CONTRACTOR MANAGEMENT PLAN

KHG-PLN-HSE-1068

PROJECT	DESCRIPTION

REV	DATE	ISSUE	PREP	APP'D	CLIENT
A	16/8/2017	PRELIMINARY FOR REVIEW	RA	KW	N/A
B	20/4/2019	Annual Review	RA	JZ	N/A
C	19/01/2021	Annual Review	RA	KW	N/A
1	05/06/2022	Annual Review	YW/SQ	JZ	N/A
2	06/06/2023	WHS Review	HW	KW	N/A

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1. PURPOSE

This Procedure describes the requirements for contractor selection and management with relevant KHG Contracting Pty Ltd Health and Safety Management System (HSEQ) policies, standards, procedures, and contractual obligations for the execution of their contracted work.

2. SCOPE

This Procedure applies to all contracts, contractors and subcontractors engaged directly or indirectly by KHG Contracting Pty Ltd.

3. ACCOUNTABILITIES AND AUTHORITY

3.1 Managing Director

Ensure there are sufficient resources available to allow the efficient and effective management of contractors and that the requirements of this plan are met.

3.2 KHG Accounts Department

The accounting department is to support the Contractor Management Plan by.

- maintaining accurate business records pertaining to the contractors engaged by KHG Contracting Pty Ltd.
- Distribution of the prequalification documentation to the contracting companies used by KHG Contracting Pty Ltd. Annually.

3.3 Superintendents and Managers

Ensure the procedure is implemented for the selection and control of contractors for the contracts issued by KHG Contracting Pty Ltd.

3.4 Contract Owner

The Contract Owner is KHG Contracting Pty Ltd, who is accountable for the management of the contract and the performance of the contractor/sub-contractor. The Contract Owner shall be accountable for:

- developing the scope of work and the HSEQ Management System requirement for the contract.
- performing the pre-qualification reviews of the contractors engaged.
- finalising the contract conditions and the HSEQ performance measures.
- scheduling and conducting the contractor alignment meeting,
- day-to-day management of the contractor,
- ensure compliance with all contractual and legal obligations.
- prepare and compile the audit schedule required for monitoring the contractor's compliance with the contract and HSEQ Management System.
- assist non-compliant contractors to reach compliance before they are engaged on KHG Contacting projects.
- preparing the contract closeout report.

3.5 HSE

Assist in the management of contractors in relation to the Contractor Management Plan

- collect and review the returned pre-qualifications from selected contracting companies.
- report any non-compliant companies to the Senior Management and Contract Owners.
- conducting HSEQ performance reviews.
- where necessary, undertake audits/inspections of the contractor performance and adherence to the HSEQ and pre-qualification systems.

3.6 Supervisors

Supervisors shall be accountable for:

- ensuring that the contractor and contractors employees comply with relevant legislative and site HSEQ requirements.
- ensuring that all contractor employees have attended relevant inductions prior to commencing work; and have the required training for the job.
- ensuring that all work undertaken is done in a manner compliant with HSEQ, contract and any other relevant policies and procedures.

3.7 List of abbreviations

FAI	First Aid Injury
HSE	Health, safety, and Environment
HSEQ	Health Safety, Environment and Quality
KHG	Karratha Hedland Group
LTI	Lost Time Injury
MTI	Medical Treatment Injury
NM	Near Miss

4. CONTRATOR PREQUALIFICATION

4.1 Purpose

This Procedure describes the requirements for contractor selection and ensure the contractors used by KHG are compliant with state and national legislative requirements. Have a HSEQ management system compatible with the relevant KHG Contracting Pty Ltd Health and Safety Management System (HSEQ) policies, standards, procedures prior to being engaged for any contracted work or projects.

4.2 Establishing the HSEQ Management System in the Scope of Work

The HSEQ Management System shall be included in the Scope of Work for all contracts.

The HSEQ Management System shall include:

- the inherent risks hazards and controls associated with the work to be undertaken and work environment.
- the mandatory Health Safety, Quality, and Environmental, procedures and practices required of the contractor.
- applicable KHG Contracting Pty Ltd Policies, and Procedures.

- key HSEQ performance indicators for the contract;
- contractor - KHG Contracting Pty Ltd management interface – being a description of how the contractor is to be managed day-to-day by the respective KHG Contracting Pty Ltd Contract Owner.

The HSEQ Management System shall form the basis for the preparation of the HSEQ contract conditions. It is the responsibility of the Contract Owner to prepare the scope of work, including the HSEQ Management System.

