

Implementing IOGP 423 – HSE management guideline
for working together in a contract environment

INFO SHEET



Contract HSE Management – Only Together

Introduction

Whenever we read investigation reports on serious incidents, we often read about how managing risk and managing interfaces between all involved contributed to the incident. IOGP is committed to delivering tools to help ensure there are no fatal incidents in our industry. In the Contract Management space, IOGP has published Report 423 - *HSE management guidelines for working together in a contract environment* and associated tools, available on the [IOGP website](#).

Those involved in this work believe that to achieve no fatal or serious incidents, the industry (operating companies and contractors throughout the supply chain) must work in a collaborative way, both before and after contracts are signed. During the pre-award phase, operating companies can minimise the risk by removing hazards and by making sure capable contractors are selected. In the post-award phase, operators and contractors collaborate in implementing and verifying the terms of the Contract and Contract HSE Plan. Only Together can we reach our safety goals.

IOGP Report 423 provides guidance for managing risks and interfaces, together with contractor partners, in all phases of Contractor HSE Management.

The Energy Institute has prepared a Reflective Learning video titled "Only Together", hosted on their [Hearts & Minds website](#).



Implementing IOGP 423 – Taking a HSE Risk-based approach

IOGP Report 423 and its supporting documents build upon the principles and elements of IOGP Report 510 - *Operating Management System Framework*. These documents provide companies with a comprehensive approach to risk-based management, while the supporting materials provides practical guidance on implementation.

To support implementation, IOGP has prepared several Info Sheets, available from [our website](#). You can use them to simplify your own guidance and to clarify when and how to use the content of Report 423 in your company.

The way the contract management process is applied in any given company may be different, but the risks are the same. For high-risk work scope elements, additional controls are likely needed and subject matter experts might be brought in to advise. Making sure the contractors have the right capability to execute the scope safely is crucial. It is important to verify this in the pre- and post-award phases, and not just trust paper alone. Being pragmatic and implementing a risk-based approach is recommended.

The Info Sheet on [Contract Risk Management](#) summarises risk-based steps that need to be taken by both Clients and Contractors. These steps are especially crucial once operations commence, and more effective when approached collaboratively. Working together gets more and more important from Phase 4 onwards . We can only be successful by working together and respecting each other’s roles and responsibilities.

ONLY TOGETHER for no fatalities in our industry.

Contract Risk Management		TIP-SHEET	
 <p>Phase 4: Pre-mobilization</p> <p>Client/contractor jointly:</p> <ul style="list-style-type: none"> Conduct a post-award meeting Conduct a risk assessment early in the Pre-Mobilization phase Finalize HSE plan specific to the scope of work; including verification plan and associated verification KPIs as assurance mechanisms, schedule with key milestones for the contracted work and organization chart Perform a Joint Risk Assessment Establish client-contractor HSE bridging documents and resolve interfaces <p>Contractor:</p> <ul style="list-style-type: none"> Implement and verify contractor’s process for managing subcontractors <p>Client:</p> <ul style="list-style-type: none"> Conduct pre-mobilization audit Review and approve all required contract documentation Develop a draft assurance and monitoring plan (to compliment the contractor’s verification plan) and associated KPIs Conduct a readiness to mobilize review 		<p>TIPS FOR PHASE 4</p> <p>TOGETHER carry out a joint risk assessment early in this phase using the risk management process of the company who’s HSE-MS is taking precedence</p> <ul style="list-style-type: none"> This process should incorporate all previous assessments performed by both the client and contractor Key risk prevention and mitigation controls/barriers should be developed for high and medium HSE risks until the residual risk of each is considered acceptable, and as low as reasonably practicable 	
 <p>Phase 5: Mobilization</p> <p>Client/contractor jointly:</p> <ul style="list-style-type: none"> Conduct a familiarization or Start-up meeting to ensure understanding of risk related to planned activities/operations Ensure that all members of the workforce are empowered to Stop Work if they feel that safety, security, the environment, or working conditions are being prejudiced <p>Client:</p> <ul style="list-style-type: none"> Perform pre-start HSE checks or mobilization audits Deploy client representative personnel with HSE responsibilities <p>Client or Contractor (depending on contract Mode):</p> <ul style="list-style-type: none"> Carry out contract related HSE-MS orientation/training 		<p>TIPS FOR PHASES 5-8</p> <p>CONTRACTORS HSE risks, controls/ barriers are to be updated in later contract phases, following the activities, to ensure the risk profile is kept up to date</p> <p>CLIENT to continuously verify</p> <p>TOGETHER ensure Contract conditions, responsibilities, HSE awareness and understanding of all requirements is clear to all involved in execution</p>	

