eBook

Unique Fleet Management Needs in Oil and Gas

A comprehensive fleet management solution can help track utilization, maintenance and compliance

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Oil and gas fleets have unique fleet management needs

With its vehicles and equipment as working, profit-making assets, oil and gas fleets can use telematics to monitor and improve utilization, track maintenance and compliance, and create a culture of safety.

Managing a mobile workforce in this industry is no easy undertaking. You face a unique set of daily challenges in the areas of safety, efficiency and productivity.

Oil and gas fleets are increasingly using telematics to overcome these challenges effectively and efficiently. This technology helps by reporting on how vehicles and equipment are being used, which provides the insight to then actively take steps towards business improvements.

Let's look at seven specific ways telematics is uniquely equipped to help oil and gas fleets.

Which telematics data is important to oil and gas fleets?

- Vehicle usage (total driving hours/engine on time)
- Equipment and trailer usage (location and engine hours)
- Worker time at each well site
- Time between jobs (driving time)

1

Monitor performance in the field

When your team is scattered, telematics helps you monitor individual workers and assess performance, improving accountability.

Time spent on the job
Vehicle location tracking records how long a worker was at a job site. Electronic inspection forms can prove they were completed onsite with geo-tagging and that sufficient time was spent on mechanical inspection.

Monitoring activity
Telematics tracks employees' location, whether their vehicle is active and how long it has been at a jobsite. Managers can stay up-to-date on the status of a job and be aware of any potential safety issues should the vehicle be idle longer than is typical or heading in a direction they shouldn't.

Tracking contractors
Businesses often address gaps in their fleets with contractors, such as water haulers. Plug-and-play tracking devices allow you to monitor these temporary employees, helping to ensure they complete jobs and comply with environmental regulations.

What about cell phone-free zones?

Some areas on an oil field or gas refinery don't permit transmitting devices (e.g., mobile phones that are not designated "intrinsically safe") due to the potential for triggering an explosion. GPS transmitters can be switched off in these situations.

2

Extend the life of your valuable assets

Minimizing downtime and avoiding unnecessary replacements is critical, because these vehicles and equipment are tied directly to your ability to do your work. Highly customized upfits also make renting replacement vehicles next to impossible.

Proactive maintenance and vehicle health monitoring can help extend the life of specialized equipment and vehicles, improving ROI.

Follow recommended service schedules easily
Automated and precise tracking of engine hours and mileage makes it easier to ensure recommended schedules are kept, helping preserve your warranty and vehicle health. Alerts also enable you to schedule downtime for minimal disruption.

Minimize major breakdowns with vehicle health alerts.
Alerts can be set up to trigger when potential maintenance issues are detected (such as the failure, or potential failure, of a component) allowing you to address them before they become more serious and costly.

What would an unplanned roadside tire repair cost?

Tire pressure monitoring can help prevent unplanned roadside repairs. A simple tire replacement for a heavy-duty vehicle costs approximately $1,000 (including the service call, mileage, parts and employee downtime, based on an hourly rate of $75).[1] A more complex, unplanned maintenance issue could inflate the cost and downtime, meaning irrecoverable utilization and revenue.

1 Email exchange with Jim Park, HDT equipment editor. Jan. 31, 2018.

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Relieve the stress of compliance

“Private and commercial fleets can’t afford to ease up on compliance, but managing the information and workload can stretch resources thin,” according to *Commercial Carrier Journal.*

Oil and gas fleets face a range of unique compliance requirements. Telematics can help businesses tackle the challenge of compliance by streamlining and automating their processes.

DOT mandates
The DOT’s requirements for Hours of Service (HOS), including the Electronic Logging Device (ELD) Rule, and Driver Vehicle Inspection Reports (DVIRs) can both be addressed by the use of a comprehensive GPS tracking solution.

Safety ordinances
Local municipalities may have their own restrictions, for example, about which roads can be used to transport flammable gas or materials. Routing capabilities help you avoid restricted roads, and vehicle route history can confirm your fleet is complying with local ordinances.

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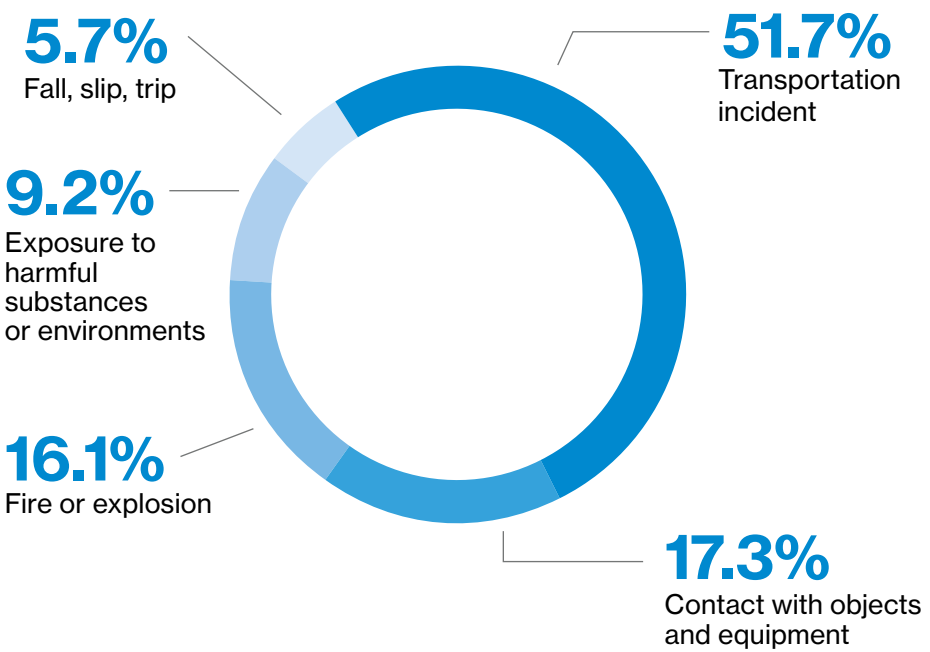
Make safe driving a part of your safety culture

