

CHEMICAL STRATEGIES PARTNERSHIP

CASE STUDY: NAVISTAR

Company	Navistar Engine Plant, Melrose Park, Illinois	Summary <i>The Shared Savings partnership between Navistar and Castrol began in 1989. The fixed-fee contract, covering coolants, cleaners, and associated additives, has produced dramatic results: coolant use has been reduced by more than 50% and coolant waste by more than 90%. Some other benefits include: reduced production downtime, improved health and safety, easier compliance reporting, and improved product quality.</i>
Contact	Mary Jo Montgomery, Purchasing Director; (708) 865-4387	
Industry	Automotive	
Supplier	Castrol Industrial North America Bob Hendershott, Melrose Park On-site Manager; (708) 865-3554	
Name of Program	Chemical Management Services (CMS)	
Program Start Date	1987	
Chemical Footprint	<ul style="list-style-type: none">• Machining coolants, cleaners, and associated additives	
Contract Structure	<ul style="list-style-type: none">• Fixed monthly fee based on historic chemical usage• Staffing fee for full-time, in plant support personnel• Formula for sharing large financial gains or losses, including rebates to Navistar for large reductions in chemical usage• Quality and performance specifications, including rust prevention.	
Performance Expectations		
Supplier Services	<ul style="list-style-type: none">• Chemical acquisition• Inventory and distribution management• Container management• Quality assurance and maintenance oversight• Testing and lab analyses• Product and process engineering development• EHS studies and training• Process and waste problem solving	
Benefits	<ul style="list-style-type: none">• Chemical purchase orders reduced to 1/year• Coolant usage reduced by > 50%, coolant waste haulage reduced by 90%• Up to \$10,000 per year as rebates for reduced chemical usage• Reduced production downtime• 93% reduction in product rework (resulting in savings of \$1.50/vehicle)• improved product quality• Reduced wastewater loading• Improved inventory control and reduced inventory costs• Improved health and safety protection• Easier compliance reporting (simplified TRI reporting)• Illinois Governor's Pollution Prevention Award	