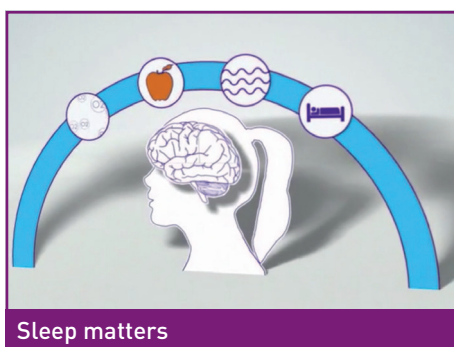
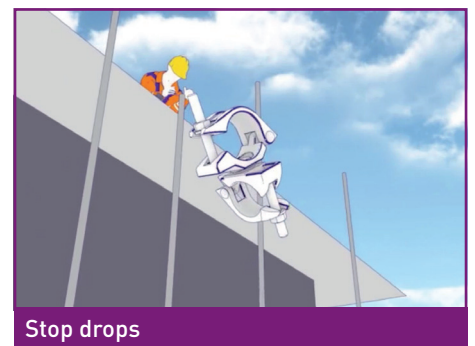
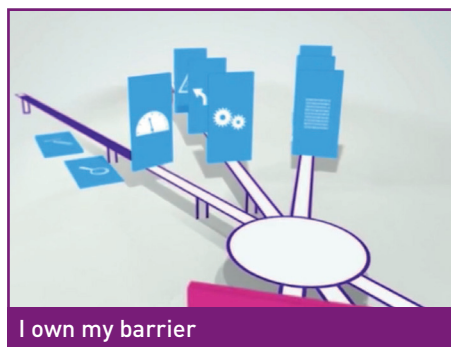
Contract Risk Management		TIP-SHEET	
<p>Phase 6: Execution</p> <p>Client or Contractor (led depending on contract mode):</p> <ul style="list-style-type: none"> Carry out verification activities and reporting as per plan Perform compliance audit(s) of contract, HSE plan and bridging document <p>Client/contractor jointly:</p> <ul style="list-style-type: none"> Carry out event, incident and non-conformity recording, investigation and follow-up [contract Mode 1 and 2] Conduct performance management and reviews, at both the worksite and contract manager level, through formal and regular joint meetings (to include reporting and performance monitoring against agreed KPIs) Ensure line management commitment to HSE issues through participation in plans and assessments of HSE-MS effectiveness, worksite visits, audits and incident investigations develop an effective MoC process for changes To the contractual scope of work, personnel, equipment or other pre-agreed criteria. <p>Client:</p> <ul style="list-style-type: none"> Monitor activity and report as per plan 		<p>CONTRACT CONTEXT & OTHER RISKS TO CONSIDER</p> <ul style="list-style-type: none"> Weak law enforcement practices/poor history of human rights and labor standards Specific country or supplier sector safety, security and social responsibility issues/ regulations Stakeholders concerns perceptions and potential responses regarding safety, security and social responsibility conditions Large construction sites and civil work, including labor intensive activities and/or high level of low skilled labor and/or short term contractor workforce High level use of local services e.g. logistics, drivers, trucks etc. (secondary logistics) Availability of local suppliers and contractor workforce Levels of sub-contractors and/or large use of sub-contracted labor Information available/not available regarding the contractor’s health, environment, safety, security and social responsibility policies and practices Gaps in information regarding sub-contractors/further supply chain and potential health, environment, safety, security and social responsibility issues Potential contractor’s non-compliance with Client requirements, applicable international or national laws and ILO standards 	
<p>Phase 7: De-mobilisation</p> <p>Contractor:</p> <ul style="list-style-type: none"> Risk assess de-mobilisation activities Update the HSE plan or develop a de-mobilisation plan including verification activities <p>Client:</p> <ul style="list-style-type: none"> Monitor de-mobilization for HSE compliance 			
<p>Phase 8: Evaluation & close-out</p> <p>Client:</p> <ul style="list-style-type: none"> Conduct a client/contractor close-out meeting Maintain a live register of actions for continuous improvement. Conduct experience transfer related to contractor performance and impact on contractor capability assessment <p>Client/contractor jointly:</p> <ul style="list-style-type: none"> Capture HSE lessons learned Share appropriate lessons learned with industry groups 			
<p><small>Front cover photography used with permission courtesy of Maersk Oil - Photographer Morten Larsen</small></p>			
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Reflective Learning

