

## Contractor HSSE Audit Protocols

**Authority:****Custodian** HSSE Audit Coordinator**Scope:** Canada Gas and NGL PU**Revision Date:** 2005-09-09**Issue Date:** 2005-09-15

### 1.0 Purpose/Scope

The purpose of this Standard is to ensure that 1) We set a uniform standard for interpretation of the requirements contained in the Contract language in the HSSE Requirements, 2) We document the interpretation language for use at all levels within the organization when discussing HSSE Requirements with Contractors, 3) The HSSE Audit Coordinator across the PU's can utilize a standard set of interpretations in conducting Contractor HSSE Audits.

This Standard applies to all operations within the Canadian Gas and NGL PU's.

### 2.0 Definitions

**Procedure:** specified way to carry out an activity or a process. Can be documented or not.

**Document:** information and its supporting medium. The medium can be paper, magnetic, electronic or optical computer disc, photograph or master sample, or a combination thereof.

**Record:** document stating results achieved or providing evidence of activities performed.

**Shall/Will:** Imperative to have some component of the expectation.

**Should:** Some presence of the expectation should be available but relative to the business activity of the service .

**Can:** it's up to them if they want to have it.

### 3.0 General Requirements

The following are the protocols to be used in conducting Contractor HSSE Audits within the Canadian Gas and NLG PU's.

#### **General Requirements:**

1. *HSSE Requirements encompass compliance with all applicable federal, state/provincial, maritime, and local statutes, regulations, enforceable agreements, agency orders, permits, and contract documents.*
  - 1.1. Contractor shall have a procedure for determining which existing regulations apply to the Contractor's specific operations. Contractor shall have a procedure for monitoring compliance. Contractor shall have a procedure for determining any changes in the regulations, new agency interpretations, or new regulations that apply to the Contractor's specific operations. Contractor shall demonstrate, in the Auditor's opinion, the intent to comply with the regulations.
  - 1.2. Contractor shall have a procedure for identifying those people within the organization who must know about or be trained regarding regulations. Records of notifications or training shall be available for review.

- 1.3. Contractor shall demonstrate compliance with regulations. Records in support of this, which will be available for review, shall include a list of applicable regulations. The Company will also conduct onsite inspection of compliance, where applicable.
2. *HSSE Requirements also include..... any site-specific requirements.....*
  - 2.1. Contractor shall have a listing of all site-specific requirements (including Drilling and Well Operations Policy, where applicable) that do not fall into either Regulatory Requirements or Company Requirements. Contractor shall have a procedure by which they assure compliance with the site-specific requirements.
  - 2.2. Contractor shall attend Company HSSE Meetings as agreed with local Company management.
3. *Each Contractor will ensure that any Sub-Contractor it employs meets these HSSE Requirements.*
  - 3.1. Contractor shall have a documented procedure for managing subcontractors' compliance with Regulatory Requirements, compliance with Company Requirements, and compliance with Site-specific Requirements. The procedure shall be fully implemented and records of subcontractor assurance shall be available for review.
4. *Contractor will take any additional precautions necessary to prevent harm to personnel or damage to the environment, property or Company's reputation.*
  - 4.1. Contractor shall implement, if appropriate, service line specific measures beyond those identified in this document for managing Contractors' compliance with Regulatory Requirements, compliance with Company Requirements, and compliance with Site-specific Requirements.
5. *Contractor will strive to deliver an incident and injury-free workplace.*
  - 5.1. Contractor shall train Contractor personnel how Contractor's HSSE Program will lead to an incident and injury free workplace, and the benefits of this to both Contractor and Contractor personnel. Records of this training shall be available for review.
  - 5.2. Contractor shall inform Contractor personnel how they are progressing toward an incident and injury free workplace, and highlight certain actions where improvement must be made in order to achieve that result. Records of the means of informing Contractor personnel shall be available for review.
6. *Contractor will achieve a total 12-month rolling recordable incident rate (TRIR) equal to, or better than, the TRIR hurdle set by the Company for work conducted on Company Sites and on Company Project Sites.*
  - 6.1. Contractor shall have a procedure that measures and records hours worked, accurately categorizes injuries per OSHA Regulations, and ensures that injury categorization is consistent with other sources of information, such as Workers Compensation Claims.
  - 6.2. Contractor shall provide, at Company request, the current TRIR for its regional and company operations, as well as one utilizing hours and injuries specific to Company Sites and Company Project Sites, as well as supporting documentation.
  - 6.3. Contractor shall provide an explanation of recordable injuries incurred in its regional or company operations and actions taken as a result of their investigation.
7. *Contractor will provide at the Company's request, a monthly breakdown of hours worked and miles/kilometers driven (including Sub-Contractors' hours and miles/kilometers) on Company Sites and on Company Project Sites.*
  - 7.1. Contractor will have a procedure in place to: 1) identify what hours worked and miles driven apply to Company reporting, 2) record these hours and miles and report them to the Company and, 3) test the accuracy of the numbers reported.

