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## **DOCUMENT TITLE**

***H.S.E***

**CONTRACTOR MANAGEMENT STRATEGY**

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## **1. Introduction**

This document is aimed at ensuring Contractor Health, Safety and Environmental (HSE) performance meets the requirements outlined in ALASALA CO. HSE Policy Statement and HSE Directives. This document has been developed for the "normal activities" expected in ALASALA CO. operations. It is recognized that each operation is unique and users should evaluate the specific activities and associated risks in line with the principle requirements of this guideline.

This document is primarily developed for those who are responsible for contracting out activities, and the personnel responsible for interface and operational oversight of contractors, their employees and sub-contractors. The guidance is mainly for activities with a medium to high risk although similar principles can be applied to all contracted activities.

Management of HSE in a business environment where two or more companies work together requires co-operation between them and clear definition of the tasks and responsibilities of each of the parties. The typical phases of a contracted activity are shown in figure 1. An overview of responsibilities is given in [2].

## **2. Scope**

This procedure is applicable to contracts awarded by or on behalf of ALASALA CO., Projects. Third parties awarding sub-contracts must ensure that the requirements outlined in section 5 are fully complied with.

## **3. Definitions**

*Company Representative (CR) – ALASALA CO. Company Representative who is the contract focal point and responsible for managing the contract.*

*HSE- Health, Safety and Environment*

*ALASALA CO. Petroleum Company, including it's projects.*

*Site Representative (SR) - ALASALA CO. Company Representative who is responsible for monitoring contract HSE compliance at site.*

## **4. Responsibilities**

Responsibilities are contained within Appendix-A, HSE Responsibilities for ALASALA CO. and Key Contractor Personnel.

### **5.2 Planning Objective**

The objective of this section is to describe the work and to assess the HSE risks associated with the work. Dependent on the nature and size of the work, and the risk involved, a contracting strategy can then be



selected.

### **5.3 Work Description**

The planning phase is generally a ALASALA CO. activity , where necessary assisted by specialist advisers. The ALASALA CO. Company Representative (CR) is responsible for describing the work to be executed. The description shall be supported by documentation in the form of standards, drawings, etc. allowing selected contractors to obtain a full understanding of the work required. ALASALA CO. may also specify HSE requirements to be met, such as:-

- a) emissions and waste during the activities;
- b) timing of the activities;
- c) location;
- d) requirements for site restoration;
- e) reporting requirements, applicable laws and regulations
- etc. ' f) training;
- g) competence assurance.

### **5.4 Initial Risk Assessment**

The CR is responsible for making an initial assessment of the HSE risks involved in execution of the work. The objective of the assessment during this phase is to evaluate the inherent hazards in conducting the work and the potential adverse consequences of an incident to the workforce, the public, the environment, assets and company reputation.

The level of risk assessed for the proposed work should be one of the prime factors in selecting a contracting strategy and in determining which measures are most appropriate to be considered by the contractor to prevent incidents from occurring and to minimize the consequences of an event if it should occur. The level of risk is also indicative of the amount of time and effort to be spent in the pre-qualification and selection of vendors, specification of technical requirements and at later stages to provide assurance that controls are in place to

reduce the risks to as low as reasonably practicable.

### **5.5 Contract Criticality and Categorisation**

There are two broad areas when evaluating contracts, the commercial/economic aspects and Technical (including HSE). The commercial aspects are covered or defined in Contract Category, see section 5.6.

The technical aspects shall consider the consequence to:-

- a) people.
- b) environment;
- c) asset;
- d) ALASALA CO. reputation.

The risk assessment shall fully evaluate the consequence of a, b, c and d above against the following





key areas of the contract:-

- e) nature of the work;
- f) location of the work;
- g) potential for exposure to worksite hazards;
- h) potential exposure to hazards for contractor's personnel, or the personnel of other contractor and of ALASALA CO. staff.
- i) potential consequences of incidents (environmental damage, delays of project development, delay in production legal claims).
- j) ALASALA CO. exposure to negative publicity.

### **5.6 Risk Assessment Matrix**

The risks assessed can be categorised as low, medium or high in accordance with the Risk Assessment Matrix approach shown below. Definitions for the consequence ratings are provided in Appendix-B.

