

	<b>CONTRACTOR HSE MANAGEMENT</b> ALL-HSE-PGM-113	Retention Code: CG01 - CA
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## 1.0 Purpose

This program is intended to build partnerships between ConocoPhillips Canada (CPC) and its contractors as well as provide clear expectations from CPC, specific to our HSE programs, procedures and corporate HSE requirements. This program is designed to:

- Assess the risk associated with the contracted scope of work and contractor execution.
- Assist contractors in administering programs that are consistent with CPC’s expectations, minimum requirements and applicable regulations.
- Protect both CPC and our contractor’s personnel from workplace injuries and illness as well as from losses associated with the incidents, while preserving the independent contractor relationship.

### 1.1. Scope

- This program applies to all contractor activities, except:

<b>Contractors</b>	Off-site contractors (e.g. fabrication shops, well site trailer/camp manufacturers, electrical generator suppliers) who do not provide service or support at CPC office or field sites.
	Independent contractors who go to site under CPC supervision and escort, and do not provide sub-contractors. Direct hire, single person contract supervisors/operators working directly for ConocoPhillips Canada (CPC) as “staff contractors” and who do not provide subcontractors or have employees.
<b>Service Providers</b>	Off-site service providers (e.g. deliveries to town offices, automobile contractors, rental companies).
	“Office only” engineering, staffing, and consulting (e.g. project scoping, economic analysis, legal services, accounting and “staff contractors”) who do not provide ongoing services at CPC office or field sites.
	Fixed wing air charter carriers on CPC’s approved air carrier list providing air transport services only. Commercial carriers (e.g. WestJet, Air Canada). Helicopter carriers NOT performing field based services (e.g. air transport services).
<b>Equipment Contractors</b>	Tagged equipment suppliers and fabricators (e.g. pumps, compressors, tanks, other pressure vessels), who do not provide onsite installation, service or support.
	Bulk materials vendors (e.g. line pipe, OCTG, pipe, valves and fittings and distributors, cement plant), who do not provide onsite installation, service or support.
	Fabrication contractors working at their own modular yards and shipping product to CPC sites, who do not provide onsite installation, service or support.

## **2.0 Program-Specific Roles and Responsibilities**

### **2.1. Senior CPC Leadership**

- Review and sign off on contractor variance requests and requests for extensions to existing variances.
- Review and approve defenses in place to manage contractors for which a variance is requested.

### **2.2. Supply Chain**

- Assure the existence of a signed and effective contract document, developed under current procurement policies and procedures.
- Verify an accurate scope of work is in place.
- Ensure a contract owner for each contractor or group of contracts is assigned.
- Determine if the vendor is required to subscribe to ISNetworld.
- Provide required contract documents and HSE Exhibit to all new and renewed vendors.
- Follow the HSE sourcing process to request an HSE analysis.
- Facilitate contract award process and communicate preferred vendor.
- Request contractor connection to CPC ISNetworld account (if applicable).

### **2.3. HSE Performance Assurance**

- Complete HSE analysis.
- Provide a summary and communicate the results of the analysis to Supply Chain, contract owner(s) and HSE field operations.
- Provide recommendation for improvement areas.
- Support contractor verification process.

### **2.4. HSE Operations – Field Operations**

- Provide HSE oversight and feedback to the contract owner specific to HSE risk mitigation as required; but not limited to:
  - Contractor risk classification.
  - HSE execution plan reviews.
  - HSE Contractor Critical Alignment (ALL-HSE-FRM 2138) document reviews.
  - Pre-mobilization HSE kick-off meetings.
  - Contractor verifications.

### **2.5. Contract Owner**

- Provide a clear scope of work (SOW) of the service(s) requested.
- Conduct and document the determination of the contractor's risk assignment(s): high, significant, medium or low risk based on the SOW.
- Ensure contractor provides HSE and Supply Chain information as requested.

- Obtain, review and approve the contractor's HSE execution plan and Critical Alignment Document (All-HSE-FRM-2138) as required by the contractor's risk assignment.
- Initiate variance when needed; developing appropriate defenses to manage the work under the HSE variance (ConocoPhillips Canada Contractor HSE Variance Form – ALL-HSE-FRM-2118).
- Communicate CPC HSE policy, goals and expectations to the contractor.
- Execute contractor kick-off meeting as required by the contractor's risk assignment.
- Participate in periodic engagement activities and follow up to influence contractor HSE performance.

