



Road Transport Contractor HSE Management Programme

Road Safety Leadership Team
June 2002

**CONTRACTOR HSE MANAGEMENT PROGRAMME
GUIDANCE NOTE**

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1.0 INTRODUCTION

Contractors and suppliers are key to our business performance, and we will assess their capabilities and competencies to perform work on our behalf. We will work together with them to ensure our HSE Expectations are aligned. We will monitor contractor and partner HSE performance, and ensure our procurement and management processes contain the rigor to deliver our HSE Expectations.

The focus of the Road Transport Contractor HSE Management Programme is to provide the right people, equipment and supportive environment so that the contract driver is an engaged, safe driver, making a difference on the road. Throughout this programme we should continually ask ourselves “does this have a positive impact on the driver’s behaviors and performance.”

The Road Transport Contractor HSE Management Programme is a guidance document describing a comprehensive contractor HSE management programme. Each BU is responsible and accountable for managing its road transport contractor population. The BU is free to use all, part or none of the tools and processes presented here. For example, a BU could use this document to benchmark its existing program and conduct a gap analysis.

2.0 SCOPE

This Contractor HSE Management Programme is primarily aimed at term contractors and more specifically term contractors with agreements with BP of greater than 12 months. While BP does not manage Branded Resellers and Jobbers, we should be setting expectations and assuring ourselves that they are meeting those expectations. In this sense many of the tools and processes described can be used. While long-term agreements and the associated enhanced relationship between BP and the contractor is preferred and encouraged, many BP businesses make use of spot contractors. To ensure the best possible result where spot contractors are used, the key elements of the Contractor HSE Management Programme should be applied as described below.

3.0 STAGES OF THE CONTRACTOR HSE MANAGEMENT PROGRAMME

The Road Transport Contractor HSE Management Programme consists of several stages that enable BU management to work with the Contractor to effectively plan and complete work in a way that is consistent with BP’s HSE expectations. This pack contains guidelines including a number of attachments. The attachments contain flowcharts, templates, checklists, proforma and examples of good practice that the BU may utilise / amend as it sees fit. Some activities / understandings are considered to be so important, that they have been designated as key elements and are strongly recommended to be part of any contractor management programme. These are found in the following attachments:

- 2 Letters to Contractors
- 3 a) Self-assessment questionnaire
- 4 Risk ranking models
- 5 Core HSE Expectations
- 8 b) HSE Reporting requirements are required to be addressed in the contract

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BUs should establish a register of Contractors who have been accredited under the Contractor HSE Management Programme.

An overview flowchart to the programme is included in Attachment 1.

Prior to implementing the Programme, the BU should have established a set of Contractor Road Safety Policies, Standards and Procedures (PSP). These PSP would include standards and expectations for Drivers, Light Vehicles, Heavy Good Vehicles, Driving Hours, Emergency Response, Fork Lift Truck, Maintenance Processes and Reporting Guidelines, among others. PSP should be fit for purpose, considering the risks involved and may differ between BUs.

Additionally, before initiating the RT Contractor Management Process, the BU should consider its current state and scope of contractor assurance and awareness. Based on this review, the BU may only need to strengthen its contract management program in a few areas using these guidelines to conduct a gap analysis. Some BUs may decide to totally revise their programmes and some BUs will find that their current contractor Management programmes are in good alignment with these guidelines.

BP's contractors are responsible for their sub-contractors (if any) meeting BP's expectations. Some BUs may, for business reasons, insist on giving written approval before a subcontractor can be used.

4.0 VETTING AND SELECTION

The vetting and selection process is about deciding whether the BU wants to consider doing business with a new Contractor, or remain doing business with an existing Contractor not presently subject to HSE assurance. At this point the Contractor is not being asked to bid on or conduct any work for the BU. A review of a Contractor's previous HSE experience and performance is a valuable source of information.

At the end of this stage, a decision will be made whether to place the Contractor on the accredited Contractor's register, which will permit the Contractor to bid on work. The same process can be applied for both existing and new Contractors.

- 4.1 Notification of Broad Expectations: A letter containing our basic HSE expectations, and attachment/s such as gHSEr, Global Road Safety Standards and the self-assessment questionnaire (see point 4.2), etc. The letter will be slightly different for existing vs. new Contractors. Refer to Attachment 2 for proforma letters, and a list of suggested attachments to the letter.
- 4.2 Self-assessment: This questionnaire is completed by the Contractor, and sent back to the person in the BU who is considering putting the Contractor on the accredited contractor register. The questionnaire asks for objective information and data. Refer to Attachment 3 for a proforma self-assessment questionnaire, and guidance on interpretation.
- 4.3 Compile available information: A number of steps (some of which may be conducted in parallel) for organizing and understanding the data:
 - a. Review of the results of the self-assessment questionnaire.

- b. Consultation with 'local intelligence' e.g. local staff who have used the Contractor before, or may know of them or their reputation through local knowledge.
- c. Other sources of information within the BU or industry contacts, cross-BU or cross-stream enquiries, and references.
- d. Using the information collected in steps a., b., and c., place the Contractor on a simple risk rank model to determine whether the likely activities or Contractor (organisation) would be placed in low, medium or high risk categories. Samples of simple risk rank models are included in Attachment 4.
- e. Following data gathering (self-assessment questionnaire) and risk assessment (e.g. the Latin American Lubricants PU's Risk Model – Attachment 4), a verification visit to the Contractor must be conducted to assess Contractor facilities, HSE systems and operations. The verification visit should be fit-for-purpose. An extensive audit is not necessary at this point. This visit can also be a good starting point for the engagement process.

4.4 Make selection decision: Does it feel right?

- The manager responsible for the location / business hiring the Contractor makes the determination of a Contractor's ability to work safely.
- The same process is applied whether the Contractor is new or existing.
- If the Contractor passes the vetting and is selected, it will be entered onto the accredited Contractor register.

5.0 ENGAGEMENT

Once the BU has vetted and selected a Contractor, the process of Engagement begins. This process is a targeted communications effort to engage the Road Transport Contractor and, ultimately, the Driver on whom the transport movement depends.

An important ingredient for the engagement process to be successful is that BU management must demonstrate clear and consistent leadership in the area of contract road transport. Some examples include:

- Driver ride-alongs
- ASAs related to road safety
- Leading by good example (e.g. seat belt use and proper use of mobile phones)
- Recognizing good behaviours and demonstrating constructive intolerance of bad behaviours

This type of leadership will create a positive and supportive environment for BU staff to work with the Road Transport Contractor to successfully implement this programme.

Additionally, the BU can demonstrate their interest in Contractor operations by designating a BP Representative with the authority to manage the contractor relationship, including the authority to suspend or terminate Contractor activities in accordance with the contract. As

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an example of good practice in use in BP, a Contractor Account Manager (CAM) process is described below. BUs can choose to implement this or similar programmes, depending on the nature and requirements of their specific business. For example, a BU might use a team of individuals to manage the CAM's responsibilities described in the next section.

The Contractor Account Manager (CAM) plays a critical leadership role in setting the tone and leading the engagement process with the Contractor.

The CAM:

1. Owns the relationship with the Contractor:
 - Is primary focal point within BP for all road safety issues with the Contractor
 - Develops a working relationship with the Contractor's senior management, and people at all levels of the organisation
 - Builds trust and respect
 - Understands the Contractor's business, including challenges
2. Engages the Contractor using conversation, positive actions and passion, with the goal of influencing the development of a positive safety culture within the Contractor organisation, promoting safety culture and a safe working environment.
3. Conducts a gap analysis, with the Contractor, using the standards and expectations as outlined in the BU's Road Transport Standards and Expectations and agrees an action plan with milestones.
4. Coordinates regular monitoring and performance reviews and audits. The CAM plays a key role regarding the assurance of safety commitment and the performance of the Contractor.
5. Consistently reinforces to the Contractor the consequences of not complying with the requirements of the program, including awareness of the disciplinary process. If necessary, the CAM constructively administers disciplinary action (e.g. investment in training).
6. Is able to provide assurance ("testify") on behalf of the Contractor to the BU organisation. The CAM will be the main sponsor of the Contractor for the BU regarding their attitude, record, infrastructure and assurance of the Road Transport Programme Standards & Expectations.

In summary, The CAM is responsible for ensuring that the Road Transport Contractor has a full understanding of our HSE expectations, and for forging mutual agreement about how those expectations will be applied in a contractual relationship covering the actual work that the Contractor will perform. CAMs need to receive specific training considering they will play a critical role of leading the engagement process with the Contractor. CAMs will be given guidance as to how the Programme is conducted for Contractors of various sizes and levels of sophistication. An outline of the framework, training programme, and checklist of supporting material for the CAM's training is contained in Attachment 6 – Relationship Management.

Typically it is at this point that a contract would be executed and all of the expectations, commitments (from both BP and the Contractor) and relationships would be documented.

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If the Contractor is simply going onto an approved / accredited Contractor list, an agreement covering potential services and expectations could be executed.

- 5.1 Pre-bid or pre-work meeting/s: These meetings are critical in setting the context for HSE assurance, and the basis for relationship management going forward. The meeting/s need to include an overview of the Contractor Management Programme, and a review of detailed HSE expectations relevant to the scope of work / services to be provided. Once negotiations are completed, the contract will record the agreements and how the ongoing relationship will work.

Core HSE expectations for Road Transport Contractors are contained in Attachment 5.

