



Execution and Close-out

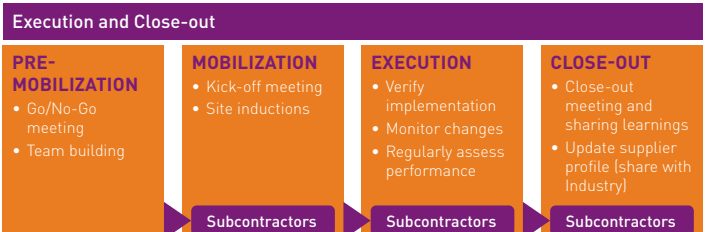
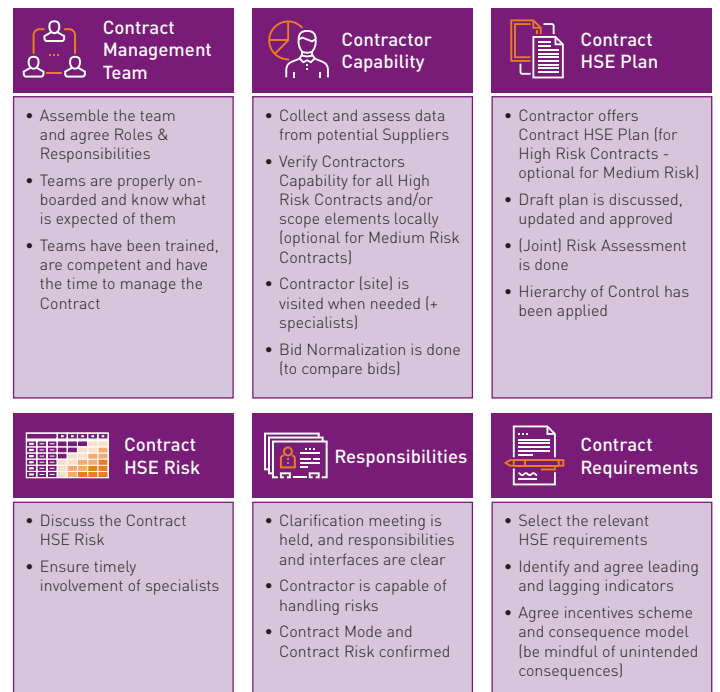
Introduction

This Info Sheet is the last of a series covering all key steps in the Contractor HSE¹ Management process, as described in IOGP Report 423 - *HSE management guidelines for working together in a contract environment*.

The following Info Sheets can be found on the IOGP website:

- 1) **Leadership and Culture**
(developed with the Energy Institute)
- 2) **We All Care**
(developed with IPIECA and Building Responsibly)
- 3) **Contract Risks**
- 4) **Capability Assessment**
- 5) **Contract Modes**
- 6) **Oversight, Roles, and Responsibilities**
- 7) **Only Together**
(describes executing a Contract/Contract HSE Plan; developed with the Energy Institute)
- 8) **Execution and Close-out**