## 2.6. Contractor

- Provide requested HSE and Supply Chain information as requested prior to commencing work.
- Follow and communicate to its employees and sub-contractors CPC's applicable policies, programs and procedures and the potential hazards associated with the work, including any and all applicable government regulations.
- Adhere to requirements of CPC's HSE Exhibit.
- Complete the critical alignment of HSE documents between contractor and CPC HSE documents, when requested by CPC (ALL-HSE-FRM-2138).
- Submit an HSE Execution Plan specific to the contractor's contracted activity/scope of work (SOW) upon request.

## 3.0 Program Requirements

- The contract owner must determine the risk associated with the SOW utilizing the ConocoPhillips Risk Matrix.
- Risk rank of activity should be documented in the scope of work or other contracting documents.
- For additional guidance on the Contractor Management Process, please refer to Appendix A – Contractor HSE Management Process RACI.

### 3.1. Contractor Prequalification HSE Analysis

- Contractor prequalification HSE analysis must be conducted for **all** contractors except those listed in Section 1.1.
  - At minimum, the contract owner must review the contractor risk profile (dashboard status) in ISNetwork.
- The HSE Performance Assurance Team must conduct a contractor safety analysis of relevant HSE information for **all** new contractors being considered for **significant and high risk activities** and may use the following additional sources:
  - IMPACT.
  - Commercial transportation carrier profile, provided by the contractor.
  - Applicable or related HSE certifications.
  - Additional HSE documents for those contractors not in ISNetwork including applicable HSE programs, procedures and performance statistics.

## 4.0 Contractor HSE Variances

- Variances must be obtained for **all** contractors that are not in ISNetworld or do not meet the following prequalification HSE analysis requirements:
  - Have an ISNetworld dashboard score of red.
  - Received a “fail” grade as a result of contractor safety analysis.
- Variances should be limited to emergency situations, one-off contracts/jobs or when logistical constraints limit CPC’s ability to use a green/yellow/approved (passed) contractor.
- Variances must not be written to bypass any due diligence requirements of the contractor management program.
- Contract owners must complete the Contractor HSE Variance form (ALL-HSE-FRM-2118) and submit it for approval to the appropriate business unit or functional unit VP or SLT member.
- Duration of variances may vary based on the terms of the contractual agreement; however should not exceed 90 days.
- Contract owner must put HSE defenses in place to reduce the HSE risk and document these as part of the variance.
- Approved variances must be submitted to [isnetworld@conocophillips.com](mailto:isnetworld@conocophillips.com).

### 4.1. Contractor HSE Defenses

- HSE defenses must be identified and implemented for contractors working for CPC under a variance.
  - Note: This is in addition to general HSE management system documents submitted to ISNetworld.
- Defenses must be reviewed by the HSE field operations team and the contract owner for completeness, validity and accuracy, etc.
- Contractors must communicate approved defenses to their workers and sub-contractors as applicable.

## 5.0 Restricted Status

- In rare instances, a contractor may be placed in a Restricted status due to:
  - Continued and persistent disregard for safety protocols.
  - On-site significant safety incident.
- Restricted status must only be used in cases where there intent is to reinstate the contractor for use within CPC’s operations through the approval of an action plan which addresses identified concerns.
- If determined by the Contractor Owner and Supply Chain to terminate the contract; the contractor will be removed from CPC’s ISNetworld vendor list.
- **The use of a Contractor in a Restricted Status is strictly PROHIBITED.**
- Note: A contractor in a restricted status will no longer have a letter grade associated with their ISNetworld account, instead, they will be allotted -201 points and their grade will show as **Restricted**.

- In order to place a contractor on Restricted Status, the Restricted Status Request Form (ALL-HSE-FRM-2147) must be completed and signed off by the appropriate level of management. This form includes the requirement for an action plan to determine what requirements the contractor must meet to be reinstated.
- Should CPC reinstate the contractor, the restricted 'grade' will remain in the Grade Archive.

## 6.0 Bridging

- Where contractors conducting **significant or high risk activities** will be required to follow both CPC procedures and their own procedures, a bridging exercise should be completed utilizing the Contractor Critical Alignment of HSE Documents form (ALL-HSE-FRM-2138), focusing on the applicable critical HSE processes/procedures.
- Completed forms must be retained by the contract owner.
- Contractors must communicate applicable CPC procedures to their workers and sub-contractors as identified during the bridging process.

## 7.0 Contractor HSE Execution Plan

As determined by the contractor's risk assignment, all contractors performing **significant or high risk activities** may be requested to provide a contractor HSE execution plan. The contractor HSE Execution Plan should address all activities required to safely and efficiently execute their scope of work. The HSE Execution Plan should include at a minimum:

- JHAs for each aspect of the work.
- A detailed risk registry (including proposed mitigation plans specifically tailored to address such risks).
- Training records and certifications of contractor group personnel.
- The portions of contractor's HSE MS which will govern performance of the work as specified in any Critical Alignment Document(s).
- Any required PPE.
- Completed forms must be retained by the contract owner.