A Reference List to various Contractor communications slide packs developed within BP Group is contained in Attachment 7.

Attachment 8 contains a number of things that can be included in contracts:

- Sample HSE contract clauses for a variety of different type of Contractors
- Reporting requirements
- Termination and Reinstatement procedures

- 5.2 Verification Visit: A verification visit must be conducted (see section 3.0) as part of the engagement process. Any agreement on action plans and milestones resulting from this visit must be recorded in the contract or related documents.

- 5.3 Existing Contractors, decision on opening / breaking contracts to add or address HSE: For high risk (and medium if the BU decides) Contractors (see section 5.4), and where HSE aspects are not included in existing contracts, BUs must implement the following process.

- a. Consider commercial and legal implications of changing the contract, then:
- b. If it is decided it is not OK to proceed (i.e. commercial or legal implications are too high), the BU is to define and document (recognise) the risk, including a determination of how to address HSE upon contract renewal. Refer to Attachment 9 for issues to consider.
- c. If it is decided that it is OK to proceed, the BU works with Contractor to include the relevant HSE clauses / side letter to contract. If Contractor agrees, the contract is executed; if not agreed go to point b.

Ensure that the appropriate internal functions are consulted throughout (e.g. legal, procurement, marketing).

- 5.4 Existing Contractors without a formal contract: It is recommended that BUs execute a formal contract as soon as possible, proceeding through the Selection and Engagement processes as described above. If the Contractor refuses to sign a formal contract, and the BU wishes to continue using the Contractor regardless, then the BU is to define and document (recognise) the risk, including a determination of how to address HSE.

- 5.5 Safety Orientation Meeting: This meeting is critical in setting the context for HSE assurance, and the basis for relationship management going forward. The meeting/s

need to include an overview of the Contractor Management Programme, and a review of detailed HSE expectations relevant to the scope of work / services to be provided. Once negotiations are completed, the contract will need to record the agreements and how the ongoing relationship will work. A sample orientation meeting checklist / format is contained in Attachment 10. The orientation meeting must include the CAM and the Contractor Representative directly responsible for the work and HSE. Other operations personnel should also participate.

6.0 AUDIT

Once the BU and the Contractor have a documented and understood relationship, regular verification and assurance of progress against the agreement is required. In some cases a BU may decide to outsource the physical assurance activity (audit) to a third party. However, the CAM still has responsibility to ensure that the information is managed.

The need for assurance is driven by risk. If the activity or Contractor is high risk, then physical assurance is necessary. This is the only way to ensure that the business really understands what is actually happening in the Contractor's operations. Low risk activities may be addressed through the use of statistical analysis or other minimal impact method. In all cases the focus is on HSE assurance.

6.1 Type of audit: There are many types of audits that may be applied to a particular road transport contract. During the engagement stage, agreement will be reached on the type and frequency of audits, and the framework in which the resulting findings and recommendations are adopted and managed. A typical audit programme could include (all conducted by the CAM unless specified):

- a. Baseline audit
- b. Scheduled audit – compliance and continuous improvement
- c. Routine inspections and spot audits focusing on specific issues
- d. Self-audits by Contractor

A note on types of Audits, and references for various types of audit checklists are included in Attachment 11.

6.2 Prioritise: Where there are a large number of audits to be completed, the risk-ranking matrix to determine in what order Contractors will be scheduled for audits and resulting follow-up activities should be used.

Refer to Attachment 4 for examples of risk-rank matrices for schedule planning purposes.

6.3 Knowledge management: Auditing has the potential to generate a huge amount of administration, piles of reports and recommendations, and generally be overwhelming and unproductive unless it is well managed. Information management is critical. It is recommended that the BU establish a user-friendly, accessible database to store contract requirements, audit requirements, audit schedules, audit findings and recommendations, follow-up requirements, whether the Contractor is accredited or blacklisted, etc.

7.0 MONITORING and PERFORMANCE EVALUATION

Monitoring is closely linked to auditing, but also provides a link back to Selection and Engagement.

- 7.1 Assess audit outcome: Once the audit is completed some sort of assessment should be done to determine whether the performance / systems / equipment (whatever the audit addressed) is satisfactory, and what gaps exist. This evaluation should be documented.
- 7.2 Feedback / Action Plan / Milestones: It is important to give timely, meaningful feedback to the Contractor, and to agree an action plan and milestones for improvement. If required, the contract disciplinary (sanction) or reward processes may be triggered.
- 7.3 Performance Review: Monthly (or other interval) performance reporting requirements will be spelled out in the contract. This data should be submitted by the contractor, and reviewed by the CAM, with appropriate actions agreed.

Review and discuss audit action plans, agreed milestones and KPIs in regular or specially convened meetings.
- 7.4 Post-Contract Performance Review: The documented performance reviews will be used to substantiate the assessment of the Contractor for suitability for future work for the BU. Any changes to the status of the Contractor should be recorded on the accreditation register, or in the relevant database.
- 7.5 Share learning: Refer to knowledge management. BUs should also consider engagement cross-BU, cross-SRU and cross-stream where more than one party may use Contractors across the region.

8.0 GLOSSARY and DEFINITIONS

Most of the items in the Glossary and Definitions are self-explanatory, but are included to help ensure common understanding.

Audit: A systematic review of processes and programs in place that are used to ensure compliance with requirements. Audits take many forms, from simple questionnaires to extended review and verification of programmes.

Baseline Audit: An on-site audit by competent personnel to ensure that the potential Contractor has the ability to meet HSE requirements. A baseline audit would typically be conducted for high-risk work.

Broad Expectations: These are contained in Attachment 5 and are also included in the proforma letters found in Attachment 2. They are baseline requirements for all Contractors to the business.

Contractor: A company that has been engaged by a business to carry out road transport activities on behalf of the business. Contractor has a very specific definition in gHSEr – this relates to reporting for Group purposes, and should not be confused with the overall need to assure all key or high-risk Contractors.

Existing Contractor: Road Transport companies who currently perform work on BP's behalf including companies that are sub-contracted by the Contractor. In some cases, contracts are documented and in others the contracts are verbal or elementary e.g. schedule of rates only. In some businesses, existing Contractors may not at present be subject to Contractor HSE management.

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getting HSE right: Also known as gHSEr, is the framework used by the BP Group to define and detail core elements and expectations for HSE performance. This includes Contractor HSE assurance.

HSE Contract Clauses: Expectations and requirements in the written contract that detail the HSE responsibilities of the Contractor. Legal professionals should review contract clauses before they are added to contracts.

Monitoring: Specific performance requirements (as set out in the contract) should be monitored on a routine basis, for example, monthly HSE performance reporting by the Contractor.

New Contractor: Companies that have not worked for the business before. These contractors will be subject to a vetting process before they can bid on work that will be completed on BP's behalf.

Performance Evaluation: The monitored performance should be compared to expectations. If performance is below expectations, steps need to be taken with the Contractor to agree an action plan for improvement. If performance is better than expectations, the practices should be shared to help others reach a similar high level of performance.

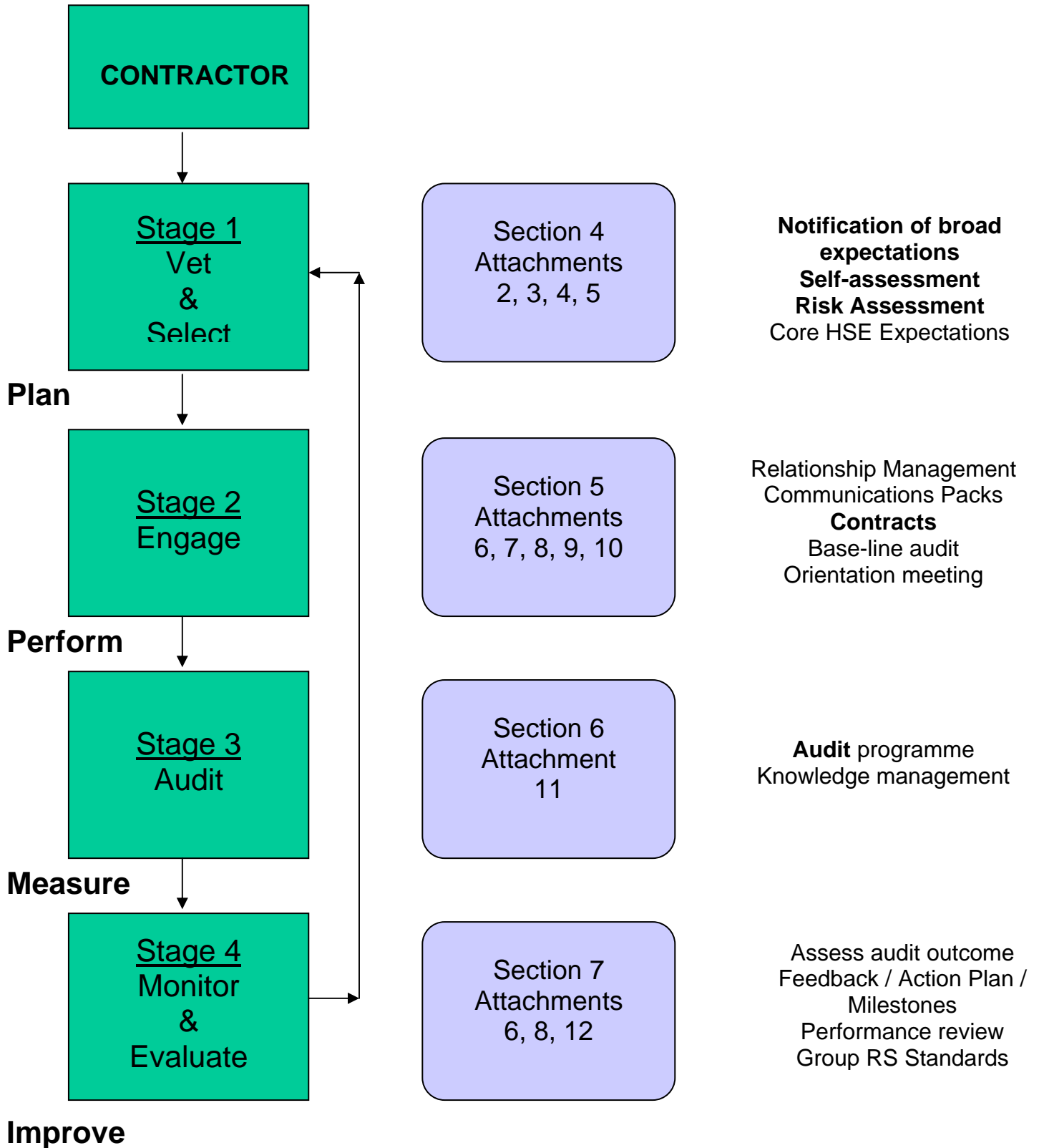
Post Contract Review: When a contract runs out, the overall performance of the Contractor needs to be evaluated. Review of HSE performance is one of the measures that should be included.