4.3 Contract Conditions

Minimum contract conditions for contracts are outlined in Appendix A.

All contracts require an HSEQ management plan. This is a documented plan outlining how the HSEQ contract conditions are to be met by the contractor. This plan is to be produced by the contractor and accepted by KHG Contracting Pty Ltd prior to any work commencing.

It is the responsibility of the respective KHG Contracting Pty Ltd Contract Owners to approve the contractor's HSEQ management plan. This must be done in writing. A copy of the plan and the approval must be retained in the respective contract file.

It is the responsibility of the respective KHG Contracting Pty Ltd Contract Owners to establish HSEQ performance measures for each contract.

HSEQ performance measures are be included in the contract conditions, such that they affect contract payments, at the discretion of the Contract Owner and KHG Contracting Pty Ltd.

4.4 Contractor Selection

It is the Contract Owner's responsibility to ensure that a selected tenderer has the capability to meet the HSEQ requirements of the contract.

For high HSEQ exposure contracts, contractor selection should be based on a review of:

- A description of the tenderers HSEQ management system, including details of their HSEQ policies and procedures for but not limited to:
- Incident reporting, investigation and sharing learning's.
- Behavioural safety – injury prevention.
- Safe Work Procedures.
- Environmental impacts and management.
- Quality Management System
- Management of Change.
- Training and competency assurance.
- Sub-contractor management.
- Health and hygiene impacts management.
- Hazardous materials management.
- Fitness for Work program.
- Leadership and Commitment
- Policies and Strategic Objectives
- Organisation, Roles, and responsibilities
- Risk management
- Facility Design and Construction
- Operations and Maintenance
- Incident Notification, Investigation, and Reporting
- Performance Monitoring, Assessment and Review
- Company injury performance history for prior five years including lost time injury frequency rate and combined lost time plus medical treatment injury frequency rate.
- Company prosecution history for the previous five years.
- Supervisor demographics – experience levels, competencies, training.
- References from three previous contracts.

4.5 Contractor Alignment

All new contractors must participate in alignment meetings prior to any work commencing.

It is the responsibility of the respective KHG Contracting Pty Ltd Contract Owners to schedule and facilitate the alignment meeting.

The requirements and agendas for alignment meetings for the two classifications of contracts are provided in Appendix B.

4.6 Contractor HSEQ Performance Measurement

For all contracts, there must be a designated KHG Contracting Pty Ltd supervisor on the site at any time while the contract work is being undertaken.

The KHG Contracting Pty Ltd Contract Owner is responsible for ensuring that contractor HSEQ performance is periodically reviewed. The frequency required attendees and content of performance review meetings shall be contained in the HSEQ Management System section of the contract documentation. The frequency shall be less than 3 monthly or as per the Audit schedule

4.7 Contract Close-out

At the completion of all contracts, the respective supervisor should produce a close-out report that summaries general issues relating to the conduct of the contract.

This report should focus on issues relating to the HSEQ performance of the contractor and needs to consider issues relevant if the contractor was to be considered for another contract.

Copies of the close-out report for all contracts are to be sent to the KHG Contracting Pty Ltd contract owner.

Copies of all close-out reports should be retained in the respective central contract file.

4.8 Audit and Verification

In addition to the audit and inspection requirements, all equipment to be used by the contractor, while on site, requires inspection prior to mobilisation. The inspection results, Registers and certifications will be retained as part of the HSEQ management System and be available for inspection by KHG Contracting Pty Ltd as required

Any items identified in the audits above requiring corrective actions shall be included in a corrective action plan and actions monitored to closed out.

4.9 Monitoring and Reporting

The KHG Contracting Pty Ltd Contract Owner shall maintain a current register of active contractor service companies working on site. The register will include, as a minimum:

- the name of the contractor;
- the name of the KHG Contracting Pty Ltd Contract Owner;
- the name of the contract services managers accountable for Health Safety, Quality and Environment Management.
- category of contract.
- start date;
- projected completion date;
- contact number, names, and roles of all personnel.
- emergency contact information for each contracted employee; and
- type and location of work.

Performance management is outlined in ***Section 4.6***. The KHG Contracting Pty Ltd Contract Owner will maintain a record of all inspections, audits and performance reviews.

The requirements for a close out reports are outlined in Section 4.7 and shall be filed with the KHG Contracting Pty Ltd Contract Owner.

4.10 Records Management

The contractor shall maintain records as required by the contract and other regulations. These records shall be available for review at an agreed time by KHG Contracting Pty Ltd.