The stakes are especially high when it comes to safe driving in oil and gas, where despite a low injury rate overall, the fatal injury rate is very high.[2]

There are plenty of tasks for oil and gas workers that may seem far more dangerous than driving, such as working with dangerous equipment and in extreme environments. But according to the U.S. Bureau of Labor Statistics, transportation incidents remains the top cause of fatal occupational injuries in Mining, Quarrying, and Oil and Gas Extraction, accounting for more than half of fatal injuries in 2014 and 2015 (most recent year of statistics available).[3]

GPS tracking enables you to take an active role in prioritizing safety by tracking speeding, hard braking and rapid acceleration. Reports allow you to customize coaching for more effective training and automated alerts can inform drivers and managers of these dangerous behaviors as they happen. By making safety a part of every employee's job, you help to create a safer environment for your workers and all others on the roads.

Fatal occupational injuries in private oil and gas extraction industries



U.S. Department of Labor, Bureau of Labor Statistics. Fact Sheet: Mining, Quarrying, and Oil and Gas Extraction, July 2017. https://www.bls.gov/iif/oshwc/cfoi/mining-2015-chart2-data.htm

2 https://www.eenews.net/stories/1060053892 3 https://www.bls.gov/iif/oshwc/cfoi/mining-2015-chart2-data.htm

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Improving fuel tax claims

Oil and gas fleets do a lot of their work on private roads, making them eligible to receive off-road fuel tax rebates. However, manually collecting the information needed to claim these rebates can be time-consuming and burdensome.

Telematics offers the ability to automate this process, generating reports that distinguish between private and public roads traveled in addition to logging the number of miles driven. For equipment, engine hours can also be recorded.

As a significant yet variable expense, fuel is a key area where you can make a significant impact to your profitability with small adjustments. Fuel tax savings can quickly add up, representing a substantial improvement to profitability, even for small fleets.

The Real Cost of Trucking

$1.38

The average per mile operating cost for the trucking industry[4]

$180K

The average total yearly cost of operating a commercial truck[4]

Diesel Fuel

Is the largest operating expense[4]

4 www.thetruckersreport.com/infographics/cost-of-trucking

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Meet changing demand with flexible resourcing

According to a GE Oil and Gas, “Globally, workers lack the tools to see critical data to understand their assets: the history of the asset, the strategy to manage the asset, the impact should the asset fail, or even the current asset health. This lack of information creates significant risk to safety and profitability.”[5]

Oil and gas fleets must grow and scale back to meet the needs of the current market and match their production schedules accordingly. Visibility into their vehicles and equipment, including how they’re being used and health status, equip these fleets with critical knowledge to be agile and remain up and running.

Fleet managers also gain the ability to identify cost-cutting opportunities during leaner times, based on utilization and other factors, as well as areas where the fleet should be scaled up to meet demand.

“[Oil] prices may go up or down in the future, but volatility is here to stay.”

Viren Doshi, senior partner, and Georges Chehade, partner, at Strategy+Business

5 GE Oil and Gas, “Minimizing Risk in a Volatile Oil & Gas Market.” https://www.ge.com/digital/sites/default/files/Why-APM-Minimizing-Risk-oil-gas-infographic.pdf

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Integrate third-party support seamlessly

Telematics gives fleets the ability to coordinate with contractors and other agencies to complete tasks and projects with greater efficiency and ease, especially when the collaboration means a mixed fleet of various manufacturers, often including both over-the-road and light-duty trucks.

Utility companies have already seen success in this capacity during emergency situations, for example, by coordinating with tree clearing companies to expedite power line repairs after a storm or other natural disaster.

Oil and gas fleets could use this ability to coordinate with contractors, such as water haulers, to coordinate their time on site and reduce the time they spend managing temporary workers. By improving coordination with third-party contractor, managers can quickly and easily improve utilization while also minimizing disruption.

Give your fleet the advantage

Due to high operational costs, oil and gas fleets have a critical need to monitor the utilization of their vehicles and equipment. The mix of types and manufacturers as well as numerous and often large jobsites make this task uniquely challenging for this industry.

These were just a few of the ways oil and gas fleets can significant benefits from using telematics, by monitoring and collecting data on specific activities and equipment being used on the jobsite. With the advances in technology allowing you to go beyond simply tracking location, telematics has become more relevant than ever.

Call 866.844.2235 or visit verizonconnect.com to learn more.

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