Vetting: The process of reviewing and approving Contractors for bid purposes. Contractors will not be asked to bid on work unless they have been vetted and accredited.

Self-assessment: The process of having a potential or existing Contractor review their own programs and procedures. Both the contractor and the BU can use the self-assessment result (see Attachment 3) to identify areas for improvement and to share best practices.

Site-specific pre-work orientation: A face-to-face meeting held with Contractor personnel, prior to the start of the work, to ensure understanding of the workplace and job-specific hazards and necessary actions needed to control the associated risks (e.g. Management of Change).

Attachment 1
CONTRACTOR HSE MANAGEMENT PROGRAMME FLOW CHART



Note: Subjects in **BOLD** strongly recommended

Dear _____

BP has a very strong commitment to Health, Safety, and Environment (HSE). Our goals in HSE are simply stated – no accidents, no harm to people, no damage to the environment. As an important business partner, you have a critical role in the achievement of these goals. In fact many of you have helped by sharing the programmes you have in place and we are grateful for that. You are aware of our commitment and, like us, have seen the benefits that come from improved HSE performance including decreased costs and increased employee satisfaction.

In the past year we have focused on changing behaviours, to create a belief that all accidents are preventable and that safe behaviours are a condition of employment. The result is a tremendous performance improvement in our operations which is most apparent in the area of personal safety where we reduced the number of serious accidents by ____%. The efforts that led to this result were not always easy, or free, but we recognised that the health and safety of everyone who works with us is critical to the success of our business.

Now it is time to take the next step to superior performance so that together we gain the additional rewards that come with that performance. Our plan is to discuss with you our policies, operating standards, and road safety requirements so that these requirements are clear. Our basic HSE Expectations for business partners such as you can be summarised as follows:

- We expect your operations to be in compliance with applicable laws and regulations.
- We expect your personnel to be informed, competent, and licensed or accredited where required, for the work they are to complete.
- We expect all vehicles and their operation to meet BP minimum requirements including seat belt installation and use, driver training and competency, and meet an acceptable standard of equipment and maintenance.
- We expect you to have in place procedures and controls necessary (work permit, energy isolation, etc.) to ensure safe execution of critical operations or tasks.
- We expect all safety incidents, including injuries, vehicle accidents, and oil spills occurring in the conduct of BP business, to be reported to us and investigated promptly.
- We expect your business to have an emergency response plan that links with BP plans, where appropriate.
- We expect your business to have a Drug and Alcohol Policy that addresses substance abuse.
- We expect to be able to conduct assurance activities including audits and inspections of your operations and facilities.

Attachment 2 A
Example of letter to EXISTING Contractor

- We expect any sub-contractors you hire to meet these same expectations.

In the next few months we will contact you to discuss these expectations. To assist with planning for the discussion we ask that you fill out the attached questionnaire and return it to _____ as soon as possible, *or* by ____ (date) _____.

BP is committed to goals of not harming people or the environment during the conduct of our business and has improved HSE performance in line with that goal. Now we - you and us – have the opportunity to move ahead together and take HSE performance from good to superior, a prize we would all be proud of and which makes sound business sense. Thank you, in anticipation, for your support and we look forward to a continuing and mutually beneficial relationship.

Sincerely,

Someone important

Attachments:

BP's Road Safety Standards

Self-Assessment Questionnaire

Attachment 2 B
Example of letter to NEW Contractor

Dear _____

BP has a strong commitment to Health, Safety and Environmental Performance (HSE). Our goals in HSE are simply stated – no accidents, no harm to people, no damage to the environment. Good HSE performance and the health, safety and security of everyone who works with us are critical to the success of everyone's business.

As a potential supplier of services to BP you will play a vital role in the continued achievement of these goals and it is important for you to understand our position that all accidents are preventable and safe behaviours are a condition for working with BP. We believe that everyone who works for us, anywhere, is responsible for getting HSE right.

Our basic HSE Expectations for potential business partners such as you can be summarised as follows:

- We expect your operations to be in compliance with applicable laws and regulations.
- We expect your personnel to be competent and to be licensed or accredited where required, for the work they are to complete.
- We expect all vehicles and their operation to meet BP minimum requirements including seat belt installation and use, driver training and competency, and an acceptable standard of equipment and maintenance.
- We expect you to have procedures and controls necessary (standard operating procedures, etc.) to ensure safe execution of critical operations or tasks.
- We expect all safety incidents, including injuries, vehicle accidents and oil spills occurring in the conduct of BP business, to be reported to us and investigated promptly.
- We expect your business to have an emergency response plan that links with BP plans, where appropriate.
- We expect your business to have a Drug and Alcohol Policy that addresses substance abuse.
- We expect to be able to conduct assurance activities like audits and inspections of your operations and facilities.
- We expect any sub-contractors you hire to meet these same expectations.

We at BP are committed to the goals of not harming people or the environment during the conduct of our business and are constantly improving HSE performance in line with these goals and we need to know that our business partners are willing to become as passionate as we are when it comes to HSE. As you are a potential business partner may we ask that you complete the attached self-questionnaire. Please be assured your answers will not necessarily disqualify you from being a supplier to us. We ask that you return the completed questionnaire with any additional supporting information to _____.

Thank you and we look forward to a mutually beneficial relationship in the future.

Sincerely,

The intent of the notification letters is to begin the Engagement piece of the process. The letters provide an overview of our expectations and help to enlist the Contractor, as a business partner, to join the effort of creating a distinctive HSE performance and good business practice.

The only attachment *required* is the self-assessment questionnaire found in Attachment 3.

The following items are *suggested* attachments:

- Pocket sized version of 'getting HSE right'
- List of awards the BU has won; it shows increase name recognition
- Copies of magazine or newspaper stories addressing pertinent BP programmes
- BP promotional material that relates to HSE
- Additional self-assessment materials
- BU-specific policies that relate to HSE
- Information on road safety
- BP's position on mobile phones and driving
- Information on BU performance and benefits attained
- Technical Safety Standards – Packed Goods/Dry Bulk Heavy Vehicles
- Technical Safety Standards – Bulk Liquid Heavy Vehicles

1. Background

Where there is clear business advantage, it is common business practice today to contract part of our road transport operations. Identifying and managing the HSSE risks and exposures are critical to the success of these contracted operations. There are no right or wrong answers in the questionnaire. The specific Contractor, their risk profile, and the business needs will all have an effect on what is acceptable.

2. Aims

The attached contractor-completed self-assessment has been designed to help those who involved in Contractor pre-vetting and selection, identify risks and assess compliance with the HSE Expectations. Management will assure themselves that Contractors maintain sound operations and will continue to do so for the duration of any contract.

3. Considerations

The form is purposely general in content and is kept simple and short. The first part is informational, and should not be a problem for the Contractor to complete although some may need to gather the data. The checklist portion is meant as a way for the Contractor to assess their operation against some of the Expectations we explain in the letter. Some of the questions are Yes/No and others ask for additional information. When it is returned it should be reviewed with the following conditions considered:

- Thorough Response

Check to see if all answers on the first few pages are complete. If not, the reviewer should contact the Contractor to determine why the information was not provided. It may have been an oversight or lack of understanding or perhaps lack of data.

- Risk based approach

When reviewing the answers do so with the Contractor's risk profile in mind. Contractors who conduct high-risk tasks should have more robust programmes than those who are doing minor or lower risk work. The reviewer should make a judgment whether the information from the Contractor provides a feeling of adequate control to the specific risk exposure.

- Contractor size

Size and complexity level of Contractor operations will determine the level of completeness of the required management "systems". For a small size Contractor, however, with relatively simple operations, the requirement for "systems" should be properly interpreted to fit-for-purpose.

4. Application

It is important that this process be applied consistently across the BU. This allows management to provide assurance and will have a positive effect on HSE performance.