## 8.0 Contractor Performance

### 8.1. Contractor Verifications

- Contractor compliance with agreed HSE programs and procedures must be periodically verified by the contract owner for contractors conducting **significant and high risk activities**.
- Validation activities may include but not limited to:
  - Audits, based upon the risk of the contracted activity, prior experience with the contractor, project complexity, and changes that may impact contractor performance (in accordance with the HSE Audit Program).
  - Contractor inspections.
  - Life Saving Rules Verifications.
- CPC may provide a list of identified deficiencies and non-conformances to the contractor on completion of the validation.

- When requested, the contractor must develop and track corrective actions to closure in a timely manner.
  - The documented action plan should include actions to be completed, responsibilities for completing actions and dates for planned completion of action items.
- Once all corrective action items are completed, acceptance of validation actions must be communicated to the contractor from relevant personnel within HSE operations.

## **8.2. Contractor Engagement**

- Meetings specific to contractor engagement must be held for contractors engaging in **significant and high risk** work and should be conducted prior to starting work, periodically during the duration of the contract and upon contract completion.
- Engagement activities should include contract owners, Supply Chain Management (SCM) and HSE and must consider the following:
  - Company's and/or site-specific or project-specific HSE policy and goals.
  - Company's SPIRIT values.
  - Company's HSE requirements and expectations for the work.
  - Review of major hazards.
  - Presentation of the HSE Management System or program, Bridging Agreement, emergency plans, etc. or, if not complete, plans for completion.
  - Plans for briefing of sub-contractors who are not able to attend the meetings.
  - Incident reporting and investigation requirements.
  - Review of contractor HSE performance statistics.

## **9.0 References**

- ConocoPhillips Contractor HSE Standard
- Contractor HSE Exhibit
- Risk Management Program (ALL-HSE-PGM-127)
- Contractor Variance Form (ALL-HSE-FRM-2118)
- Contractor Critical Alignment of HSE Documents form (ALL-HSE-FRM-2138)
- Restricted Status Request Form (ALL-HSE-FRM-2147)
- HSE Audit Program (ALL-HSE-PGM-435)
- Life Saving Rules Program (ALL-HSE-PGM-131)
- Risk Matrix Card (ALL-HSE-FRM-2022)

## 10.0 Document Retention

Records must be retained in accordance with ConocoPhillips' Document Retention Schedule.

Record	Owner	Classification	Retention
Contractor HSE Analysis	Contractor HSE Management Team	LGL01	Expiration of Contractual Obligations + 10 Years and ATA
Contractor HSE Analysis Tracking Sheet	Contractor HSE Management Team	AD01	No Longer than 5 Years
Contractor Variances and Defenses	Contract Owner	LGL01	Expiration of Contractual Obligations + 10 Years and ATA
Contractor Critical Alignment of HSE Documents	Contract Owner	LGL01	Expiration of Contractual Obligations + 10 Years and ATA
HSE Audit Reports	HSE Performance Assurance	CG01-CA	Completion + 10 Years
HSE Inspections Reports	Contract Owner	CG01-CA	Completion + 10 Years



Appendix A – Contractor HSE Management Process RACI

<b>Contractor HSE Management Process RACI:</b> <b>R: Responsible</b> <b>A: Accountable</b> <b>C: Consulted</b> <b>I: Informed</b>	Supply Chain	HSEMS - Contractor Management	HSE Operations – Field Operations Support	Contract Owner/Requestor	Contractor HSE Representative	Contractor's Management Rep.	CPC Senior Leaders
*Indicates requirement for high and significant risk work, or where the contractor is working under an approved HSE variance.							
<b>Pre-Contract Planning Phase (Applies to all Contractors)</b>							
Develop contract scope of work ensuring key HSE risks and requirements are identified and included.	I	C	C	R/A			
Request new or renewed vendor submitted to Supply Chain; complete initial contract classification (i.e., MSA); <b>determine if ISNetworld is required as per the ISNetworld exemption criteria.</b>	A	I	I	R			
Identify HSE risk for the SOW (high, significant, medium, low) utilizing the COP 5x5 risk matrix, documenting classification.	I	C	C	R/A			
Review and verify HSE risk ranking/contract categorization (ensuring alignment of the risk to the specific nature and content of the assignment).	I	R	A	I			
Define additional HSE requirements and responsibilities; include in RFP as required (i.e., HSE execution plan for high and significant risk work).	I	C/I	C/I	R/A			
Ensure all relevant HSE information and requirements are included in the RFP or single source contract.	R/A	I	C	C			
Complete the HSE Analysis for pre-qualification purposes. Evaluate minimum HSE requirements and capability of potential contractor; assigning a risk profile. Recommend HSE defenses to be applied where necessary.	I	R/A	C	C			
Develop RFP scoring criteria.	R/A	C/I	C/I	R			
Complete bid (award) evaluation or single source justification (SSJ). Issue recommendation for award/SSJ concurrence.	R/A	C/I	C/I	R			
Obtain variance and required approvals when necessary.	I	C/I	C/I	R/A			I
Sign off approved variance.	I	I	I	R/A	I	I	R
<b>Contracting Phase</b>							
*Preparation of contract documents and award contract.	R/A	I	I	I	I	I	
*Determine any additional HSE requirements (i.e., site access) or bridging documents to complete prior to mobilization.		C/I	C/I	R/A			
*Pre-mobilization HSE readiness review (identify any gaps; discuss any additional site requirements and expectations with contractor).	I	C	C	R/A	C	C	
Contractor formalizes HSE Management Plan (site safety & health plan); completes critical HSE document alignment.		I	I	I	R/A	I	

