



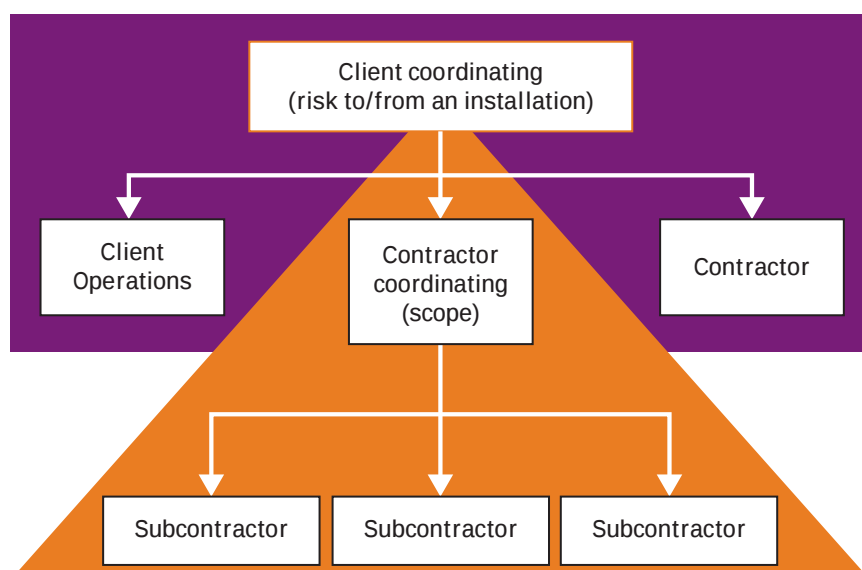
Oversight, Roles, and Responsibilities

This Info Sheet addresses oversight, roles, and responsibilities between client and contractors, supporting the implementation of the guidance published in IOGP Report 423 - *HSE management – guidelines for working together in a contract environment* and IOGP Report 432-01 - *Management of subcontractors and temporary workforce in geophysical operations*.

It is critical to provide adequate oversight when contractors perform activities and engage contractors in a way which provides benefit to and reduces risk for all involved parties. Especially where multiple contractors will be working on the same job or site, it is the client's responsibility to ensure that this is considered in the initial risk assessment and addressed then throughout the contracting phases.

It is imperative to identify when multiple contractors will be on site at the same or when hand-off of work is required between contractors.

As the contractor is responsible for preparing the safe work execution plan, company representatives should do more listening than talking. Work scope boundaries, and what constitutes a work scope change, should also be agreed upon by supervisors, workers, and stakeholders before work begins.



Vulnerabilities Pre-Award

Contract does not contain safety requirements for higher risk work scopes

Potential Consequence

Exposure to vulnerabilities, leading to potential major accidents, serious injuries, or fatalities.

Tips

Ensure that the local contractor sponsor and or procurement representative engage HSE professionals in the bid process and contract preparation so that higher risk safety requirements are included.

Contract should be supplemented to include competency requirements for supervisors and workers, requirements for a documented safe work execution plan, and milestones requiring face-to-face meetings (such as KPI Review).

Company representative(s) responsible for oversight planning has limited understanding of contract requirements or work scope

Potential Consequence

The development of an ineffective plan that does not provide the person(s) providing oversight with the proper level of detail commensurate with the scope of work, leading to potential major accidents, serious injuries, or fatalities.

Tips

Ensure a company representative has clear accountability for the for development of an oversight plan and that they have access to the contract, work scope, and other detailed relevant information for high-risk work scopes; the plan should identify experienced and competent personnel to execute it.

Subcontractors may not be vetted by the general contractor to the same degree as the general contractor is vetted by the company; general contractor provides inadequate oversight for subcontracted work

Potential Consequence

Subcontractors are not managed in the same way as general contractors, including deficiencies in oversight planning process, leading to potential major accidents, serious injuries, or fatalities.

Tips

Include in the client-company oversight plan the assurance of subcontractor oversight by the general contractor.

Client company should verify that the general contractor's vetting process for subcontractors is equivalent to client company's process, and includes the verification of competency and experience of personnel.

The general contractor should provide a documented plan for subcontractor field oversight.

Subcontractors should provide documented safe execution work plans for their work scope unless it is incorporated into the general contractor's plan.