Attachment 3 B
Proforma Self-assessment Questionnaire

The use of this self-assessment is mandatory. You are free to ask for additional information, but please do not delete any questions. For example, if you desire, you could ask for country/region specific data such as Workers Compensation, Insurance, or Experience Modification Rating.

CONTRACTOR:

ACTIVITY/OPERATIONS:

LOCATION:

COUNTRY:

Person completing the questionnaire

NAME: _____

POST TITLE: _____

DATE: _____

SIGNATURE: _____

Please complete all of the questions and attach additional sheets referenced to the question number.

History

- A. List the services you have provided to BP during the past three years, including the year the service was provided, description of service, and where the service was provided. If you do not currently provide service to BP, list a description of the services you are equipped to provide, when and where.

Are you a current BP Contractor? Yes No

Year	Service Description	Location

Attachment 3 B
Proforma Self-assessment Questionnaire

B. List the other companies to whom you provided service during the past 3 years, including this year. Include company name, year the service was provided, type of service provided, and where the service was provided.

Company Name	Year	Service Description	Location

Safety and Health Performance

C. Please provide the following safety record information for this year to date and the previous two years for your whole company.

Item	YTD	Year__	Year__
1. Hours worked			
2. No. of Fatal injuries			
3. No. of Injuries that resulted in Days Away From Work (DAFW)			
4. Total DAFW Frequency Rate			

Notes:

1. YTD stands for Year To Date
2. Hours worked should be accurate, but may be rounded to the nearest group of tens.
3. Items 2. and 3. use actual number of cases.
4. Item 4. is a calculated Frequency Rate using the following formula:
DAFWCF = (No. of Injuries X 200,000) / Hours Worked

D. Government safety agency inspections in the last three years? Yes __ No __

E. If yes, are there any unresolved issues? Yes __ No __

Please explain the unresolved issues:

Attachment 3 B
Proforma Self-assessment Questionnaire

F. Please provide a description of any significant incidents your company has been involved in during the past three years.

Year	Incident Description

The following section contains a number of questions requiring Yes or No answers. In some cases you are asked to provide additional information, and there is a Comments column for that purpose. **Please note, your answers will help us understand your conduct of business and will not necessarily disqualify you from consideration.**

	ITEM	Y/N or NA	COMMENTS
1	<p>Compliance with Legislation Have all operating permits and licenses you are required to have including environmental permits (DOT, ADR, etc.) been obtained?</p> <p>Are all personnel (e.g. drivers) properly licensed?</p>		
2	<p>Risk Management Do you have a system in place to identify and assess potential hazards and risks in your operations?</p> <p>Are there programs in place to manage the hazards and risks?</p>		

Attachment 3 B
Proforma Self-assessment Questionnaire

	ITEM	Y/N or NA	COMMENTS
3	<p>Training Is there a system in place to provide initial (induction) and ongoing training to meet job and legal requirements, including defensive driving training?</p> <p>If Yes, please attach a list or description of the training you provide.</p>		
4	<p>Heavy Goods Vehicles Do your transport vehicles meet BP's Technical Safety Standards as described in the documents provided?</p> <p>If No, have you developed a plan to address any deficiencies?</p>		
5	<p>Maintenance and Operations Do you have a system in place to ensure that your vehicles and associated facilities are properly maintained?</p> <p>Is there a system in place that provides your workforce guidance on correct operating and work procedures?</p>		
6	<p>Emergency Response Plan Do you have an emergency plan detailing the actions to be taken in the event of an incident such as spills, fires, road accidents, and serious injuries?</p> <p>If yes, do you test these plans?</p>		
7	<p>Sub-Contractors Do you use sub-contractors to perform work on your behalf?</p> <p>If Yes, do you evaluate them on their health, safety and environmental performance?</p> <p>Do you provide health and safety training to sub-contractors?</p>		

	ITEM	Y/N or NA	COMMENTS
8	<p>Accident reporting and investigation Is a system in place to ensure <u>all</u> accidents and incidents are reported, investigated and documented?</p> <p>Is near miss reporting promoted?</p>		
9	<p>Personal Protective Equipment Is personal protective equipment required for any operation you conduct for BP?</p> <p>If Yes, what sort of equipment (e.g., safety shoes, safety glasses) is required?</p> <p>Do you have a written seat belt use policy?</p> <p>Do you provide PPE and specific training to:</p> <ul style="list-style-type: none"> - Your employees? - Your sub-contractors? 		
10	<p>Hazard Information (MSDS) Do your employees have easy access to information about the hazards of the materials they work with?</p> <p>If yes, how is that information kept?</p>		
11	<p>Reputation Are your employees aware of issues or behaviours that if not properly managed (spills, pollution, fraud) may damage your and BP's reputation?</p>		
12	<p>Drugs and Alcohol Control Is there a system in place to ensure employees and sub-contractors do not work under the influence of drugs and alcohol?</p>		
13	<p>Insurance Is there a system in place to ensure all operations are adequately insured for third party liability, pollution liability, etc?</p>		

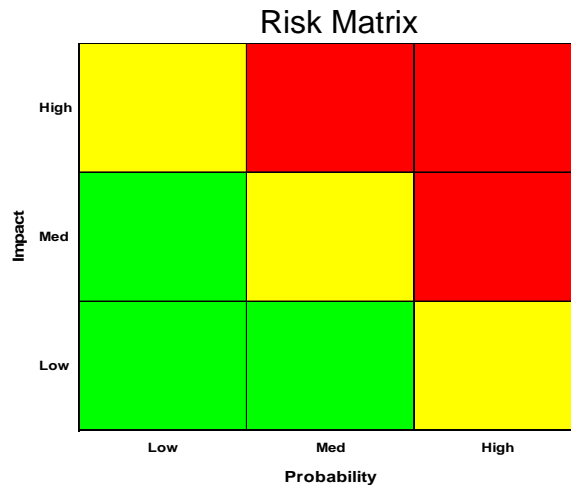
Attachment 3 B
Proforma Self-assessment Questionnaire

	ITEM	Y/N or NA	COMMENTS
14	<p>Hazardous Waste Management Do any of your operations result in the creation of hazardous waste like used motor oil?</p> <p>If Yes, is there a system in place to identify and properly dispose of hazardous waste?</p>		
15	<p>Audit and Inspections Do you have a program requiring routine inspection or self-assessments of health, safety, and environment programs?</p> <p>Would you provide performance data and allow BP to conduct an HSE audit of your facilities and operations?</p>		
16	<p>Security Do you have a program to identify potential threats to your staff, operations, facilities, or information?</p>		

The Contractor HSE Management Process is intended to provide a method for the BU to better understand and control risks. You are required to use some documented form of risk assessment and the following serves only as a guide or suggestion.

There are a number of ways to conduct a risk assessment. For the purpose of the Contractor Management Process (CAP), the basic qualitative approach using the 3X3 or 5X5 format is quite sufficient to get things moving and provide a risk-based prioritisation. The idea is to remember that this is a tool that assists the business in prioritising activity or deciding where to invest additional time or resource.

The most simple matrix uses the definition of Risk: Risk = Impact X Probability.



This is the simplest assessment, yet it provides a useful tool for prioritisation. To be effective, the group must first decide the Impacts and the measures of Probability. The table below is an example.

Qualitative Definitions

Key	Impact	Probability
	Fatality Day Away From Work injury Damage to Brand	Likely to happen No surprise Has happened before
	Recordable injury Potential damage to reputation	Could happen Not a big surprise
	Minor/first aid case	Very unlikely Big surprise

The items to be assessed are then judged against the criteria and placed in the 3X3 Risk Matrix.

Variations on the Risk Matrix are many and can be customised to meet certain needs. For example, if you decide that contract transporters are high risk you may want to further identify a priority. For that you could have the same sort of matrix but use a comparison

on one axis of Driving Standards, with the other axis being Road Standards. From that you could prioritise on a risk basis which countries to target first. Or, to conduct a risk assessment on the environmental aspects of a contractor, use Impact definitions that equate to spill quantity and hazard of the spilled material or sensitivity of the receiving environment.

Some businesses use Impact x Manageability, where Manageability is assessed by considering the length of the contract, the size of the Contractor and percentage of business dedicated to BP. This is a measure of the degree of influence BP has with the Contractor. For example, a long-term contract with a small Contractor with 70% of business with BP is likely to have a high degree of influence and thus Manageability.

This attachment contains a workshop process for classifying risk.



"Road Safety
Risk.ppt"

The Latin America Lubes PU has developed a quantitative approach to risk assessment for Road Transport Contractors. Scores are given to specific parameters such as road conditions, weather, equipment, etc and a numerical score used to prioritise contractors. The % of the local volume carried by each particular transporter is also used in the assessment. Contractors with a high % carried have an increased exposure and get priority attention.



ROAD SAFETY
MATRIX.xls

Other examples are available on the intranet. If you do not have intranet access, your HSSE manager can provide hard copies to you.

Attachment 5
Contract Road Transport Core HSE Expectations

These core HSE expectations are agreed to be common for Contract Road Transport operations, globally.

