

Contractor HSE Evaluation

Beyond “Gotcha” to Mentoring

Chris Kuiper
VP – QEHS



Presentation Outline

- Contractor Selection
- Consultative Assessment
- Information Transfer
- Contractor Mentoring
- Case Studies
- Benefits



Contractor Selection



- Determine selection criteria based on job type, risks
- Perform baseline HSE analysis on “qualified” contractors
- Select “preferred” contractors
- Pre-job review
- Conduct compliance (gotcha’) inspections
- Track corrective actions
- Investigate incidents

Consultative Assessment

- Beyond compliance
- Continuous improvement process
- Productive – not punitive
- Desktop or other type of review
- Onsite assessment (SHERP)



Consultative Assessment – Desktop Review



- ◆ Review submitted documentation (OSHA 300 Log and EMR verified)
- ◆ Assess evidence of compliance with OSHA/EPA/DOT rules
- ◆ Overall evaluation of contractor's procedures
- ◆ Focus on relevant hazards for the type of work

Consultative Assessment – SHERP



- ◆ Safety, Health and Environmental Review Process
- ◆ Compliance focused
- ◆ Conducted onsite
- ◆ Standardized Safety Questionnaire verified
- ◆ Written programs evaluated
- ◆ Program implementation verified (field review)
- ◆ Assessment report with recommendations to Operator and Contractor

Consultative Assessment – SHERP



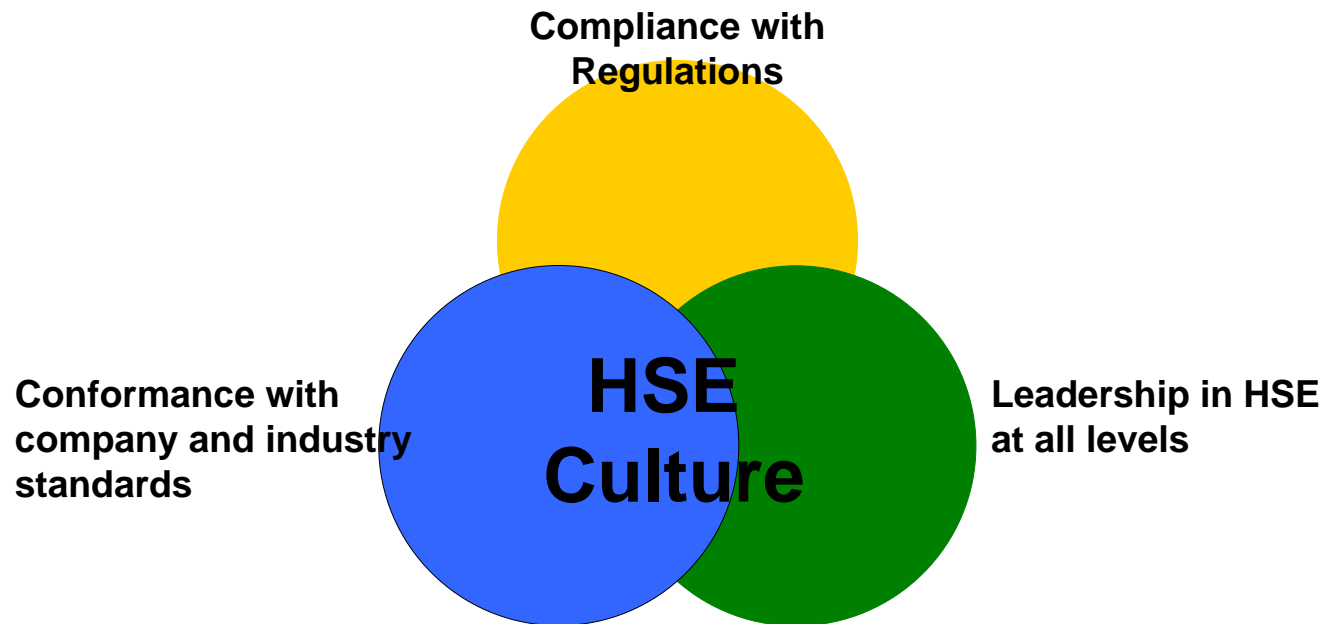
- ◆ Experienced HSE professional conducts
- ◆ Sample forms (e.g., JSA, WHA, LOTO inspection)
- ◆ Non-compliance issues identified immediately and contractor given specific guidance on where to find solution
- ◆ Observations for continued improvement supplemented with information transfer

Consultative Assessment - SHERP Plus



- ◆ Evaluates HSE management systems
 - Review HSE management systems throughout the company
 - Requires experienced assessor
- ◆ Gaps and opportunities for improvement identified
- ◆ Senior management participation
- ◆ Mentoring opportunities seized

Consultative Assessment SHERP Plus



Consultative Assessment - a teaching/mentoring tool for the contractor and a HSE culture assessment tool for the operator

Information Transfer



- Small contractors stretched for focus and resources
- Consultative assessment helps contractor define critical gaps
- Assessor may point contractor to sample forms, procedures, programs or other resources
 - *Balance “sharing” against “telling”*
- Offer corrective action recommendations with specific sources (OSHA, DOT, EPA, etc.)
- Sample HSE management systems (ANSI Z10, OHSAs 18001, ISO 14001)

Contractor Mentoring



- Learning is the cornerstone
 - Instructing, coaching, modeling and advising
- Failure and success are powerful teachers
 - Share "how to do it so it comes out right" stories
 - Financial benefits
 - Share failure experiences
- Tell stories
 - Anecdotes and case examples
 - Examples from other companies
- Mentoring is a process – not a program
 - Continuous learning through experiences, observations, studies, and thoughtful analyses

Contractor Mentoring



- Three party effort (Operator, Assessor and Contractor)
- Mentor facilitates learning rather than a guru who passes down "the word"
- Growth in attitudes, capabilities, skills and behaviors
- Think of consultative assessment as open dialogue rather than limited by a set agenda
- Cultivate self reliance in contractors who use consultative assessment as a tool in achieving continuous HSE improvement

Case Study 1



- Contractor Total Recordable Incident Rate 48.07
- \$1mm W/C deductible met every year
- Compliance inspection over 350 items
- Systems and culture score poor
- Mentoring effort reduced TRIR to 23.35 in one year
- W/C costs reduced 75%
- Culture score improved 65%
- From UNACCEPTABLE to CONDITIONAL USE in one year

Case Study 2



Contractor Mentoring



- Use Consultative Assessment to instill value that management HSE leadership and connecting with employees is key
- Difference in HSE perceptions between managerial and operational employees
 - Mentoring aims to narrow the differences
- As safety disconnect decreases (positive safety), internal employee involvement increases (improves) ⁽¹⁾

⁽¹⁾ Anthony Veltri, Mark Pagell, Michael Behm and Ajay Das . *Journal of HS&E Research* Vol 5, No 1 Spring '08

Benefits

- Moral obligation met
- Risks accurately identified and assessed
- Incidents and related legal actions controlled
- Compliance affirmed
- Contractor's management system knowledge advanced
- Mentoring partnership defined
- HSE culture improved
- Win-Win situation for all parties