Regardless of the commercial/economic aspects of the contract a risk assessment must be undertaken and the results documented in the contract file.

### **5.7 Contracting Strategy.**

One of the most important strategic contract management decisions to be made by ALASALA CO. is on the way in which the contractor, or alliance of contractors, is held responsible for the management of HSE. Two distinctly different ways are described below.

**Mode 1 :** The contractor provides ALASALA CO.. The contractor has a management system to provide assurance that the personnel for whom he is responsible are qualified and healthy for the job and that the tools and machinery he is providing are properly maintained and suitable for the job.

**Mode 2 :** The contractor executes all aspects of the job under its own HSE management system, and provides the necessary instructions and supervision; and verifies the proper functioning of its HSE management system. ALASALA CO. is responsible for verifying the overall effectiveness of the HSE management controls put in place by the contractor, and assuring that both ALASALA CO. and the contractor's HSE Management System are appropriately Compatible.

Selection of one of these modes is preferred, however, in certain situations it may be necessary to adopt a mixture of the two modes. .Examples of such situations are given below.

a) Operations in an area where there is a limited selection of Contractors able to meet the evaluation criteria. For example an alliance may have to be formed between ALASALA CO. and the available contractors with the objective to develop, improve and implement a HSE Management System for the contractor(s) while executing work under the existing management system of ALASALA CO.

b) Operations too large or diverse for a single contractor may require a number of contractors and sub-contractors (a consortium) to work together under the supervision of one main contractor working for



ALASALA CO. in Mode 2-

c) The work is intimately associated with the activities of ALASALA CO., or presents such a high risk to ALASALA CO. that the work is to be executed under the ALASALA CO. management system in Mode 1.

When working with an alliance of contractor(s) or a consortium, it has to be made clear in advance whether the alliance or the lead contractor is fully responsible for all instructions and supervision or whether that is the responsibility of ALASALA CO.. If the alliance or the consortium is responsible it should be made clear how this is organized within the contract. In addition, the person responsible for critical activities has to be clearly identified. Joint responsibilities should be avoided by breaking down the work into smaller identifiable activities, each with a party assigned to it with responsibility for the HSE aspects thereof.

### **5.8 Low, Medium and High Risk Contracts**

There are no fixed rules for selecting the mode of contract. However, the three risk categories, Low, Medium and

High can be directly translated to category 3, 2 and 1 contracts respectively under the Contract Category detailed in section 5.6.

"Low Risk" (category 3) contracted operations e.g. deliveries of non-critical materials, food, stationary etc. are usually covered by Mode 2 whereby the contractor provides the HSE controls. However, any such contractors working on ALASALA CO. premises are normally under the control of ALASALA CO. personnel and must follow company instructions. Some issues in setting a contract strategy for category 3, 2 and 1 contracts would include:- a) number of contracts and nature of market; b) contract schedule; c) corporate strategy; d) rules and regulations. e) the use of ALASALA CO. HSE standards. f) relevant Egyptian HSE legislation and international conventions.

"Medium Risk" (category 2) contracted operations for example -support services contracts such as facilities management or security services etc. are usually covered by Mode 2 whereby the contractor provides the HSE controls.

"High Risk" (category 1) contracted operations -for example offshore wireline, construction or major plant modification. The work is intimately associated with the activities of ALASALA CO., or presents such a high risk to ALASALA CO. that the work is to be executed under the ALASALA CO. management system in Mode 1. Due to the "High Risk" a HSE interfacing or bridging document would be an additional requirement.

### **5.9 Contract Schedule**

A contract schedule should be developed with due consideration of the HSE issues and deliverables involved, paying particular attention to allow adequate time for mobilisation and demobilization. This evaluation may well highlight HSE issues that require special emphasis in later contract phases.





The contract strategy should consider provisions for delay or forfeit of contract payments pending successful completion of the HSE plan, results of HSE audit findings and satisfactory completion of action items. Non or late submission of key HSE Plans, reports and other documents can be linked to contract payments.