- 7.2. Contractor will have a procedure in place for subcontractors to: 1) identify what hours worked and miles driven apply to Company reporting, 2) record these hours and miles and report them to the Company and, 3) test the accuracy of the numbers reported.

### **Specific Company Requirements**

8. *Contractor will have a HSSE Program with a focus on continual performance improvement (or utilize Company's Program).*
- 8.1. Contractor shall set and track performance targets, plans, or actions for certain selected program components deemed critical to improvement. Records of performance tracking shall be available for review.
9. *Contractor Leadership will actively communicate HSSE expectations and Company requirements, routinely monitor HSSE performance, develop action plans for continuous improvement, and actively take ownership of HSSE.*
- 9.1. Contractor management and leadership shall actively participate in development, implementation, ongoing assessment, and follow-up of the Contractor's HSSE Program. Minimum expectations include communication of personal commitment, routine participation in HSSE Meetings, routine onsite inspections, and ongoing dialogue with Company personnel to obtain outside view of Contractor's program. Records of these activities shall be available for review.
10. *Contractor will ensure that Contractor's employees understand the Company's HSSE Policy and comply with the Company's Golden Rules of Safety for work performed on Company Sites and on Company Project Sites.*
- 10.1. Contractor personnel engaged in work for the Company shall be able to recite, whether from memory or from reading from a written source readily available to them, BP's HSSE Policy of No Accidents, No Harm to People, and No Damage to the Environment and BP's Environmental Concepts of Compliance with Regulations, Pollution Prevention, and Continual Improvement.
- 10.2. Contractor personnel engaged in work for the Company shall be able to demonstrate that they understand what the Company's HSSE Policy and Environmental Concepts means to them individually, and what things they do on a daily basis in support of these.
- 10.3. Contractor shall have a copy of the Company's Golden Rules of Safety and be able to show that all Contractor personnel engaged in work for the Company are aware of the GRS and have been trained in those that specifically apply to their job responsibilities. Records of training shall be available for review.
- 10.4. Contractor shall have a documented Management of Change (MOC) procedure that addresses temporary or permanent changes to organization, personnel, systems, process, procedures, equipment, products, materials or substances, and laws and regulations for items that affect the work engaged in by the Contractor for the Company, is written appropriate to the type of work that a Contractor provides to or performs for the Company, and requires some level of approval by the Contractor's management for implementation. Records of MOC's shall be available for review.
- 10.5. Contractor personnel shall be fully informed of and trained in any of the specific "immersions" rolled out by the company, and understand the requirements of each "immersion" as it applies to their jobs. Records of "immersion" training shall be available for review.
11. *Contractor will have a behavior based safety program, which, at a minimum, will include a safety observation program (or utilize the Company's program) with performance targets. Contractor will communicate to Contractor employees the expectation that everyone has an obligation to stop work that is unsafe.*