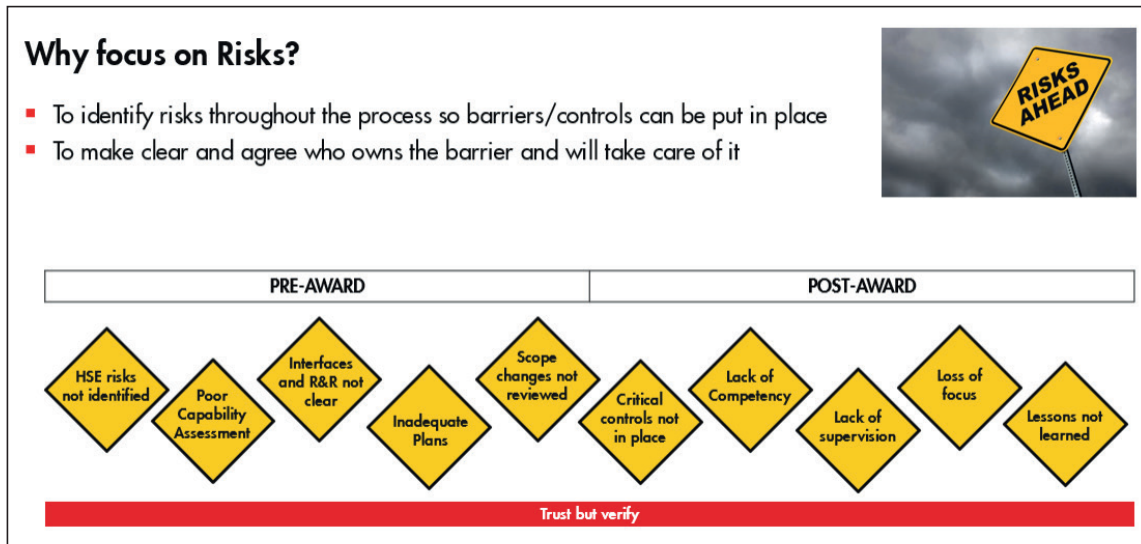
Simplified overview of a Risk-based Contractor HSE Management Process



¹ For continuity with previous versions of IOGP Report 423, in this document the term HSE covers the expanded definition of health and safety, security, social responsibility (including human rights) and environment.

Execution starts in the office

Incident investigations show that the root causes of many incidents start in the office. Insufficient planning and preparation, such as a failure to identify significant risks, contractor capability not properly assessed and/or verified, unclear roles and responsibilities, and complex or poor quality Contract HSE Plans and Contracts can all contribute to incidents.



In the IOGP-Energy Institute Info Sheet and Reflective Learning video “Only Together”, we explained the importance of connecting what has been done and agreed pre-award with what must be done post-award. The [Energy Institute’s Reflective Learning video materials](#) explain common issues and the importance of agreeing a fit-for-purpose approach for your situation. Client and Contractors need to work together closely, and particularly during Simultaneous Operations (SIMOPS).

TIP: Pre-Mobilization – Ensure the HSE plan is known and followed

Prior to mobilization, it is likely that the key contractual documentation (the contract itself as well as the HSE plan, including an interface and verification plan) is known only to the principal members of the client’s and contractor’s contract management teams. In this phase, it is important to ensure that the HSE plan is implemented and communicated to all relevant parties (client personnel, contractor personnel, subcontractor personnel, community contacts, and any other third parties). Go/No Go meetings, team building exercises with supervisors, a kick-off meeting, and site induction for all staff on site are key steps that should be completed before work starts.

TIP: Mobilization – Use a service provider to verify individual worker competencies

Companies generally do not have direct control of subcontractor performance, although they may have some influence during selection and may supervise their HSE performance. Companies should apply direct control towards their contractors to ensure HSE requirements are being met by their subcontractors. Experience has shown that some companies share performance-monitoring results at weekly meetings with all contractors to effectively drive improved performance by introducing a competitive element, sometimes with small incentives.

If, at any stage of work execution, the contractor does not take appropriate action to achieve compliance with HSE requirements, after repeated notices of violation and warnings of noncompliance leading to significant HSE impacts, the company should order the contractor to stop work until HSE performance is brought under control and up to acceptable standards (please see the International Finance Corporation’s Good Practice Note “[Managing Contractors’ Environmental and Social Performance](#)”). Individual worker competencies should be verified before and during execution.

Trust but verify

The Client and Contractor share a responsibility to conduct the scope of work according to the associated contract requirements, policies, procedures and the HSE plan. The roles, responsibilities, and accountabilities within the client and contractor organizations should include a systematic, risk-based verification process that ensures proper HSE performance requirements are being delivered in a safe and effective manner. Any additional risk or HSE requirements identified during implementation of the contract should be properly addressed (subject to a Management of Change process) and the HSE plan updated accordingly.

Verification, monitoring and audit can take place in parts of, or over, the whole contracting life cycle, but it's important to conduct these activities at the work site.