- We expect our Road Transport Contractor operations to be in compliance with applicable laws and regulations.
- We expect our Road Transport Contractor personnel to be informed, competent and to be licensed or accredited where required, for the work they are to complete.
- We expect all Road Transport Contractor vehicles and their operations to meet BP minimum requirements including seat belt installation and use, driver training and competency, and meet an acceptable standard of equipment and maintenance.
- We expect our Road Transport Contractors to report and investigate incidents, including injuries, vehicle accidents and spills occurring in the conduct of BP business. Additional reporting requirements may apply.
- We expect our Road Transport Contractors to have an emergency response plan that links with BP plans, where appropriate
- We expect our Road Transport Contractors to have a Drug and Alcohol Policy that addresses substance abuse
- We expect to be able to conduct assurance activities like audits and inspections of our Road Transport Contractor operations and facilities.
- We expect any sub-contractors hired by our Road Transport Contractors to meet these same expectations.

Relationship Management is critical to the HSE management program so that all parties have clarity about responsibilities and deliverables. This is part of the engagement process.

To properly prepare the CAM to effectively manage the contractor relationship, training should be provided before commencing Contractor engagement. The training should consist of the following:

The CAM will receive training before commencing Contractor engagement. The training will consist of the following:

1. Induction including:
 - Statistics for road-related incidents in the Group, and the BU
 - Review of major road-related incidents in the last 18 months
 - Al Kozinski's note and BU focus and programme
 - Develop clear understanding of the role of the CAM, and its critical in the success of the road transport programme
2. Thorough briefing of the Road Transport Programme
3. Account Management
4. Defensive Driving
5. Advanced Safety Auditing
6. Presentation skills / Communication skills
7. Familiarization with group road safety standards, vehicle standards and explanatory notes
8. Communication packs including slide packs, videos, promotions etc...
9. Stories and examples
10. Legal overview – clauses – need a sound understanding of disciplinary actions
11. Support if need help – who/where to go to
12. Record keeping – to support assurance / testify; disciplinary issues etc
13. Traction – inputting information
14. Go through / develop Frequently Asked Questions

Project management overview – use the project timeline as an example. Develop some basic tips about project management, time management, when to intervene, when to ask for help.

With the communications session – develop a half-day session on presentation and communications skills (perhaps use in-house marketing or HR?) – then use the communications pack as a case study. Work up some expected issues / blockers that the Contractors are likely to raise. Discuss how to deal with them. Need to have consistent responses if possible.

Legal overview – consider role-play of disciplinary action

Looks like about 2 days for an in-depth training

The following list details some of the issues the CAM should consider during discussions with the Contractor. It is wise to document any agreements relating to these topics in the contract / schedules:

- a. Reporting requirements; reporting lines; performance management - % of drivers undergone Defensive Driving training, % of drivers inducted to minimum requirements, number of breaches of driving hours standard, % of vehicles compliant with minimum vehicle standards, road accidents.
- b. Milestones, KPIs (alignment with BU PC; also type of Contractor) - A gap analysis will result in a work programme for which Milestones should be agreed by the BU and the Contractor. Implementation Milestones should include at minimum: driver management program, installation of seatbelts in all vehicles driven on behalf of BU, plan to upgrade or replace non-complying equipment, emergency management process.
- c. Audit types and schedules
- d. How BP will assist the Contractor – CAM role, best practice sharing.
- e. Organisational ownership of the Contract and accountability for performance.
- f. Frequency and content of meetings - Contractors shall conduct and participate in periodic site safety meetings. They shall be documented. Meeting topics could relate to the type of work, safety procedures, prevention techniques, the associated risk or health concerns, lessons learned, or other Safety and Health aspects.
- g. Driver issues - The contractor will have a comprehensive programme for the selection and ongoing development and care of drivers. The programme will include driver selection, induction / orientation, ongoing assessment and training, and attention to driver health and fitness. Provision of driver training is the responsibility of the Contractor employing the driver / operator and as a minimum should include: Induction training – BP Group Road Safety Standards, Vehicle / equipment familiarization, vehicle inspections, use of PPE, drugs and alcohol policy, incident reporting, emergency procedures, disciplinary policies and procedures; Defensive Driving training, passenger and load safety, observation and positioning, separation distance, cornering and overtaking, attitude concentration and anticipation, driver fatigue, journey planning and time management, mobile phones, use of seatbelts, practical drive.
- h. Disciplinary process and procedures (sometimes called sanction)
- i. Reward mechanism (if appropriate)

Access to Tr@ction via extranet for large Contractors (if appropriate)

Refer to Attachment 8A for sample contract clauses

Refer to Attachment 8B for sample reporting requirements

Refer to Attachment 8C for Discharge and Reinstatement procedures

Attachment 7
Road Transport Contractor Communications Package Reference List

Examples of road transport contractor communications packages for use in the Engagement Process.

Programme Name	BU	Contact Person
"Come Back Home Always"	Castrol Consumer Americas	Juan Pinedo
Greece RSP	Logistics Eastern Mediterranean	Thanassis Georgopoulos
May 2002 Transport Contractor Presentation	BP Pakistan (Upstream)	Mahmood Kazmi

Additionally, BU's may contact Ken Shaw, Director Road Safety Leadership Team.

The following clauses are extracted from real contracts from various parts of the BP Group. They are considered to be good practice, and may be used as a basis for contract clauses for similar types of Contractors. However, these should not be lifted and used directly in contracts without involvement from local legal personnel.

ROAD TRANSPORT

PERFORMANCE STANDARDS/REQUIREMENTS

Meeting Legal requirements

The contractor must perform the transport service meeting all valid laws and regulations that apply to the service activity, especially road transit, environmental, labor laws, etc.

Meeting BU Policies

1. The contractor must perform the service meeting the standards specified in the document "BP Group HSE Standard – Road Safety" found in attachment XX, which is considered a part of this contract.
2. The contractor must perform the service with vehicles that meet the standards specified in the document "Heavy Vehicle Technical Safety Standards" found in attachment XX, which is considered a part of this contract.

Contractor's Safety Policies

3. The contractor should develop and implement its own HSSE Policy in a written document, approved by its management, communicated to all levels of its organization and established as part of the induction plan for new employees.
4. The contractor should promote the creation of an HSSE Committee formally structured and that meets periodically (e.g. at least once a month). The Committee will include representatives from its management, maintenance personnel, drivers, etc. The written agreements/action plans resulting from the Committee meetings should be circulated to all levels of the organization.
5. The contractor should perform formal investigations of all incidents, identifying root causes, lessons learnt and recommendations to avoid recurrence. The recommendations should be widely circulated to all levels of the organization.

Procedures

6. The contractor should provide each driver with a "Driver's Manual", which will include all day to day instructions on operating procedures including loading and unloading of transported products. These instructions should also include daily safety checks and precise instructions on how to act in case of an incident or other emergency situations; the contractor should have working instructions and procedures for non-routine activities.
7. The contractor should develop and implement an emergency plan to appropriately deal with accidents, fires, spills and any other situation that may bring risk to life or the environment.

Safety Equipment

8. The contractor should ensure that its employees use, according to the activity, the personal protective equipment (PPE) supplied to them. PPE must be appropriate and recommended for each activity, must be in good working order, and must be

replaced upon presenting signs of wear. The contractor should maintain a registry of periodic inspections of PPE.

Driver Selection and Hiring

9. The contractor should have a policy in place for driver selection. This policy will include theoretical and practical evaluations (including medical exams) that drivers must pass according to their route, products and type of vehicle, as well as other elements that prove a positive attitude towards all aspects of HSSE. The policy will clearly define the required profile for a driver regarding age, experience, physical condition, knowledge of laws and regulations, required legal documents: license, medical certificate, etc.
10. The contractor should have an induction-training program in place that drivers should receive before going out on their first delivery. Training should include all HSSE policies, routine processes, emergency procedures, product knowledge, vehicle and equipment use knowledge, first aid, etc.
11. The contractor will facilitate on going training through courses on defensive driving, basic mechanics, laws and regulations, etc.

Driver Controls

12. The contractor should maintain strict controls on driver's driving and rest hours and keep records of such controls.
13. The contractor will maintain a personal registry of each driver where records will be kept of evaluations, medical exams, training, accidents, incidents, absences, law violations, accomplishments, etc.
14. The contractor should establish a route map/management/fatigue management - salary policy - that at no time encourages driving over speed limits or working additional hours.

Vehicle Standards

15. The contractor's heavy goods vehicle fleet will meet the BU Heavy Vehicles Technical Safety Standards.

Vehicle Maintenance

16. The contractor should develop and implement a vehicle maintenance policy. The policy will establish a routine program of maintenance and inspection for each unit and equipment that guarantees they will always be kept in optimal working order for road operation. An auditable registry should be kept of all maintenance and inspections for each vehicle and equipment.

Incident Reporting

17. During the term of this Contract, Carrier agrees to provide Company with an oral, within four hours, and written notification report of any incident identified in Section xx upon Carrier's awareness of the incident. In addition, Carrier shall provide a written report on BP's Carrier Incident Report Form within 7 days of an incident. This report will identify the cause and lessons learned of all serious incidents. In an event of a serious incident, Carrier shall immediately notify the BP Emergency response unit at [telephone number to be provided here]. It will be the responsibility of the Emergency Response Unit to notify other persons at BP of the problem. Should the Carrier require assistance with the emergency, the BP

Emergency Response Unit would be available to offer information as to who in the area should be contracted for help. Repeated failure to report an incident in a timely manner could be cause for cancellation of this Contract.