- 11.1. Contractor shall have a procedure in place for communicating and assuring that all personnel understand their obligation to stop work that is unsafe.
  - 11.2. Contractor shall have in place a functioning behavior-based safety program.
  - 11.3. Contractor personnel shall be trained in the program. Records of training shall be available for review.
  - 11.4. Contractor Management shall demonstrate how information is gathered from the behavior-based safety program and how this information is used to understand types of at risk behaviors, develop performance targets (including action plans and/or training), and to address the behaviors targeted for improvement.
12. *Contractor will have a hazard identification and risk assessment process for completing a daily pre-job task hazard analysis and/or work permitting system to identify and control the hazards to an acceptable level. At a minimum, a process for completing daily Job Safety Analysis (JSA), or Job Safety Environmental Analysis (JSEA) is required to facilitate the daily task hazards analysis.*
- 12.1. Contractor shall have a JSA procedure.
  - 12.2. Contractor shall conduct a JSA at least daily before work begins and each time the job scope changes.
  - 12.3. Contractor's JSA procedure shall not differentiate between routine and non-routine job scopes; all job scopes shall be included.
  - 12.4. Contractor can utilize a catalogue of job-specific procedures in preparation of the JSA, but should ensure that the process generates good discussion of both the risks associated with the job, and the process necessary to minimize or eliminate those risks.
  - 12.5. Contractor shall have available records of the current shift/tour's JSA(s) for review.
13. *Contractor will conduct or take part in regularly scheduled on-site or off-site HSSE meetings discussing among other topics, facility and job hazards, incidents, near-misses, site-specific safety and health rules, and site-specific procedures.*
- 13.1. Contractor shall have a procedure for HSSE meetings which includes, at the minimum, regularly scheduled meetings in Contractor's facility, at the Company Site or at the Company Project site, mandatory attendance by all Contractor and subcontractor personnel, documentation of attendance by Contractor and subcontractor personnel, documentation of agenda items which shall include facility and job hazards, incidents, near-misses, site-specific safety and health rules, and site-specific procedures.
14. *Contractor will immediately notify Company of all Contractor or Sub-Contractor incidents resulting in personal injury, spills or releases, security issues, loss or damage to property, or near-misses.*
- 14.1. Contractor shall have a procedure in place where immediate notification of the Company occurs for those incidents listed, when those incidents occur on Company Sites or Company Project Sites, or in support of either. Records showing that Contractor personnel are aware of the requirement and the process and that the notification is carried out effectively shall be available for review.
  - 14.2. Contractor personnel shall understand the reporting process.
15. *Company may require Contractor to conduct an investigation for any HSSE incident. Company retains the right to participate or conduct its own investigation. For all incident investigations, Contractor will provide a written investigation report to the Company. The investigation report shall identify possible root causes associated with the incident as well as proposals for corrective action.*
- 15.1. Contractor shall have a documented incident investigation procedure that can be implemented upon Company request for a specific incident. This procedure shall, at a minimum, require the use of root cause analysis to analyze the incident, and result in proposal(s) for corrective action to prevent reoccurrence.

- 15.2. Contractor personnel who would be expected to lead or take part in incident investigations shall be trained in the investigation procedure and have the required skills to participate in such an investigation. Records of training and evaluation shall be available for review.
- 15.3. Contractor shall demonstrate through interviews and records that the incident investigation process is understood by Contractor personnel and that investigations are occurring in accordance with the written procedure.
16. *Contractor will ensure Contractor employees have proper protective equipment (PPE) before work begins, and that PPE is worn as required.*
- 16.1. Contractor shall have a documented hazards assessment that outlines the typical tasks conducted by Contractor personnel and the corresponding PPE required.
- 16.2. Contractor shall train Contractor personnel in the proper PPE required for all tasks associated with their jobs. Records of this training shall be available for review.
- 16.3. Contractor shall have a documented PPE procedure that, at a minimum, identifies the specific PPE the Contractor will provide and defines requirements for the specific PPE that Contractor personnel are expected to supply.
- 16.4. Contractor shall ensure that PPE is discussed as a part of each JSA conducted.
- 16.5. Contractor shall, through its behavior-based safety program, ensure that proper PPE usage occurs.
- 16.6. Contractor shall demonstrate to the Auditor during onsite inspection that crew members are aware of PPE requirements and that proper PPE is being utilized.
17. *Contractor shall obtain and comply with individual site PPE requirements.*
- 17.1. Contractor shall be aware of any site-specific PPE requirements and ensure that Contractor personnel are in compliance with any site-specific requirements.
18. *Contractor shall comply fully with the Substance Abuse Policy.*
- 18.1. Contractors are expected to implement their own Alcohol and Drug Policy. The policy should represent BP Canada's Alcohol & Drug Policy Expectations of Contractors., it is not intended to diminish any existing Contractor policy or program.
19. *Company has the right to require Contractor to remove and bar from the Company Sites and Company Project Sites any personnel whose conduct (condition or action) jeopardizes the safety of any person. In addition, Contractor will not permit any barred person to work at any other Company Site or Company Project Site without prior Company approval.*
20. *Contractor will ensure that regulatory required training for Contractor employees has been identified and completed. Competency must be demonstrated.*
- 20.1. Contractor shall maintain a documented, current Training Matrix for all Contractor personnel that includes all regulatory-required training and defines the intervals at which retraining is required.
- 20.2. Contractor shall have a procedure to identify which Contractor personnel are not current in their training, which demonstrates that up-to-date training of Contractor personnel is a priority, and which includes a plan to achieve 100% compliance.
- 20.3. Contractor shall communicate with Company regarding training options for personnel to ensure that excessive time away from Company operations does not occur because of Contractor personnel training needs.
- 20.4. Contractor shall have a procedure for training Contractor personnel in all regulatory-required training. Training processes are left to the judgment of the Contractor, but should be suitable for the subject matter, in line with normal training practice, and include a testing component to assure competence of Contractor personnel. Records of training, including class rosters, qualifications of trainers, training agendas, and competence tests shall be available for review.