VERIFICATION

Systematic checking of one's own activity on a risk basis to obtain objective evidence to confirm that specified requirements have been met. Whenever specified requirements have been met. Verification of those requirements might include, as examples:

1. The Contactor's verification of their own conformance to their HSE plan and Client's contractual requirements.
2. The responsible line manager's verification of their own conformance to applicable Client requirements.

MONITORING

The checks a Client (the responsible line manager) does to assess a Contractor's activity, process, or system at different stages or at different times, to assess delivery of contractual requirements and conformance to the Client's HSE plans.

To determine status, the Client needs to supervise and continually check and critically observe the activity, process, or system that is being monitored.

AUDIT

An independent, risk-based, systematic and documented review process for a Client or Contractor's risk management processes, HSE performance, and deliverables. These are evaluated objectively to determine the extent to which the audit criteria are fulfilled.

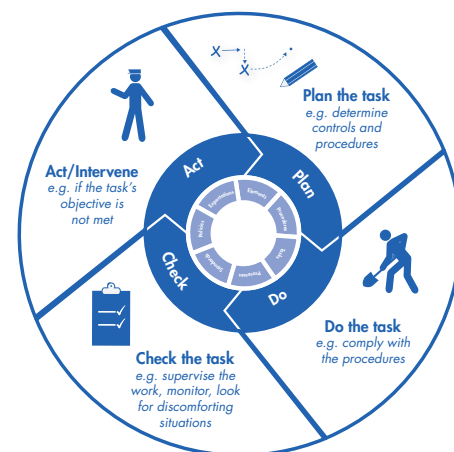
Contractor Management requires that checks are carried out to assure that Verification and Monitoring activities occur as planned.

Notes:

1. To achieve efficiencies and remove duplication, all checking activity, including leadership site inspections, should be integrated into Verification and Monitoring activity.
2. Terminology may change by company, but should be aligned with existing IOGP Reports and international standards, where possible.

Plan, Do, Check, Act

Plan your work and work your plan with four simple steps – Plan, Do, Check, and Act. Utilization of an HSE Plan, such as a Job Safety Analysis (JSA), Job Hazard Analysis (JHA), or similar tool before the task begins is the first step in planning and preventing potential risk. This will help identify and comply with set procedures ("Do") and serve as a guideline for the "Check" phase. If a potential issue is identified, then we can "Act" to mitigate or even stop the activity to prevent a potential serious incident from occurring.



TIP: Review HSE performance at regular intervals

HSE performance should be reviewed at regular scheduled and formal meetings, but also informally at operational meeting and site visits. These can help to verify that key elements of the HSE plan are followed, and builds trust between the client and contractor. Reinforce positive behaviours and accomplishments and limit conversations to tangible deliverables. Leverage the power of mutual and genuine listening and encourage learning from experience and proactively managing performance. Be fair and firm and inspire joint accountability for delivery of results.

Final evaluation and close-out – 360° Contractor view

During the final evaluation, companies should conduct a joint evaluation of the contractor's and client's HSE performance to provide feedback that can serve as a reference for future work to contractor(s) and client management. The aim is to provide feedback to both organizations in the context of actively seeking recommendations and communicating steps of mitigation of identified issues/risk that can be corrected prior to the next job for continuous improvement.

Consider using a system to document performance. Check with your Contractor Management service provider to see if their evaluation forms contain areas to make notes. This should be retained in the contractors account and be viewable when making a tender for the next job. Include notes of what they did well or anything that will help in making a smart selection for the next job.

TIP: Follow the HSE plan for demobilization

Demobilization can be especially hazardous, as experienced personnel are leaving the contract and assets are being decommissioned. To manage these hazards, demobilization must be conducted according to the HSE requirements and plan. Reminding all involved about their roles and responsibilities for this phase is important. The hazards and risks associated with demobilization should be reassessed, and updated with any new hazards, effects, impacts, and/or threats identified. Verify and confirm that the appropriate controls are in place to mitigate the risks and update the HSE plan accordingly.