Reflective Learning is used to cater to different styles of learning. Research has shown that Reflective Learning maximises opportunities for learning and actual behavioral change. It uses structured facilitated engagement sessions (face-to-face) with engaging materials designed to make an emotional connection, and where participants then reflect on incidents, what they have been shown, and their own behaviors. The learning benefits come not from simply watching videos, but from engagement and discussion with colleagues.

The Hearts & Minds website hosts [nine Reflective Learning videos](#) on different topics, as well as a 45 minute e-learning [training for facilitators](#), but of course, you could run reflective learning sessions with other videos, incidents alerts, or your own produced materials.

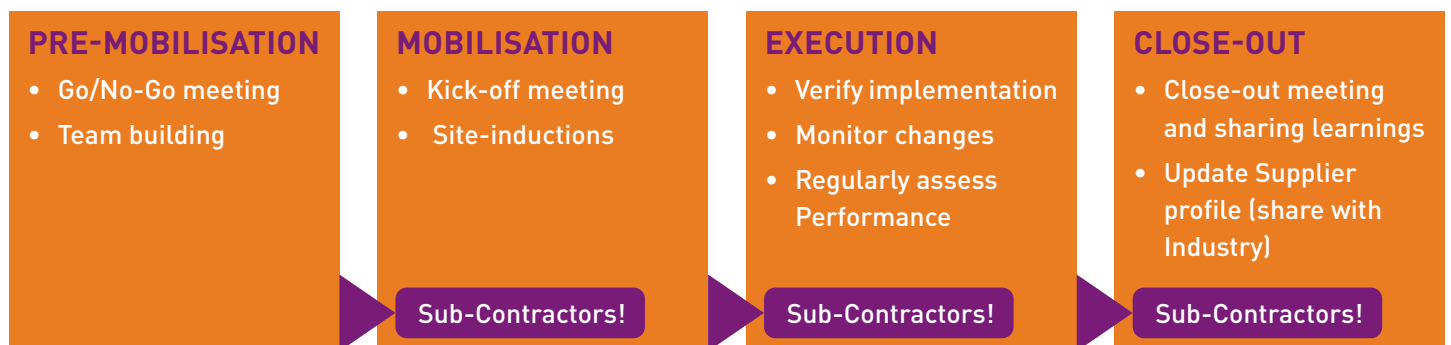
The nine Reflective Learning Videos on the Hearts and Minds Website



Simplified overview of a Risk-based Contractor HSE Management Process



Execute & Close-out



* This overview is a simplified illustration of the process described in IOGP Report 423. In practice, the process is much more fluid and may differ per Company.

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