21. *Company may require reasonable additional site-specific training and documentation.*
- 21.1. Contractor shall maintain a list of site-specific required training that does not fall into the category above.
- 21.2. Contractor shall have a procedure for training Contractor personnel in all site-specific training prior to commencing work on the Company Site or Company Project Site. Training processes are left to the judgment of the Contractor, but should be suitable for the subject matter, in line with normal training practice, and include a testing component to assure competence of Contractor personnel. Records of training, including class rosters, qualifications of trainers, training agendas, and competence tests shall be available for review.
22. *Contractor will comply with its own or Company site-specific Short Service Employee Policy; whichever policy is more restrictive.*
- 22.1. Contractor shall have a documented Short Service Employee Policy or procedure. This policy or procedure must include, at the minimum, a definition of a SSE, the means of identifying that SSE on a Company site, requirements (if any) for notifying the Company of the presence or prospective presence of a SSE, the assignment of a mentor and a listing of the mentor's responsibilities, and the expectations and means of evaluating a SSE and the subsequent graduation from the SSE program.
23. *Contractor will have a preventative maintenance program that includes at a minimum, the identification and prioritization of maintenance for safety and/or environmental critical items.*
- 23.1. Contractor shall have a maintenance system or procedure that goes beyond a system which only repairs broken equipment, and prioritizes and schedules maintenance on selected equipment items on some periodic basis. The system or procedure shall, at a minimum, identify safety and/or environmentally critical items and establish a maintenance frequency for these items. The person or position responsible for the maintenance activity shall be clearly identified. However, a system that includes all Contractor equipment is not required to differentiate safety and/or environmentally critical items.
- 23.2. Contractor shall maintain a documented schedule for maintenance activities that includes the item to be maintained, maintenance activity required, and person or position responsible for the maintenance activity.
24. *Contractor will ensure Material Safety Data Sheets (MSDSs) are available at Company Site and/or Company Project Sites for all chemicals Contractor brings to the site, and that the MSDS is reviewed as part of the JSA/JSEA discussion.*
- 24.1. Contractor shall bring an up-to-date copy of the MSDS for each chemical utilized by them on the Company Site or Company Project Site.
- 24.2. Contractor shall include a discussion of each chemical being utilized in the pre-job JSA/JSEA.

#### **Company Specific HSSE Requirements Specifically Selected for Certain Contractors**

25. *Contractor will have a written Waste Management plan at the Company Site and Company Project Site for work performed that, at a minimum, requires identification of the waste and disposal methods.*
- 25.1. Contractor shall have a documented Waste Management procedure that, at a minimum, includes a list of all wastes created during activities on the Company Site or Company Project Site, a categorization of the waste indicating handling and disposal methods to be used for each waste and waste category, and regulatory-required methods for waste handling and disposal. Regulatory-required records of waste disposal shall be available for review.
26. *Contractor will meet or exceed BP's Driving Standard.*
- 26.1. Contractor shall have a copy of the Driving Safety Practice for Contractors.