The audit and other records for the contract shall be filed with the KHG Contracting Pty Ltd.

5. REFERENCES

#	Description	Author
1	None	
2		
3		
4		
5		

6. Appendix A – Minimum Standard Contract Conditions

	Contract Conditions	
Management Aspect	**High HSEQ Exposure Contracts**	**Low HSEQ Exposure Contracts**
HSEQ Management System	The contractor must have, and operate to, a HSEQ management system – which must be compatible with the KHG Contracting Pty Ltd HSEQ Management System – or work under KHG Contracting Pty Ltd specified standards, practices, and procedures.	The contractor must have, and operate to, a HSEQ management system – which must be compatible with the KHG Contracting Pty Ltd HSEQ Management System – or work under KHG Contracting Pty Ltd specified standards, practices, and procedures.
Incident Reporting	Contractors must report incidents to KHG Contracting Pty Ltd representatives within one day all: • Lost Time Injuries. • Medical Treatment Injuries. •First Aid Injuries. • Statutory or contract Non-compliances. • Serious Near Misses. • Incidents that have HSEQ impacts.	Contractors must report incidents to KHG Contracting Pty Ltd representatives within one day all: • Lost Time Injuries. • Medical Treatment Injuries. • First Aid Injuries. • Statutory or contract Non-compliances. • Serious Near Misses. • Incidents that have HSEQ impacts.
KHG Contracting Pty Ltd HSEQ	The contractor must provide, prior to commencing on-site work a compliance plan for all applicable KHG Contracting Pty Ltd Standards	The contractor must provide, prior to commencing on-site work a compliance plan for all applicable KHG Contracting Pty Ltd Standards
Performance Reviews	The contractor must agree to formal performance reviews	The contractor must agree to formal performance reviews
Self-Assessment	The contractor must self-assess against designated elements of their respective HSEQ management system at least annually	No requirements
Independent HSEQ Audit	The contractor must agree to independent audits of their HSEQ management system as designated by KHG Contracting Pty Ltd and must share the results of these with KHG Contracting Pty Ltd.	No requirements
Pre-start Alignment Meeting	The contractor must undertake a pre-start alignment meeting with KHG Contracting Pty Ltd and all the contractor's on-site managers.	The contractor must undertake a pre-start alignment meeting with KHG Contracting Pty Ltd and all of the contractor's on-site managers.
Site Inductions	All employees of the contractor and their sub-contractors must undergo site inductions prior to starting work	All employees of the contractor and their sub-contractors must undergo site inductions prior to starting work
Fitness For Work	The contractor must agree to and participate in the KHG Contracting Pty Ltd Fit for Work program.	The contractor must agree to and participate in the KHG Contracting Pty Ltd Fit for Work program.
HSEQ Management Plan	The contractor must provide and maintain a documented plan outlining how the HSEQ contract conditions will be met.	The contractor must provide and maintain a documented plan outlining how the HSEQ contract conditions will be met

7. Appendix B – Minimum Alignment Meeting Requirements

Alignment Meeting Element	High HSEQ Exposure Contracts	Low Exposure Contracts
Duration	As required	As required
KHG Contracting Pty Ltd Participation	• Managing Director. • Contract Owner. • Other Superintendents, Managers as required.	• Contract Owner. • Other Superintendents, Managers as required
Contractor Participation	• Contractor Senior Management. • Superintendents/Managers. • Supervisors.	• Contractor Senior Management. • Superintendents/Managers. • Supervisors.
KHG Contracting Pty Ltd Agenda	• KHG Contracting Pty Ltd company overview. • KHG Contracting Pty Ltd expectations for the HSEQ management and performance. • KHG Contracting Pty Ltd Site overview. • Review of significant site hazards and controls. • Contract work overview. • Contractor day-to-day management reporting. • KHG Contracting Pty Ltd HSEQ Management System. • Incident Reporting. • Good to Go. • Workplace Task Auditing. • Performance reviews.	• Site overview. • Contract work overview. • Review of significant site hazards and controls. • Contractor day-to-day management reporting. • KHG Contracting Pty Ltd expectations. • Incident reporting. • Job Hazard Analysis. • Workplace Task Auditing.
Contractor Agenda	• Contractor company overview. • Contractor management structure. • Contractor expectations. • HSEQ Management system. • HSEQ performance management • Compliance plan.	• Contractor company overview. • Contractor management structure.

8. Appendix C -- KHG Pre-Qualification Questionnaire

KHG Contractopr Pre-Qual 2 test.xlsx