HEALTH, SAFETY AND ENVIRONMENT

Emergency Response Information

18. Carrier shall maintain on each unit in operation or scheduled to be in operation under this Contract the prescribed emergency response information as required under country regulations (e.g. DOT Emergency Response Communication Standard. Ref: 49CFR 172.602 (a),(b) & (c) (1)). In addition, the Carrier should have a documented emergency response plan in place and in accordance with country regulations (e.g. 49CFR-130 (OPA-90)).

Training

19. Carrier's drivers shall be trained in emergency response to HazWOPER Awareness (Level "1") Training. Evidence of such training in a form satisfactory to Company shall be provided on a quarterly basis. In addition, Carrier shall supply documentation of attendance and verification of successful completion of any training required by State and Federal regulations in such a form as required by Company. Such records should be certified by the Carrier and also signed by the attending employee as verification of training. It is expected that Carrier training programs will be at the same quality level as Company's. Company reserves the right to review such programs for content, completeness and compliance. Carrier will make available to Company, upon request, Driver Qualification Files, Driver Training Records and Driver Safety Performance Records (unless prohibited by law).

Safety

20. Carrier shall provide Company a copy of their safety program. It is expected that this program, as it relates to equipment and drivers servicing Company, meet all the performance standards contained in Company's program. Company reserves the right to audit Carrier's program and its implementation. In addition, Carrier shall comply with all local safety guidelines. Failure to comply with these provisions and the local guidelines may result in termination of the driver or this Contract as specified in Section 8.

Accident/ Spill Clean-up Supervision

21. In the event of an accident or spill while Carrier is hauling Company's product, Carrier shall immediately notify, within four hours, Company at [telephone number to be provided here]. Company may, at its option, intervene in any spill or accident clean up, and upon notice being given to Carrier's Terminal manager, undertake such measures as reasonably necessary to prevent or mitigate resultant damages unless Carrier promptly undertakes same. Company agrees to keep Carrier advised of the nature and extent of the measures to be undertaken by it. Any of the aforementioned measures taken by Company shall be at Carrier's expense. If the Carrier determines that said measures should be discontinued, the Carrier must notify Company and Company shall have no right to continue such measures under provisions of this paragraph. The above shall not be considered to be in derogation of any other such right as Carrier or Company may have or acquire by law or any international convention.

Performance monitoring is required. This Attachment provides an example pro-forma that may be included in the contract for recording of KPIs, milestones, data and other agreements on reporting. The content can be expanded or simplified to suit the contract, relationship, and risk of activities.

1. Key Performance Indicators – report monthly

	KPI	<u>Performance Standard</u> *
1.1		
1.2		
1.3		
1.4		

* The performance standard may be agreed as an acceptable range, or firm targets / limits. These will be used for disciplinary and recognition purposes.

2. Milestones – report quarterly

BP and the Contractor will review Contractor compliance with the minimum standards and expectations. A gap analysis will result in a work program for which action plans and BP and the Contractor agree milestones.

Implementation Milestones:

	Milestone	Date by
2.1		
2.2		
2.3		
2.4		

3. Data Reporting Requirements – report monthly

For this section, it is preferred that the Contractor** report electronically via Microsoft excel for which a template workbook will be supplied. If this is not possible, a paper version of the template workbook will be made available.

Reporting (either electronically or by paper) is required by the third working day of each month.

*** For small Contractors, and as agreed with the BP representative, estimates of typical monthly statistics may be accepted. Incidents must be reported on a case-by-case basis.*

Data for the following items will be included in the electronic or paper workbook on a monthly basis:

- Fatality or Multiple Serious Injuries
- Number of hours worked
- Personal injury with subsequent days away from work
- Number of km driven for BP-related work (list separately)
 - Bulk vehicle >3.5t
 - Pack vehicle >3.5t
 - Vehicles <3.5t
- Number of accidents classified using the road accident matrix (in the HSE workbook)
- Spills classified using the spills matrix (in the HSE workbook)

4. Incident Reporting – as needs

Item 3 relates to a monthly summary of statistics. This Item 4 covers reporting of incidents (building on the classifications detailed in Item 3) as they occur.

Immediately	<u>Within 24 hours</u>	Include with Monthly Report
Fatality		
Multiple serious injury	Injury resulting in a day away from work	
Spill > 15,900L	Spills < 15,900L	
	Damage to equipment > US \$15,000	Damage to equipment < US \$15,000
Significant adverse publicity		
Incident with a High Potential for any of the above		

Use the form on the next page to report all incidents in line with these timeframes. Call the BP representative if there are any questions regarding classifying an incident.

2 INCIDENT / NEAR MISS REPORT	
Contractor Company Name: Report Issued By: Telephone number:	<u>Send To:</u> <u>Insert name, telephone and fax numbers of BP representative or HSE manager.</u>
Location of Incident: Country:	Date of Incident: Time of Incident:
Category (delete not applicable): Incident / Near Miss Fatality / Multiple serious injury / Injury / Spill / Adverse publicity	News or Media Coverage? Y/N External agencies involved? Y/N What assistance has been requested? Detail

Account of Incident or Near Miss:

Investigation Findings:

Recommended Actions to Prevent Recurrence: *(who responsible, timescale, cost)*

Report Issued

Date:

Time :

By:

The contract needs to have some clauses addressing how the expectations provide a basis for discipline. If expectations, rules etc are breached then the Contractor must expect some disciplinary process to apply. This Attachment contains a formal approach that may be modified as appropriate.

1.0 Expectations

Working in accordance with HSE expectations is a condition working with BP.

The engagement process results in a documented series of expectations, and documented agreement on performance standards such as KPIs, action plans, milestones etc. A pattern of non-conformance to these agreements resulting in nil improvement or deteriorating HSE performance will be grounds for activation of the disciplinary process.

2.0 Disciplinary Process and Termination Criteria

A typical disciplinary process for a pattern of non-conformance to agreed performance standards or breaches of expectations, on a rolling 12-month basis, would provide for:

First Breach:	Appropriate counseling (document and place on file)
Second Breach:	Counseling and written warning (possible suspension)
Third Breach:	Termination
For possible gross violation, immediate suspension pending investigation and decision. A suspended Contractor, or Contractor employee, may not work until re-approved, in writing, by the BP representative after satisfactory conclusion of the investigation and decision.	

Immediate termination of contract, or ban of Contractor employee when:

- Illegal activity or gross violation of the law (including theft from BP or BP customer)
- Gross violation of HSE agreement / contract terms
- Test positive for drugs / alcohol whilst at work
- Fatality where investigation shows Contractor to be negligent / gross violation

Immediately a termination or ban has been effected (in writing), the Contractor and/or Contractor employee will not be permitted to conduct any more work on BP's behalf unless formal reinstatement has been approved.

For all suspensions and terminations, a written file note must be drawn up. This will outline the Contractor and/or Contractor employee deficiencies, and the process that was followed that lead to suspension or termination. For termination, a copy of the file note, signed by a senior BP representative taking responsibility for the termination, must be given to the Contractor for its records, along with the criteria for future reinstatement.

3.0 Reinstatement Criteria

Reinstatement places the Contractor back on to the accredited Contractor register, allowing them to bid on jobs. The Contractor must meet all of the following criteria prior to being reinstated to the register:

1. A minimum of 24 months has passed since the Contractor was terminated from the accredited Contractor register.
2. The Contractor submits a written document detailing the specific improvements that the Contractor has made to correct and eliminate each deficiency for which it was terminated.

Attachment 8 C
Termination and Reinstatement Criteria

3. Satisfactory results are obtained from field audits conducted by BP at other sites where the Contractor is performing work. These audits will include interviews with Contractor field personnel to gauge the amount of change that has occurred in the Contractor's HSE culture.
4. The Contractor meets any other specified site-specific criteria before they return to work.
5. If possible, the reinstatement notice of the Contractor will be co/signed by the senior BP representative who took responsibility for the termination of their ability to work for BP.
6. The Contractor has not incurred an employee fatality in the 24 months since the company was eliminated from the accredited Contractor register.

Attachment 9
Breaking a Contract; Non-existent Contract: Issues to Consider

In order to supplement existing HSSE clauses or maybe to introduce them to a contract for the first place, there will be occasions during the engagement phase of the contractor HSE management programme (CAP), where you may need to break an existing contract or find there is no formal (signed and dated) contract in place.

In both these instances there will be some considerations to make, and, depending upon the response from the contractor, some decisions to make. This note has been compiled to address possible considerations and decisions to support your individual BU contractor assurance programs. Where necessary, commercial and legal personnel should be consulted.

CONSIDERATIONS

Relationship	Consideration	Potential Impact
There is no contract in place	Culturally, this may be the way business is done locally, but is not acceptable. Any discussions may impact upon a relationship.	The contractor may refuse to do business, but from a liability perspective the BU is totally exposed.
Contract in place and due to be reviewed short term	Opportune time to review contents of HSSE clauses, recognising that the existing contract might not have any or they are weak. This may impact upon a relationship or the contractor might see this as a way of increasing their remuneration.	The contractor may refuse to do business or negotiate an increase in remuneration in line with additional HSSE activities that we expect them to do.
Contract in place	Any discussions or suggestion that the contract should be broken or side letter adding may impact upon a relationship.	The contractor may refuse to do business or . . . negotiate an increase in remuneration in line with additional HSSE activities that we expect them to do or . . .