#### **5.10 Pre-Qualification Objective**

The objective of the Pre-qualification phase is to screen potential Contractors to establish that they have the necessary experience, capability and financial viability to undertake the activities in question safely and in an environmentally sound manner.

#### **5.11 Purpose and Responsibilities**

The general practice for selecting contractors is through competitive tendering. In the pre-qualification stage, potential contractors are screened to establish that they have the necessary experience and capability to undertake the activities in question. Only those meeting the necessary HSE criteria should be included on the pre-qualified list. A formal historical record of the HSE performance, including the findings of audits and inspections, of all contractors previously employed, should be maintained for use during pre-qualification.

The pre-qualification process is a crucial step in which assurance is sought that the risks associated with the work will be managed. The purpose of the pre-qualification stage is to agree on a list of contractors that will be invited to bid, and a list of HSE bid evaluation criteria to be met. Pre-qualification is one of the last safeguards to identify suitable contractors for the contract.

Once contractors are qualified to bid, they may be awarded a contract if their bid is financially competitive. The ALASALA CO. CR is responsible for pre-qualification and providing assurance that the contractors invited to bid can manage the HSE risk associated with the work. The HSE Department will assist CR as required.

#### **5.12 Standard Pre-Qualification Documents**

Pre-qualification is achieved by accessing existing database systems or by issuing a standard format document for the contractor to complete, supported where necessary by historical performance records and or visits/inspection. It may be necessary to review the content before issue and to add or emphasise requirements specific to the contract. Of special importance is the management by contractors of their sub-contractors and the need for the main contractor to demonstrate his understanding and commitment to having full responsibility in this area. Similarly, when contractors are working in an alliance or consortium, it is of special importance to demonstrate that each entity fully understands, and is committed to, the HSE management of the assigned HSE critical activities.

The HSE Guideline for Major, Medium and Minor Contracts [2] provides a standard format for a HSE pre-qualification questionnaire. This questionnaire is directed towards establishing the status of the contractor's HSE Management System.

#### **5.13 Screening**





The screening process should be designed to assure ALASALA CO. that the contractors invited to bid can perform the work to the required HSE criteria. The general approach is to send a uniform questionnaire to all potential contractors, initially assess their HSE capabilities based on the questionnaire using an equitable measuring system and supplementing this with site inspections of ongoing contractor work sites. .

Contractors, which have been used by ALASALA CO., previously can be assessed through the use of close-out reports and other historical records. During pre-qualification of large contractors, especially those with many divisions in numerous countries, the use of the record of the Corporation may not be adequate and focus should be on the division bidding for the work.

For those contractors not qualifying, feedback mechanism should be given to inform them as to why they did not qualify and that by correcting the identified deficiencies, they may qualify for future work.

Where there is a policy to encourage selected contractors to develop, and these contractors have little or no background in HSE Management, then a plan to overcome the shortcomings must be developed. Such a plan may require additional supervision, more explicit procedures or additional training. The HSE requirements should be met before work commences. The scale of the contract and the exposure must be matched accordingly.

Again, the details of the program and performance of such contractors should be recorded and retained for future reference.

#### **5.14 From Pre-Qualification To Selection**

Before entering into the selection phase the ALASALA CO. representative should document the shortlist of pre-qualified contractors and the rationale for the shortlist. The shortlist should also specify the minimum documented evidence to be produced during the selection phase by the contractors to demonstrate that there is a sound plan for implementing HSE management during the contracted work in such a way that risks will be controlled to as low as reasonably practicable. This information should be prepared by the Contractor as part of the HSE plan.

#### **5.15 HSE Guideline For Major, Medium and Minor Contracts**

The HSE Guideline For Major, Medium and Minor Contracts [2] provides requirements for an HSE Plan for the respective contracts.

Dependent on the level of risk involved in the contracted work, the CR should establish yardsticks to measure the quality of the contractor's HSE plan and criteria to be met. These measuring methods and criteria should preferably be documented prior to the selection process.

#### **5.16 Selection Objective**

The objective of the selection phase is to choose the contractor which is most likely to perform the work in question safely, technically correct, with minimum supervision, in a timely manner and economically. The HSE GMs shall be formal members of the ALASALA CO. Contracts Committee.