- 26.2. Contractor shall implement it's own safety driving practice/procedure for all operations associated with the Company Site or Company Project Site prior to January 1, 2006.
- 26.3. Contractor personnel shall be trained in the methods required to comply with each of the elements of the practice. Records of this training, including class roster, qualifications of trainers, training agendas, and competence tests shall be available for review.
- 26.4. If the Contractor chooses to install Vehicle Data Recorders (VDRs), they shall be maintained in accordance with manufacturer's maintenance recommendations. Records of maintenance shall be available for review.
- 26.5. If the Contractor chooses to install VDRs, then they shall review the data from the VDR and use it to develop an understanding of driving behaviors of Contractor personnel, and then develop documented action plans for improvement in driving behavior based on the analysis of the data. Records of action plans shall be available for review.
27. *Contractor will supply Company with a valid Certificate of Recognition applicable to Province of Operation certified by Petroleum Industry Training Service (PITS) or Contractor's Service Line certifying body.*
- 27.1. Contractor shall hold a valid Certificate of Recognition certified by PITS or Contractor's Service Line certifying body. A copy of this Certificate shall be available for review.
- 27.2. Contractor shall advise Company if the Certificate of Recognition is not renewed within one month of expiry.
28. *Contractor must have a working knowledge of the Drilling and Well Operations Policy.*
- 28.1. Contractor shall have a copy of the Drilling and Well Operations Policy
- 28.2. Contractor shall have a procedure that delineates the Contractor's specific responsibilities as they relate to the Drilling and Well Operations Policy.

#### 4.0 Audit Report and Contractor Follow-up

Each numbered section of the Protocols will be given a score from 1-5 by the auditor per these criteria:

- 1 **Red** Contractor has made no attempt to address the section. This is a failure of intent, i.e. failure to develop the required process, or development is totally inadequate for the requirement.
  - Contractor has no written program in place as required.
  - Contractor has a written program in place that does not adequately address the section
  - (Examples – (1) no training matrix or written program in place, (2) no JSA procedure, (3) no behavior based safety program)
- 2 **Red** Contractor program has addressed the section but there is no evidence of a formal process or implementation. This is a failure of implementation, i.e. the process has not been effectively rolled out to all the necessary parties.
  - (examples – (1) training program including matrix, but no schedule for training, and less than 40% of required training accomplished, (2) written JSA procedure, but no evidence of implementation, (3) written behavior based safety program, but no evidence of implementation)
- 3 **Yellow** Contractor program has addressed the section with evidence of implementation of the process but a lack of complying with program. This is a failure of effectiveness, i.e. the program has been rolled out, all parties are knowledgeable, but it is not functioning as intended.
  - (examples – (1) training program with matrix and schedule for training with less than 70% of required training completed, (2) written JSA procedure, evidence of implementation, a

book of generic JSA's, but spotty evidence as to the effectiveness of the discussions, (3) behavior based safety program is functional, but data analysis needs to be undertaken)

- 4 **Green** Contractor program has addressed the section with evidence of implementation of the process and a concerted effort to compliance, but with evidence of opportunities of improvement. The program is in compliance with the requirements of the Contract, but there may be ways in which the program can be enhanced and thus improve its overall efficiency and/or effectiveness.
- (examples – (1) training program with matrix and schedule for training with greater than 80%, but less than 100% of required training completed, and process is somewhat incomplete as to how they will provide make-up training to all of those employees who missed training during the initial sessions, (2) JSA program rolled out and implemented, but need to review a selected number of completed JSA's in order to ensure good quality, (3) BBSP in place in the organization, but could enhance the analysis of data by taking a finer cut in the data)
- 5 **Green** Contractor program has addressed the section with evidence of implementation of the process and evidence of compliance
- (example – (1) training program with matrix and schedule for training with 80-100% of required training completed, and a process in place to get everyone trained, (2) JSA program in place with evidence that JSA's are completed for both routine and non-routine tasks, (3) BBSP in place with evidence that data is routinely shared)

Contractor will be required fill any gaps noted for sections scoring 1-3. This may include development of a written corrective action plan.

Company will expect the contractor to consider opportunities for improvement in sections scored 4, but the Contractor is under no obligation to implement any changes to their program, procedure or process. Sections scored 5 will not require the contractors to do anything additional, but to maintain processes for that section.

## 5.0 Key Responsibilities

HSSE Audit Coordinators – ensure that these protocols are used when Contractor HSSE Audits are conducted within the Canadian Gas and NGL PU's.