RESPONSE

Contractor response	<u>Options</u>	Risk
Refuses to have any contract	You need to consider this response in parallel with the original risk assessment. If the contractor has the potential to impact upon the business significantly (\$ value / reputation), you need to decide if you are willing to accept the risk.	Significant and in most if not all, unacceptable risk to business. We should not be doing business in this way. If you must, risk must be recognised, documented and mitigated.
Refuses to have any HSE clauses	You need to consider this response in parallel with the original risk assessment. If the contractor has the potential to impact upon the business significantly (\$ value / reputation), you need to decide if you are willing to accept the risk.	With contract in place the commercial issues should be addressed, but from an HSSE perspective you are wide open to abuse/liability. Risk would be significant if the risk to business of the contractor activity were high. Risk mitigation steps should be taken.
Refuses to break contract or add side letter to existing contract	You need to consider this response in parallel with the original risk assessment. If the contractor has the potential to impact upon the business significantly (\$ value / reputation), you need to decide if you are willing to accept the risk. In this case they may be willing to comply with the HSSE core expectations (do not want to interfere with contract) in which case formalise that commitment e.g. with a letter.	As above . . . but risk is reduced significantly if they commit to delivering on the expectations, without breaking the contract.

NB. Risk Assessment refers to that completed using Attachment 4

WAY FORWARD

There is no right answer in any of these situations and the final decision must be driven by risk to business and your BU's ability to either manage that risk or accept that it is part of the business case, recognising potential dollar (\$) impact in the unfortunate event of an incident. Another way of looking at this is to consider it a BU risk and knowledge based decision, which must be documented on all occasions to demonstrate appropriate risk management assurance.

Before allowing a Contractor to begin work the BU must ensure that they understand all HSE responsibilities and expectations. A pre-work orientation meeting is the best way to complete this task. This attachment provides an example.

Sample Checklist and Format for Orientation Meeting:

It is good practise to conduct a contractor safety orientation meeting with the contractor's representatives and, if possible, the contractor's drivers. The items listed below can be specifically addressed.

<u>Accident Reporting & Investigation</u>	<u>Discussed</u>	<u>N/A</u>
1. Key Performance indicators – report monthly: Contractor shall report on a monthly basis key performance indicators: % of drivers having defensive driving training, % of drivers inducted to minimum requirements, number of breaches of driving hours standards, and accidents.	_____	_____
2. Milestones - report quarterly: BP and the contractor will review Contractor compliance with the minimum standards and expectations. A gap analysis will result in a work program for which Milestones must be agreed by BP and the Contractor. Implementation Milestones must include at minimum: driver management program, driver manual complete and issued to all drivers, installation of seatbelts in all vehicles driven on behalf of BP, plan to upgrade or replace non-complying equipment, emergency management process.	_____	_____
3. Data Reporting requirements – report monthly: For this section it is preferred that the Contractor report electronically via Microsoft Excel, for which a workbook template will be supplied. If this is not possible, a paper version of the template workbook will be made available. Reporting (either electronically or by paper is required <u>by the third working day of each month.</u> Data for the following items will be included in the template: Fatality, personal injury with subsequent days away from work, number of km driven for BP related haulage, number of accidents and number of spills.	_____	_____
4. Contractor shall immediately report to BP: Fatalities, Multiple serious injury, spill > 15,900 Liters, significant adverse publicity, incident with high potential for any of the above relating to the work for BP.	_____	_____
5. Contractor shall report to BP within 24 hours: Injury		

Attachment 10
Sample Orientation Meeting Checklist

resulting in a day away from work, spill < 15,900 liters,
damage to equipment over US\$ 15000.

6. The BP Representative (CAM) is required to participate in all major incident investigations to determine root cause(s) and recommend corrective measures. The investigation should establish who is responsible for the identified corrections and by when they will be completed.

Auditing and Inspection

Discussed **N/A**

1. A BP Representative has the right to visit the contractor's facilities to verify safety and health practice and conditions.
2. Contractors shall audit and correct the behaviors and conditions on the site that have the potential for causing a hazard.

Contractor Employees

Discussed **N/A**

1. Employees under the influence of drugs or alcohol are not permitted to drive under contract for BP.

Contractor's Responsibilities

Discussed **N/A**

1. Conduct work in a safe and healthful manner
2. Contractor must assure BP that all subcontractors will comply with BP safety and health policies and procedures.

Emergency Preparedness

Discussed **N/A**

1. It is expected the Contractor will develop and implement a positive, non-accusatory emergency management process to follow in the case of an incident. A sample emergency management process can be made available for references purposes if required
2. Contractor shall instruct all employees in the use of emergency equipment like fire extinguishers, PPE, etc.
3. All employees must be informed on the location of the emergency telephone number list.

Personal Protective Equipment

Discussed **N/A**

- | | | | |
|----|---|-------|-------|
| 1. | Contractors shall provide the appropriate personal protective equipment for their employees. | _____ | _____ |
| 2. | Contractors shall enforce the proper use of the personal protective equipment to protect their employees. | _____ | _____ |
| 3. | Hard hats are to be worn where there is a possibility of a head injury. | _____ | _____ |
| 4. | Safety-toed, leather work boots are required where there is a possibility of a toe injury. | _____ | _____ |
| 5. | Contractors must train employees the care, use and understanding of the importance of PPE. | _____ | _____ |

Safety Meetings

Discussed **N/A**

- | | | | |
|----|---|-------|-------|
| 1. | Contractors shall conduct and participate in periodic site safety meetings. They shall be documented. Meeting topics could relate to the type of work, safety procedures, prevention techniques, the associated risk or health concerns, lessons learned, or other Safety and Health aspects. | _____ | _____ |
|----|---|-------|-------|

Driver

Discussed **N/A**

- | | | | |
|----|---|-------|-------|
| 1. | The contractor will have a comprehensive programme for the selection and ongoing development and care of drivers. The programme will include driver selection, induction / orientation, ongoing assessment and training, and attention to driver health and fitness. | _____ | _____ |
| 2. | Provision of driver training is the responsibility of the Contractor employing the driver / operator and as a minimum must include: Induction training – BP Group Road Safety Standards, vehicle / equipment familiarization, vehicle inspections, use of PPE, drugs and alcohol policy, incident reporting, emergency procedures, disciplinary policies and procedures, Defensive Driving training – roadcraft, passenger and load safety, observation and positioning, separation distance, cornering and overtaking, attitude, concentration and anticipation, driver fatigue, journey planning and time management, mobile phones, use of seatbelts, practical drive. | _____ | _____ |

- | | | | |
|----|---|-------|-------|
| 3. | All training should be documented and made accessible to BP. | _____ | _____ |
| 4. | The Contractor will prepare, regularly review and update as appropriate a Driver’s Manual, which will be made available to each driver. At minimum, the Driver’s Manual will include the 6 Golden Rules (below), a pre-driving vehicle checklist, driving hours standard, emergency procedures, and contact details <u>and notification requirements</u> for reporting of incidents.
Golden Rules: <ul style="list-style-type: none"> • Seatbelts must be worn at all times when the vehicle is in motion • Do not drive under the influence of any substance that impairs your physical or mental condition, alcohol, drugs, etc. • Do not use hand held mobile phones while driving and the vehicle is in motion • Do not drive if you are tired. • Ensure your vehicle is in proper condition to be driven • Tailor your driving to actual conditions e.g. Weather, traffic, etc. | _____ | _____ |

Vehicle Standards

Discussed **N/A**

- | | | | |
|----|--|-------|-------|
| 1. | The contractor’s heavy vehicle fleet in service to BP will meet BP’s Heavy Vehicles Technical Safety Standards. | _____ | _____ |
| 2. | If the contractor’s heavy vehicle fleet does not meet BP’s Technical Safety Standards, a plan must be in place to correct the deficiencies in a timely fashion and be acceptable to the BP Representative. If the deficiencies of particular vehicles pose an unacceptable risk, as determined by BP’s Representative, that vehicle will be prohibited from use under the BP contract. | _____ | _____ |

I, as **Transport Contractor**, have been informed of all BP Contractor Road Safety Standards & Expectations. I accept the responsibility of informing all employees and sub-contractors of these rules.

I know and understand the safety rules that my employees will have to comply with while working for BP.

BP has reviewed with me its procedures and requirements with respect to the items indicated above during the safety orientation meeting.

Attachment 10
Sample Orientation Meeting Checklist

Contractor Signature:

Contracting Company:

BP representative: _____

Date: _____

Although there are numerous functional types of audits available for contractor vetting purposes, there are, in most circumstances, 3 distinct phases of audit. The degree to which these are conducted depends on the risk to the business as identified during the risk assessment phase.

Audits should be conducted before, during and after (entry, in process and exit) engaging any contractor. The scope of this 3-stage process is driven by the risk assessment process. For example, high-risk (as defined by BU) contractors would require a far more searching level of audit than a low-risk contractor.

It should be recognised that in certain cultures and operating environments, the word audit is perceived as a negative or as a process that disrupts routine operations. Audit in *this* instance is more about checking the effectiveness of the relationship with your Contractor, where you exchange views and discuss expectations, whilst at the same time gaining assurance that they are committed to delivering the required performance.

References:

A number of audit checklists and examples are available on the intranet. These include Expectation Assessment Tool, examples from specific BUs and some for specific projects such as construction.