#### **5.17 Tender Document Prepared By ALASALA CO..**



The selection criteria used should consider a number of significant areas such as costs, technical ability (including HSE), reputation, ability to meet schedules. Overall risk of contract and HSE management should be given appropriate weighting with other considerations and when selection criteria are evaluated. This section outlines some key considerations specific to the HSE portion of the selection process.

Contractors should be given copies of ALASALA CO. HSE documentation relevant to the contract. Documentation that

May be included in the tender package may include:-

- a) Company HSE goals and objectives;
- b) relevant ALASALA CO. HSE-Management System;
- c) definition of the scope of the HSE Plan and the known hazards to be addressed;
- d) list of HSE controls procedures and compliance issues for the contract;
- e) definition of ALASALA CO./Contractor interfaces, ALASALA CO. supervision strategy and interaction with ALASALA CO. operations.
- f) type and schedule of ALASALA CO. and contractor training requirements
- g) specification of the minimum pre-execution requirements.

The HSE tender documentation should be compiled, with due attention to the following:-

h) It is the CR's responsibility to assure that the tender documents address the HSE requirements for the contract and that knowledge about hazards already identified by ALASALA CO. are passed on to the contractor. ALASALA CO. should not assume that the contractor knows of the hazards in the workplace.

i) The contractor has independent responsibility for his own HSE Plan. Contract documents should make clear provision for ALASALA CO. to initially accept the HSE Plan and perform HSE audits on the contractor in order to assess compliance.

j) The documents should include the provision for ALASALA CO. to suspend work if the contractor does not observe the HSE requirements and, in particular at mobilisation, to withhold permission to start execution and hold payments until a satisfactory pre-execution audit has been achieved.

k) Where special HSE provisions are to be provided, the documents should specify these clearly. Any constraints on the methods of working should also be specified.

In preparing the bid, the contractor should demonstrate compliance with such requirements by preparing their own HSE plan within the required framework. Contractors should be allowed the freedom to use industry HSE guidelines/recommended practices/standards, if they are equivalent to or exceed ALASALA CO. requirements. The CR must ensure the availability of expertise and resources to evaluate the alternatives proposed.

The tender documents should allow flexibility for the contractor to take ownership of HSE responsibilities





under the contract with ALASALA CO. retaining the ability to manage the contract effectively. Adequate lead times for tender preparation should be allowed to avoid compromising the establishment For sound basis for HSE management.

The CR should assure that the mobilisation and demobilisation phases are adequately covered in the HSE Plan.

#### **5.18 Bid Preparation By Contractor**

Some HSE requirements will have been supplied at the pre-qualification stage. An important element that the contractor should provide is a written HSE plan commensurate with the level of risk involved in the work. This plan will be the main element considered when carrying out evaluation of the bid and should be regarded as the top document, which drives the specific HSE program for major contracts. The HSE plan can be developed along the lines presented in the HSE Guideline For Major and Minor Contracts [2].

Examples of typical HSE Plans and Programs used in similar contracts in which the contractor has been involved can be submitted. The contractor's HSE plan should clearly identify where his HSE Management System interacts with the ALASALA CO. HSE Management System. A proposal should be made by the contractor in the form of a HSE bridging or interfacing document to manage these interactions and the allocation of responsibilities for overlapping areas.

The interface document should demonstrate that both parties have the necessary procedures (e.g. Permit-to-Work, Hazard and Risk Assessment, Operating Instructions, Contingency Plans) and controls in place to achieve the work . program without compromising HSE performance. These systems should be harmonised where possible to minimize the potential for misunderstanding.

As there may be a considerable amount of time between the pre-qualification and the bid submission the contractors should provide documented evidence of the most recent HSE systems and performance.

#### **5.19 Pre-Award Meetings**

ALASALA CO. internal pre-award meetings should concentrate on reviewing the HSE Plan and program prepared by the contractor, and on assessing how effective the contractor has been in providing assurance that all hazards have been identified and that suitable controls have been planned to reduce the risk to as low as reasonably practicable.

