moving grade; not readily available with various

distributors in Asia. Since the demand is relatively less; manufacturers do not produce it regularly and always ask for a minimum quantity. Nevertheless the challenge had to be overcome. The highly experienced EPC contractor; concluded that effectively the difference between 316L and 317L is the Molybdenum content. The higher molybdenum content of Alloy 317L assures superior general and localized corrosion resistance in most media when compared with 304/304L and 316/316L stainless steels.

Our sourcing division then got in to action; to find a solution. The solution was sourcing the stainless steel sheets in any of the following grades with a minimum Moly content of 2.50%; so we checked the available stocks for 316, 316L, EN standard materials, etc. After review of Materials Test Certificates and conducting PMI checks on the coils; material was ordered. With diligent de-coiling, cutting, identification, and testing; the material was packed in suitable dimensions for air lifting. It is one of those cases where adversity turns to opportunity. The falling oil prices and rarity/scarcity of material lead to out of the box thinking and quick actions by all parties in the supply chain.



On an oil platform, even stainless steel 316L doors can corrode and rust. Fortunately, out of the box thinking can help to identify viable solutions.

The author is an entrepreneur heading a company which is a leading distributor of special stainless steels and nickel alloys based in the Middle East. More details on www.dksynergies.ae