

## ARABIAN BEMCO

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A reputation for reliability and a track record for delivering on time and on budget has helped to turn one Saudi Arabian business into an international giant





audi Arabia has an impressive programme of converting its oil dollars into other forms of essential infrastructure. Billions are being spent on water desalination plants and even more on ever increasing electricity capacity (although it has to be said that not all projects have yet received their financial green light).





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total electricity production to 70,000 MW—much of the increase said to be driven by air-conditioning!

Arabian Bemco was established in 1965 and is

Arabian Bemco was established in 1965 and is certainly an international giant now. A combination of engineering skills and business acumen—the

investments in an additional 20,000 MW were made

in 2020 at a cost of well over \$100 billion, taking

ability to juggle the many balls involved with complex projects—soon enabled the business to grow and from an early day, the Saudi Electricity Company (SEC) was singled out as a client of choice.

The greatest centre of activity is at the SEC's giant Riyadh site, which by itself contributes 10,000 MW to SEC's Central Operating Area of the national grid. So far the complex is up to Power Plant 9 and with PP10—currently in the final stages of construction—output will be increased by a further 20 per cent when it is completed later this year. But progress never stops and PP11 is already on the drawing board.

Construction of PP10, a large power plant complex with infrastructure for 5,000 MW, is in the hands of Arabian Bemco Contracting, which was awarded the \$3 billion engineering,





reducing visibility to just a few metres. Desert spec ducting and silencers as well as air intake systems—with self-cleaning filter systems on the air intake systems—are in constant battle with the elements.

On August 2 2011, Arabian Bemco was named the lowest bidder against tough international competitors for the PP10 Combined Cycle Project—an extension to the current PP10 project. The new combined cycle will add 1,300 MW to the existing 3,400 MW plant, and will include all support facilities for converting the simple cycle power plant to a combined cycle power plant. When completed in 2015, PP10 will be the largest combined cycle plant in the world.

Other contractors bidding for the project included Doosan Heavy Industries (with a bid of \$2.592 billion), NCC with Black and Veatch (\$1.998 billion), Marubeni with Hyundai E&C (\$1.648), Hyundai Heavy Industries (\$1.485 billion) and TR (\$1.481 billion).

Bemco is no stranger to mega-projects

such as PP10. It has built a reputation as an EPC contractor capable of competing with the best in the world, particularly on power generation projects using various technologies including co-generation, combined cycle and steam power plants. Throughout this period of energy expansion, Bemco has been linked with some of the largest and most challenging turnkey projects in Saudi Arabia and has often taken its expertise into neighbouring countries.

Bemco has something of a reputation for relatively short construction schedules and beating deadlines, as well as bidding attractively low. In June last year, Arabian Bemco successfully completed the Al-Qassim Central Power Plant Extension 2 in less than eight months. The project was an extension to the existing Qassim plant, increasing the plant capacity by 350MW on a super-rush basis. Quite a feat when you consider the scope of work included engineering, design, procurement, supply, delivery of materials and equipment, installation, erection, construction, testing and commissioning of four new gas turbines and all associated auxiliaries and their balance of plant, including protection and control,

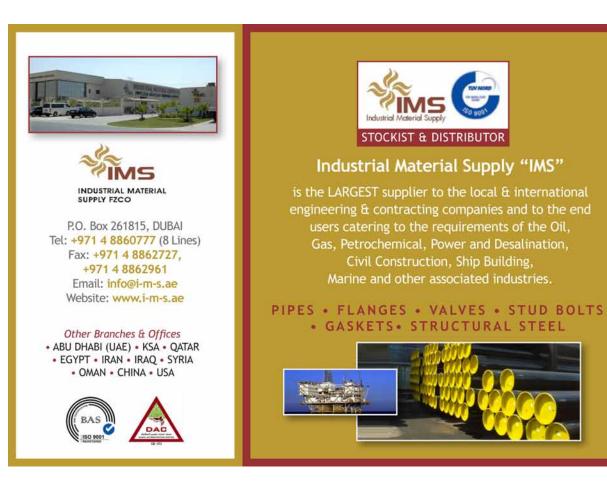
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compressed air systems, scada, fire fighting, construction of a new 20,000 cubic metre crude oil storage tank and all the associated substation works.

Henry Cabrera, executive director of Bemco, believes the company's record of delivering fast track power projects on or before due is a key ingredient for its success as well as the control it has over the supply chain. "Bemco has a number of key specialised affiliates and subsidiaries," explained Cabrera, "which enables us to maintain supply of vital equipments, materials and components, as well as subcontracts under our control."

"Nor is there anything better," said Emad Ghandourah, project development director, "than an over-skilled workforce. We put considerable effort into continual in-house staff training in order to remain an industry leader."

Behind the scenes. Bemco has also invested heavily in software and IT systems, especially in enterprise resource planning (ERP) which Bemco finds indispensable for best scheduling and controlling its many capital assets. Unlike some organisations, which believe in hiring absolutely everything that is needed on a project, Bemco has gone the other way and put huge amounts of capital into human resources, fleets of construction equipment, and fabrication workshops which are crucial for carrying out operations. But with additional power generation projects showing no sign of slowing up, this expensive capital investment is likely to be put to good use for some time to come, www.arabianbemco.com





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