A joint ALASALA CO. and contractor "pre-award" meeting with contractors either individually, or in groups, may be

held as an opportunity to clarify and further assess the suitability of contractors HSE plans. Following these "pre- award" meetings the CR has to assess whether the HSE plan and acceptance criteria have been met. Evidence of this has to be documented as it is one of the crucial conditions for awarding the contract.

#### **5.20 Incentives Schemes For HSE Performance**

The best incentive is a continuing long term relationship between ALASALA CO. and the contractor based on good HSE performance. The need for an additional incentive scheme, should be carefully considered. To





be effective the scheme should:-

- a) not discourage or suppress the reporting of incidents;
- b) be proactive and therefore reward effort, e.g. audits and follow-up rather than 'after the event' statistics; c) be linked to specific contract milestones;
- d) Ensure that incentives are valued by the personnel who are in a position to influence the performance and maintain the systems;
- e) Include both contractor and company individual incentives; f) be culturally sensitive to the local environment.

### **5.21 Contract Award**

Award of the contract will take into account a number of areas such as technical competence, ability to meet schedule, and cost. The documented appraisal of the Contractors capability to manage HSE should be available from previous stages. This appraisal provides a "go -no go" criterion i.e. if contract does not meet the minimum criteria usually he cannot be awarded a contract.

Once the award has been made joint meeting should be held as soon as possible to agree on the final HSE Plan and detailed programs.

### **5.22 Pre -Mobilisation Activities**

To ensure that the relevant aspects of the contract risk assessment and any other HSE aspects of the contract are communicated and understood by all parties prior to implementation of the contract several activities such as reviews, meetings and audits are required. The amount of detail and effort for the pre-job activities should be commensurate with the level of identified risk.

### **5.23 Kick-Off Meeting**

A kick-off meeting should be used as an opportunity for the contractor(s) to become familiar with the location, facility, personnel, and other work information. The kick-off meeting is generally recognized as an important bridging step in working together to prevent incidents and resolve any health, safety and environmental issues.

The kick-off meeting should be held immediately after contract award and before the execution of any work. For a new contractor, the kick-off meeting should include both ALASALA CO. and Contractor's local management. If the contractor mobilizes locally at the work site, the kick-off meeting can similarly be held locally. If not, it may be necessary to hold the kick-off meeting at the contractor's base office. This should be followed by a subsequent mobilisation of key contractor and subcontractor personnel to site and a further local kick-off meeting(s).

The local meeting(s) should be held immediately prior to the start of any work as part of the mobilisation process. The HSE GMs and CR shall ensure that topics covered by the kick-off meetings should include:-

- a) review of associated major hazards including the additional controls if the work involves simultaneous operations;
- b) confirmation of HSE Plan to be implemented including confirmation that roles and responsibilities have been clearly defined and understood;



- c) confirmation of contractor employees' competence;
- d) confirmation of any HSE performance objectives and targets;
- e) distribution and explanation of the ALASALA CO. HSE policy statement, basic HSE rules and work procedures in as far as the contractor works under ALASALA CO. HSE management system;
- f) confirmation of the scope and schedule of HSE activities for example, HSE meetings, audits and reviews;
- g) ALASALA CO. and contractor contingency plans;
- h) contact with third parties to ensure their role in emergency response plans is known;
- i) confirmation that HSE induction and training plans are in place and ready for start up; j) briefing of sub- contractors on HSE requirements; k) incident reporting and investigation procedures.

The meeting(s) should be used as an opportunity to clarify or raise new HSE issues that may not have been covered in the contract documentation.

#### **5.24 Pre-Job Audits**

The kick-off meeting time frame is an excellent opportunity to check the evidence that HSE systems are in place and to check the condition of equipment and worksite in as far as this is possible. It is important to keep in mind that equipment and site may still be in use for other jobs. The items listed as part of the kick-off meeting can be part of the pre-job audit. Supplemental audit areas could include the provision and maintenance of:-

- a) equipment and site to be used for the work;
- b) HSE equipment;
- c) communication systems and procedures;
- d) environmental protection systems;
- e) health hazard identification and assessment, medical facilities, Medevac procedures.

The audit should provide recommendations to be implemented prior to commencing the work.