Vulnerabilities Post-Award

Company person assigned to oversee contractor in the field has limited to no experience in the work to be performed and/or does not know or understand the work scope

Potential Consequence

Limited ability to recognize deviation or drift from the execution of safe work, and the potential consequences, leading to potential major accidents, serious injuries, or fatalities.

Good Practices

Ensure the client representative responsible for execution of the oversight plan has access to and understands the plan, the work scope, and other information for safe execution of the work scope. They should also have clear accountability for executing the plan.

Provide aids (Start Work Checks, training videos) that demonstrate the key controls that should be in place prior to and during work.

Oversight of mobilization and demobilization is not managed as closely as the 'main' work scope

Potential Consequence

Hazards are not as clearly defined during this phase of execution, leading to potential major accidents, serious injuries, or fatalities.

Good Practices

Oversight plan and safe work execution plan should include address mobilization and demobilization, including the personnel and equipment used during these phases.

Unable to verify contractor personnel competency due to regulation, lack of job-critical knowledge by company personnel, or country-specific competency/certification requirements

Potential Consequence

Contract personnel are not competent to perform the work, leading to major accidents, serious injuries and/or fatalities. They may have a limited ability to recognize consequence of errors, take the safest approach to work (e.g., consider the hierarchy of controls) or exercise stop work authority.

Good Practices

Include a more rigorous on-site oversight requirement in the oversight plan when competency cannot be verified. Engage subject matter expert(s) to assist with determining competency of contractors and/or providing oversight. Research industry experience of contract companies.

Limited to no initial and/or ongoing safe work execution planning has occurred between the contractor and client site**Potential Consequence**

If contractor does not have a detailed planning session with the client site and does not document a detailed work execution plan, then unsafe shortcuts or work-arounds may not be recognized, the consequences of errors may not be considered, contractor required standards may not comply with client required standards, and the ability to provide adequate company oversight will be compromised.

Good Practices

Conduct a planning session(s) with the contractor to support development of a robust safe work execution plan. The contractor is responsible for preparing the safe work execution plan, so client representatives should do more listening than talking. Client representatives can ask contractor representatives to describe the worst thing(s) that could go wrong and their preventive actions. Agree appropriate work execution hold points, or “trip wires”, to verify shared understanding and agreement before proceeding to the next step. Discuss and agree work scope boundaries and what especially what constitutes a work scope change.

Key participants include: local contractor sponsor (client company employee), field oversight personnel (client company employee(s), contractor supervision for work execution (e.g., foreman or superintendent), contractor personnel who prepared or will prepare the safe work execution plan.

Third-party certifications of contractor equipment are accepted without vetting the certifier (this equipment is provided by the contractor to perform the scope of work).**Potential Consequence**

Certifying agent may not be competent to perform necessary inspections or may not perform adequately thorough inspections, resulting in use of equipment that may not be appropriate for the work, fully functional or have the required mechanical integrity.

Good Practices

Clients should include in the contractor oversight plan and safe work execution plan the verification of the scope and competency requirements for equipment inspections and/or certifications.

Third party equipment certification organizations do not provide qualified/competent personnel to provide the service (this work may be done by service order)**Potential Consequence**

Certifying agent may not be competent to perform necessary inspections or may not perform adequately thorough inspections, resulting in use of equipment that may not have the required mechanical integrity.

Good Practices

Establish shared understanding of certification scope and required inspector competency. Review documentation to be provided.

Inadequate monitoring of work execution

Potential Consequence

Eroding compliance with safe work execution plan, leading to potential life-altering events.

Good Practices

Perform periodic verification of the effectiveness of the oversight plan, including the effectiveness of work monitoring. Verify that the agreed upon plans are properly resourced and provide continuous effectiveness.

Inadequate contractor self-monitoring (verification) plan

Potential Consequence

Eroding compliance with safe work execution plan, leading to potential life-altering events.

Good Practices

Company and contractor representatives should perform regular job site visits that engage workers in a two-way discussion. Representatives should ask workers about potential hazards and previously agreed start/stop work criteria (discrete and specific to the work being performed).

Ensure Lessons Learned are captured and shared after the completion of the work scope

Potential Consequence

Contractor and Company are unable to improve their processes.

Good Practices

Conduct a face-to-face review with the contractor on the effectiveness of the oversight and safe work execution plan.

