

CASE STUDY

APL - Middle Harbor Terminal

The Middle Harbor Terminal (MHT) in Oakland California is one of the three busiest terminals on the West Coast for international shipping. The Port of Oakland has an annual throughput of over 2.4M containers annually.

Background and Situation:

- Company Information: APL – Middle Harbor Terminal
- Operator: Eagle Marine Services
- Major services: Container (dry and reefer)
- Reefer capacity: 374 outlets
- Total terminal area (excludes Berth area) 32.1 hectares (79.4 acres)
- Cranes: 4 (modified A-frame articulated boom)
- The M&R Chassis Repair Shop employs approximately thirty mechanics, all part of a strong ILWU Union.

Management has been working for decades to repair strained relations with the Union leaders amidst frequent grievances, steady drops in productivity, and increasing numbers of bad order chassis on terminal awaiting repairs. Repeated attempts to foster teamwork between the union and management have not produced the intended results.

Work processes were poorly defined and lacked clear methods to identify the owners of the chassis before repairs began. As a result, the company repaired many chassis belonging to other companies without any means for collecting reimbursement.

Objectives:

- Implement a formal method to identify chassis owners prior to the start of repair work.
- Develop & implement a process to estimate and schedule chassis repairs in the chassis shop
- Improve productivity and reduce the bad order chassis count by one hundred or more while minimizing the use of overtime

Results:

- The percentage of available labor scheduled went from 0% to consistently over 60%.
- Schedule attainment trended from 0% to 30% on day shift and from 0% to 50% on Second shift.
- Bad order chassis count trended from approximately 440 to approximately 330
- Bad order chassis count leveled off at approximately 130
- Total annualized savings from reductions in bad order chassis numbers is \$526,752.00
- Annualized ROI of 2.0 : 1.0 was achieved