#### **5.25 Mobilization**

The objective of this phase is to assure that the HSE Plan is modified, if warranted, and communicated to all relevant personnel, both company and contractor. .

Prior to Mobilisation, it is likely that the full HSE Plan is known only to the principal members of ALASALA CO. and contractor's project management teams.

During mobilisation the HSE Plan has to be communicated by the management of both ALASALA CO. and the contractor to all relevant personnel. In the mobilisation phase the principal activities are as follows:-

- a) hold local kick-off meeting(s);
- b) commence mobilisation of contract staff and equipment;
- c) review and finalise the contractor's HSE





Plan. d) commence induction and site specific training. e) hold mobilisation HSE audit.

during mobilisation the CR must ensure that the contractor sets up a method of operation that is in accordance with the agreed HSE Plan. It is at this stage that the Contractors practical implementation and ownership of this HSE Plan begins.

ALASALA CO. representative (CR) should confirm that the contractor has deployed his supervisory staff and is implementing the briefing and training required for his supervisors and employees. Depending on the circumstances, additional supervisory staff from the contractor may be required to allow rapid set-up and implementation of the HSE Plan. The CR may want to have additional staff available to verify that the HSE plans are fully implemented.

During the initial part of the mobilisation phase all key personnel assigned to the project should attend the ALASALA CO. Safety Induction / orientation presentation which should be used to communicate the HSE plan and any other significant HSE aspects of the contract. Progress meetings should then be used as a formal method of reviewing HSE implementation, along with frequent inspections by ALASALA CO. personnel.

Aligning the various interests and areas of responsibility requires good working relationships between ALASALA CO. and contractor and between contractor and sub-contractors, particularly if their activities are difficult to monitor (e.g. distributed work groups, transportation). Once mobilisation activities have commenced, the CR should

begin supervision, monitoring, inspection and audit functions of the contractor's pre-execution activities to assure the contractor's HSE Plan is being implemented.

#### **5.26 Mobilization Audit :-**

In the final stages of the mobilisation an audit against the contractor's HSE Plan should be completed to determine whether the contractor has achieved the necessary targets stated in the HSE Plan and whether mobilisation can be considered complete.

Achievement of HSE Plan targets for this stage should represent the first milestone of the project. The extent of the audit will depend on the level of risk associated with the activity .For a relatively low risk contract, an audit may be conducted by means of a simple checklist. For high risk contracts, a more analytical approach may be required.

If the audit proves to be unsatisfactory, then the status of the contractor's progress should be carefully reviewed. The options available at this stage are:-

- a) minor deficiencies -the contractor should be requested to implement corrective action and the audit repeated. It may be possible to allow this to take place in parallel with initiating the execution phase;
- b) serious omissions -the option of withholding permission to proceed or even terminating the contract may be necessary ..

The mobilisation audit can be structured against the elements of the HSE management system *or* more specifically against the HSE plan elements as outlined in [2].





### **5.27 Contract Execution**

The objectives of this phase are to assure that the work to be performed is conducted according to the agreed HSE plan and that additional HSE needs, identified during the work, are properly addressed.

### **5.28 Responsibilities**

The nature of the work determines the level of supervision necessary e.g. within or in close proximity to operating plant, hazardous area zones or acknowledged high risk operations will require more direct ALASALA CO. supervision than for example, on a new construction site or the contractors own premises. Only in particular circumstances should contractors be directly supervised because too much instruction/direction from the client tends to relieve the contractor of the responsibilities stipulated in the contract.

Where responsibility for supervision rests with the contractor, the CR's role is that of monitoring compliance to contractual terms and systems defined within the contract. Company representatives should have access to specialist HSE advice where needed but accountability for contract HSE lies with the CR.

Responsibility may be delegated to . site representatives but **accountability** remains with the CR.

### **5.29 Contractor Compliance**

The roles and functions of ALASALA CO. designated CR includes assurance of:-

- a) the contractor's line management commitment to HSE issues;
- b) all HSE related clauses in the contract and the HSE plan are being complied with;
- c) contractor's internal HSE control system is in place;
- d) the contractor's monitoring of the quality, condition and integrity of his plan equipment and tools;
- e) the contractor's holding of toolbox and regular HSE meetings; ...,1 ,
- f) .contractor's implementation and participation in emergency exercises and drills;
- g) HSE risks arising from changes to plan are appropriately managed;
- h) compliance with incident and near-miss reporting, investigation and follow-up.