Roles, accountabilities, and responsibilities

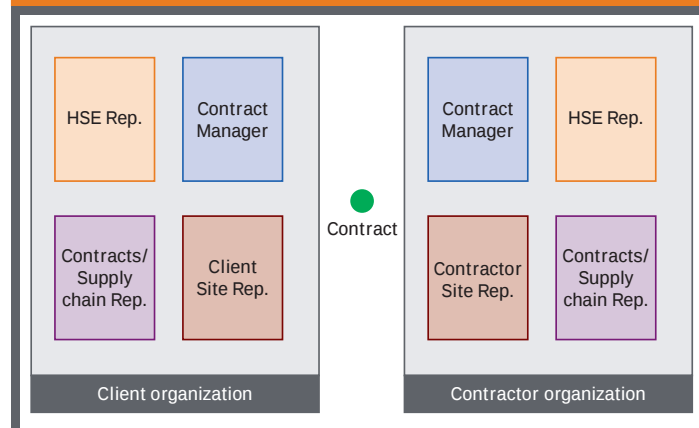
The client and contractor teams responsible for the development and delivery of a contract should be formed as early as possible in the contracting process.

For the client organization, this is often at Phase One: Planning or Phase Two: Sourcing/capability assessment phases.

For the contractor organization, this is at Phase Three, Tender and award.

This process and the key roles in the client and contractor organizations are described in detail in Appendix A of Report 423.

TIP: Check-out IOGP 423 Appendix A



Subcontractor management

A key aspect of good HSE performance is managing subcontractors.

Companies have a significant amount of risk exposure through their subcontractors and often struggle to implement a successful management system to control subcontractors. Crucial to successful implementation is the understanding of what subcontractor management is. Based on that understanding, companies can ensure that the right processes are in place to maintain adequate control.

Although developed with Geophysical operations in mind, IOGP 432-01 offers guidance applicable beyond it. It describes several threats to good subcontractor management (see Table 1 in Report 432-01 and at right), falling into three categories:

- Selection/contracting
- Management and implementation
- Local considerations

A review and understanding of these threats will help a company to improve its subcontractor management performance.

The principles described in this Info Sheet are also applicable to contractors and contracting entities themselves. The lead contractor has a special responsibility for ensuring that all risks of the contract are known and controlled where appropriate by their own contractors. Based on risks, a certain level of assurance is needed by both contractor (verify) and client (monitor).

The client should validate the contractor's capability to manage subcontractors and verify that the contractor understands the responsibilities of work through all levels of subcontracting. The contractor is accountable for the performance of all levels of subcontracting, and should manage their subcontractors with the same rigor as they would their own HSE-MS.

Table 1: Potential threats to good subcontractor management

Category	Threat	Mitigation
A	Inadequate planning by client company before invitation to tender (ITT). Poorly defined ITT	Risk management
A	Inadequate planning by Prime Contractor in bid response or identifying and pre-qual of SCs. Incomplete bid responses	Risk management
A	Time Constraints	Planning
A	Cost (SC service) vs. income/profit	Risk management
A	Payment structure – commercial pressure	Risk management
A	Commercial terms & timing (client company to contractor, contractor to subcontractor)	Monitor & improve
A	Contractual terms and conditions	Monitor & improve
A	Unclear definition of roles & responsibilities (client) client to/from contractor (scope of operations) & reality of expectations	Management involvement
B	Senior & operations management commitment / Involvement	Monitor & improve
B	Competency & capability of crew managers to manage SC	Monitor & improve. Competence requirement definition & training
B	Resources (are dedicated ones necessary?)	Monitor & improve
B	Change management ability. Change of personnel in prime contractor and/or subcontractor	Use MOC; monitor & improve
B	Inadequate pre-qualification / audit / bridging of SC	Monitor & improve
B	Level of oversight / supervision needed for SC	Monitor & improve
B	Prime contractor's perception of control of SC	Monitor & improve
B	Motivation/lack of will – both client company and prime contractor	Monitor & improve

TIP: Subcontractor management

- Limit the level of subcontracting (preferable only one level down)
- Inform client on use of subcontractors, tracking activity, risk, and mode, and assessing and managing them accordingly
- Ensure same contract requirements are cascaded down the layers
- Establish bridging/interface documents between contractor and subcontractors
- Organize HSSE Forums for subcontractors
- Maximize use of, and share, industry approved good practices