<http://gbc.bpweb.bp.com/hse/default.asp>

This site provides links to GHSER audit tools. Click on GBC Team and then on Audit/Assurance.

http://gbc.bpweb.bp.com/hsetoolbox/docs/mngt_safety_tours_aide_pack.doc

Developed for use in Europe this site has a lot of material and the audit checklists (company site, customer site, reseller site) start about half way through the document

<http://tulsa.bpweb.bp.com/pl/wenc/contractorManual/doc/HSEQuestionnaire.doc>

Very detailed audit checklist developed for Pipeline in the US. Requires the auditor to be very informed regarding HSE. Is an excellent example to use in developing your own checklist.

<http://gdb.bpweb.bp.com/safety/Cheklist.doc>

Found on the Digital Business web site, this is a very good, basic approach to use for an initial on-site review.

The intranet has a large number of other sites with more complex auditing tools. They can be found by doing searches on HSE Signpost or by using 'Find a Site' to go to pages from any major plant.

BP Group HSE Standard – Road Safety

BP is committed to road safety

- **All drivers are required to drive in a safe and considerate manner, obeying all relevant and applicable road safety legislation and with respect for other road users.**
- **Drivers are responsible for the safety of themselves and any passengers carried in the vehicle.**
- **All drivers must be medically fit to drive the class of vehicle they are using.**
- **All drivers must be appropriately qualified and trained to drive the class of vehicle they are using.**
- **Seat belts should be installed for the driver and all passenger seats and worn at all times.**
- **Passengers can only be carried in accordance with the vehicle manufacturers design specification – a seat for everyone and only one person per seat.**
- **Drivers must not use hand-held mobile phones whilst a vehicle is in motion.**
- **All drivers should take adequate rest breaks when driving, especially on long distance trips, to ensure they do not suffer fatigue, or become overly tired.**
- **All vehicles owned or operated by BP must be subject to routine examination to confirm continued road / operational worthiness. All maintenance procedures, equipment and replacement parts must be suitable for use on the vehicle in question.**
- **Wherever driving is undertaken as part of BP's activities, we will work with suppliers, governments, regulators and others to promote the use of safe practices and equipment, including safe road transport infrastructure.**

BP is committed to road safety

BP's HSE Commitment and goals are simply stated: 'No accidents, No harm to people and No damage to the environment.' To support and help the organisation deliver these goals a series of HSE Expectations and processes have been developed. These are detailed in 'getting HSE right' and apply to all BP operations worldwide.

'getting HSE right' implicitly includes road safety – this Standard elaborates BP's minimum requirements for road safety and it also attempts to provide guidance for situations where the Standard cannot be fully complied with. It has been prepared following a review of the Group HSE Stream / Function Risk Assessments, the Major Incident Announcement (MIA) and High Potential Incident Announcement (HiPo) databases and cross-stream feedback on an earlier draft policy.

This Standard has been endorsed by the HSE Council and applies to all vehicles owned or operated by BP. Businesses are free to add additional requirements to this Standard to meet local needs as necessary and to encourage contractors and transport suppliers to adopt it. If a business is unable to meet this Standard it must notify in writing the appropriate Stream Group Vice President (GVP) and include an action plan that demonstrates the timescale in which the requirements will be met.

Further information on approaches and programmes for road safety can be found in 'getting Road Safety right', (currently under development) a derived document of 'getting HSE right'.

The requirements of the Group HSE Standard – Road Safety appear below in bold type, text in italics is Commentary. Commentary provides additional information which supports the requirements of the Standard and where possible guidance if the Standard cannot be met.

All drivers are required to drive in a safe and considerate manner, obeying all relevant and applicable road safety legislation and with respect for other road users.

It is impracticable to list all road safety legislation within this document but drivers should become acquainted with local requirements for the country / state in which they are driving.

Drivers should not attempt to drive whilst under the influence of alcohol, illicit drugs or any form of medication that might affect their ability to safely operate the vehicle. Similarly, drivers should avoid any distraction that diverts their attention from monitoring the road and driving conditions.

Drivers are responsible for the safety of themselves and any passengers carried in the vehicle.

All drivers must be appropriately qualified and trained to drive the class of vehicle they are using.

This requirement will be typically be satisfied by government approved driving tests and assessments. However, in certain cases drivers might not hold formal recognised qualifications – an example might be an employee operating vehicles within a BP site that, if used outside would require a specialist license, but might be used within the site following local training and assessment, but not certification through a government approved test.

Attachment 12

BP Group HSE Standard – Road Safety

In addition to government approved tests, there are several driver training programmes that build on basic knowledge and skills that might be suitable for BP drivers to undertake. Examples of these are defensive driver training and advanced driver training and first aid training.

All drivers must be medically fit to drive the class of vehicle they are using.

This requirement will typically be satisfied by meeting national legislative standards and requirements for the medical fitness of vocational and other drivers. However in some countries such requirements may not exist or, alternatively, may not be sufficiently stringent to satisfy company standards. (Refer to standards from Road Safety Network)

The basic requirement is that all drivers have for their task: -

- Adequate vision, in terms of acuity, binocular and night vision,*
- Adequate physical capability, in terms of being able to safely operate the vehicle*

In addition they should also be assessed for medical conditions likely to compromise driving ability and safety such as, epilepsy, diabetes, heart conditions, musculo-skeletal conditions effecting mobility, etc, and if necessary precluded from driving.

Seat belts should be installed for the driver and all passenger seats and worn at all times.

Research clearly indicates that the correct use of seat belts has a significant effect in reducing the number of deaths and the severity of injuries as a consequence of road traffic accidents. Seat belts should be worn at all times when driving – this includes low speed driving within BP facilities as even at low speeds seat belts minimise the severity of injury.

It is recognised that legal requirements differ in the various countries where BP operates and that in some countries the wearing of seat belts in commercial vehicles, such as tankers, is not covered by legislation. In recent years Downstream have required all of its tanker drivers to wear seat belts and report a reduction in the severity of injuries sustained as a result of accidents that have occurred. Based on this BP experience and the wider body of research it is therefore a requirement that seat belts be worn at all times.

In certain countries where BP operates it is possible that certain vehicles are not equipped with seat belts. Where this is the case, BP should work with local suppliers and agencies to promote the correct installation of seat belts into vehicles being purchased or used by the Company. If seat belts are found not to be fitted in taxis or hire vehicles the following actions should be followed:

- Passengers should sit in the back seat, directly behind either the driver or front passenger seat*
- A quick visual inspection of the vehicle should be undertaken before use to check the tyres, lights, windscreens and windows are in good condition*
- The driver should be requested to drive slowly*

Passengers can only be carried in accordance with the vehicle manufacturers design specification – a seat for everyone and only one person per seat.

There have been several tragic road traffic accidents resulting in serious injury and death where passengers have been found to be carried in vehicles not designed for that purpose. Drivers should resist any temptation to carry passengers in vehicles that are not specifically designed for them, or to overload passenger-carrying vehicles.

Drivers must not use hand-held mobile phones whilst a vehicle is in motion.

If it is required for a driver to have access to a mobile phone whilst a vehicle is in motion this should be of the hands-free type and it should only be used in emergency situations to make outgoing calls and to briefly acknowledge incoming calls. If it is necessary to hold a conversation with the caller, the driver should pull over, when it is safe to do so and continue the call, alternatively, the caller should be told the driver will call back later at a convenient time.

All drivers should take adequate rest breaks when driving, especially on long distance trips, to ensure they do not suffer fatigue, or become overly tired.

It is reported that over 50% of accidents can be related to driver fatigue and therefore drivers should recognise the symptoms of fatigue and be prepared to break the journey and take a rest.

In certain countries there are prescribed legal limits on driving hours for professional drivers and where these exist they must be complied with, and they can also be used as a template for other drivers. In the absence of any legal limits some guidelines on driving times are:

- 10 hours driving time, excluding breaks, in any day
- A full working day, including the driving, should not exceed 12 hours
- Each rest / break should be for 30 minutes
- A rest / break should be taken after every 3-4 hours of driving

Drivers should pay particular attention if they are required to drive immediately following a long-haul flight, especially if the road system is different to that in their home country.

All vehicles owned or operated by BP must be subject to routine examination to confirm continued road / operational worthiness. All maintenance procedures, equipment and replacement parts must be suitable for use on the vehicle in question.

Vehicles should be serviced at the intervals specified by the manufacturer's schedule and be undertaken by trained, competent personnel. If a vehicle is subject to prolonged high-mileage usage consideration should be given to additional servicing and maintenance to ensure the ongoing safety and reliability of the vehicle.

Drivers should undertake basic daily safety checks of key components such as –

- Tyres – pressure and tread
- Lights
- Windscreen wipers
- Brakes – these should be checked soon after pulling off to confirm operation
- Oil and coolant levels

Consideration should be given to the specification and safety equipment provided on BP owned and operated vehicles, such as air bags, ABS braking, high level brake light, fire extinguisher, first aid kit etc. The Road Safety Leadership Team (RSLT) have draft minimum standards for heavy and light vehicles and these should be referenced when deciding which type of vehicle to select.

Attachment 12
BP Group HSE Standard – Road Safety

Wherever driving is undertaken as part of BP's activities, we will work with suppliers, governments, regulators and others to promote the use of safe practices and equipment, including safe road transport infrastructure.

Approved on behalf of the HSE Council by: _____

Date: _____ Rev: 1.0

Review Date: _____



"Heavy Vehicle Std
(Liq).doc"