An HSE audit and review program should be prepared, stating specifically what is expected in ensuring that the HSE Plan is finalised and adhered to, together with details of how the performance of the contractor is to be measured. -

### **5.30 Competence Assurance**

During execution of the work the CR should monitor the continued competence of the contractor. This refers to any associated training commitment undertaken. Where necessary the CR should also determine if any additional training is required as a result of local circumstances. Monitoring should include a verification that the contractor complies with their management system, which may include:-

- a) competence and close monitoring of the replacement of personnel;



- b) provision of the necessary induction courses;
- c) training of contractors personnel in the job related activities and procedures;
- d) completion of all agreed HSE training, including any specified statutory training requirements;
- e) availability of HSE documents, instruction and information leaflets with special attention to use of local language reinforced with simple visual messages.

### **5.31 Inspection And HSE Auditing Reviews**

Inspections and audits provide the methods for monitoring contractor HSE activities. Regular inspections by ALASALA CO. representatives provide a means of checking compliance with contract requirements. The frequency of such inspections/verifications depends on the size of the work and the risks involved. Auditing provides the more formal and comprehensive assessments of adherence to the HSE Plan.

Inspections and audits should be performed by both contractor and ALASALA CO.. Joint Inspection/Audit programs can be considered having the advantage of aligning sometimes divergent objectives, enhancing common understanding and promoting constructive participation. Findings of inspections and audits should be shared between client and contractor with positive commitment from both parties to use the findings for improving performance.

### **5.32 Demobilization**

During this phase, the hazards associated with demobilization should be identified and controls implemented to minimize the risks. The HSE Plan should be modified, if need be, to address new or unexpected hazards. The contractor's HSE Plan continues to be the vehicle for managing the HSE activities in this phase.

Demobilisation often is a phase of the project with an increased chance of incidents as the project infrastructure and contractor HSE management structures are being dismantled with people moving off the project to new assignments. Assurance should be sought that the appropriate organizational structures remain intact until associated activities have been completed. These should include:-

- a) site restoration;
- b) waste management and disposal.

Due consideration should be taken of any learning points from mobilisation, the problems encountered and solutions found. The CR should continue to monitor the contractor's performance against his plan, including attention to incident reporting. It is important to maintain vigilance on HSE matters to the very end of the contract. The close-out report should be made after all activities have been completed.

### **5.33 Final Evaluation And Close-Out**

The objectives of this phase is to conduct a joint evaluation of the Contractor's HSE performance, provide feedback to the Contractor( s) and as a reference for future work for which the contractors will be considered. Contracts should be closed out with a report of HSE performance, providing feedback for future knowledge and learning. Ideally, HSE performance should be tracked on a regular monitoring process and the end of contract review. This should take the form of a close-out meeting where all parties are represented. Thus, throughout the contract, Contractor performance should be monitored against plan and any deviations,



positive or negative, annotated for reference in the close-out report / summary.

The format of the close-out report should reflect the agreed plan and contractual obligations between the company *T* and the contractor(s). However, there should be sufficient flexibility to take account of mutually agreed changes to the Contract. The analysis and summary of conclusions should address:-

- a) quality of the original HSE Plan and its relevance to the overall contractor(s) performance, stipulating what had been learned and how future contracts should be structured;
- b) highlighting positive aspects of learning and how they can be applied in the future. This learning should be shared with the contractor;
- c) feedback of any new hazards identified into the hazard identification and evaluation process for future contracts;
- d) provide a concise analysis of both the client and contractor's HSE performance for mutual improvement;
- e) provide input information on the contractor to the client bid list and provide advice for improvements in , assessing future tenders.

The HSE close-out data should be recorded and made accessible for future reference. A documented record of HSE performance should be kept in the contract file on each contractor. The contractor should be advised that its overall performance and HSE record will be taken into account when being considered for future work.