Contractor HSE Management Process RACI: R: Responsible A: Accountable C: Consulted I: Informed	Supply Chain	HSEMS - Contractor Management	HSE Operations – Field Operations Support	Contract Owner/Requestor	Contractor HSE Representative	Contractor's Management Rep.	CPC Senior Leaders
Contractor HSE readiness review – field/site audits to verify gaps identified during review of HSE management plan addressed (as required).	I	I	C	R/A	C	C	
<b>Contract Execution &amp; Performance Phase</b>							
*Pre-commencement/pre-job kick-off meeting.		I	C	R/A	C	C	
Schedule contractor HSE site inspections and audits (as needed).		I	R/C	R/A	C	C	
Conduct interim contractor HSE performance evaluation.	I	I	C	R/A	C	C	
Conduct contractor HSE meetings.	I	I	C	R/A	C	C	
*Conduct contractor performance meetings (including HSE performance).	R/A	I	C	C	C	C	
*Develop contractor HSE continuous improvement plans (CIP) as required.	I	I	C	R/A	A	C	
<b>Contract Completion and Evaluation Phase</b>							
*Develop and communicate any additional HSE requirements for demobilization.			C	R/A	C	I	
*Assess contractor HSE performance.	I	I	C	R/A	I	I	
Document contractor performance and lessons learned.	A	I	C	R	I	I	
<b>Measuring, Monitoring and Review</b>							
Conduct verifications based on the requirements of the HSE Contractor Management Program.		C	C	R/A	C	C	
Review program in accordance with the CPC document control program (every 5 years) to assess and adjust as needed.		R/A	C	I			

## Appendix B – Definitions

<b>Critical Alignment Document</b>	The document used to align Contractor’s and Company’s “Safe Work” documents, standards, policies, procedures, and practices, which must be agreed upon between the Parties after execution of the Agreement, but prior to the commencement of any work at a site.
<b>Contract Owner</b>	CPC field representative or assigned designate that engages and manages the work being performed by the contractor for CPC.
<b>Contractor</b>	An individual or organization performing work for CPC, following verbal or written agreement, whether under contract with CPC or another contractor.
<b>Contractor Risk Profile</b>	Results of HSE information compiled and scored in ISNetworld and presented in a dashboard score of red, yellow or green.
<b>RACI</b>	<p>A responsibility assignment matrix which describes the participation by various roles in completing tasks or deliverables for a specific business process, clarifying roles and responsibilities in cross-functional/ departmental processes.</p> <ul style="list-style-type: none"> <li>• <b>Responsible (R):</b> Those who do the work to achieve the task (although others can be delegated to assist in the work required to complete).</li> <li>• <b>Accountable (A):</b> The one ultimately answerable for the correct and thorough completion of the deliverable or task, and/or the one who delegates the work to those responsible. There must be only one accountable specified for each task or deliverable</li> <li>• <b>Consulted (C):</b> Those whose opinions are sought, typically subject matter experts; and with whom there is two-way communication</li> <li>• <b>Informed (I):</b> Those who are kept up-to-date on progress, often only on completion of the task or deliverable; and with whom there is just one-way communication</li> </ul> <p>Source: Wikipedia.org</p>

**Appendix C – Revision Record**

Section	December 9, 2015	Previous Information	Change Assessment
All	Reformatted and simplified/streamlined verbiage		Low
All	Removal of redundancy between the Corporate standard and Canadian Program		Low
Appendix A	RACI	General work type risk rating	Medium