



Issued by: Global Operations Manager	Variations, which may have regional or locational significance, are contained in SOP Documents as specific appendices.		
HSEC	Pages 1 of 9	Issue No. 003 Date July 2004	Global SOP BHPB Exploration



Standard Operating Procedure for Contractor Management

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<p>1. DEFINITIONS AND INTRODUCTION</p> <p>Contractors are defined as any non-BHP Billiton individual, group of individuals or company (including joint venture partners) whose services are retained by BHP Billiton to undertake designated work. No one will be engaged to work for BHP Billiton below the legal age of employment, or 18 years in the event of no applicable legislation.</p> <p>This document applies to all contracted or sub-contracted activity carried out on behalf of BHP Billiton, either directly, or indirectly.</p> <p>Sub-contracted activities will be the responsibility of the primary contractor, who should ensure that practice and procedures undertaken comply with, or exceed, these standards. No sub-contracting will take place without the express knowledge and agreement of the BHPB Contract manager.</p> <p>This Standard Operating Procedure (SOP) should be taken as part of further SOP's, which may be applied alongside the requirements of this document (i.e. Vehicles SOP).</p>	<p>Project: <input style="width: 100%;" type="text"/></p> <p>Location: <input style="width: 100%;" type="text"/></p> <p>Date: <input style="width: 100%;" type="text"/></p> <p>Reviewer: <input style="width: 100%;" type="text"/></p> <p>Comments</p>
<p>Contractors are responsible for:</p> <ul style="list-style-type: none"> • Complying with the terms and conditions of the contract, including HSEC requirements as specified. <input style="float: right; margin-right: 10px;" type="checkbox"/> • Applying risk management principles and practices to contracted work whenever a contractor manages works and/or sites on behalf of BHP Billiton. This will minimise health, safety, environment and community relations (HSEC) risks for both BHP Billiton and contractors' employees; <input style="float: right; margin-right: 10px;" type="checkbox"/> • Ensuring that employees have the right to refuse to work in unsafe situations or if they feel inadequately trained to safely perform a task; and, <input style="float: right; margin-right: 10px;" type="checkbox"/> 	



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<ul style="list-style-type: none"> Promptly undertaking any corrective action in line with their contractual requirements as directed by the BHP Billiton site representative. 	<input type="checkbox"/>
BHP Billiton Project Managers are responsible to:	
<ul style="list-style-type: none"> Assess and review the past and present HSEC performance of their contractors. It is the responsibility of BHP Billiton site management to communicate the assessments to contractors, and to work to improve procedures at the work site; and, 	<input type="checkbox"/>
<ul style="list-style-type: none"> Ensure that sub-standard HSEC performance, and repeated and/or serious violations, are recognised and addressed. Such violations may result in the employee and/or crew and/or contractor dismissal. 	<input type="checkbox"/>
<ul style="list-style-type: none"> Each contract will have a BHPB contract manager, or supervisor, as a single point of accountability. 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contract manager will allocate sufficient time and resources to manage the day-to-day activities of the contract. 	<input type="checkbox"/>
<ul style="list-style-type: none"> Line management will agree work standards and ensure by timely workplace inspections that work is to agreed specifications. 	<input type="checkbox"/>
<ul style="list-style-type: none"> BHPB expectations, specifically HSEC, shall be clearly and effectively communicated to the contractor and their organisation.. 	<input type="checkbox"/>
<ul style="list-style-type: none"> BHPB contract manager will ensure the contractor's on-site manager is introduced to the BHPB contract supervisor or manager who has single point accountability, and that effective communications are in place. 	<input type="checkbox"/>

2. PREFERRED CONTRACTOR SELECTION PROCESS	Comments
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<p>BHP Billiton employs a process of “Preferred Contractor Selection” that governs the selection, hire and supervision of contractors and their equipment. The aim is to ensure the safety, health, and well being of contract personnel and BHP Billiton employees, to achieve high standards in relation to BHP Billiton Policies, and to build long term partnerships with contractors. Regional safety advisers will work with contractors during the selection process and as required during all contractual work.</p>	<input type="checkbox"/>
<p>BHP Billiton will select and retain contractors and suppliers based on the contractor’s demonstrated commitment to HSEC.</p>	<input type="checkbox"/>
<p>Each region is responsible for identifying and compiling a list of preferred contractors. Firms from this list will be invited to bid on projects at the tender stage.</p>	<input type="checkbox"/>
<p>Contractors must operate in accordance with the BHP Billiton HSEC Policy , HSEC Management Standards or equivalent, and Exploration HSEC Standards and procedures as supplied.</p>	<input type="checkbox"/>
<p>BHP Billiton project staff, responsible for planning programs, must allow enough time before the commencement of a project to identify, assess and select contractors using the Preferred Contractor Selection criteria.</p>	<input type="checkbox"/>
<p>Before the commencement of any contract work, contractors must demonstrate that they understand and agree to BHP Billiton HSEC contract conditions, or can demonstrate they possess and apply an equally effective Policy and Standards of their own.</p>	<input type="checkbox"/>
<p>Due diligence in selection of contractors may be assisted by completion of the BHP Billiton Due-Diligence Checklist (Mini-Manual).</p>	<input type="checkbox"/>
<p>Criteria for the Preferred Contractors Selection include, but are not limited to the following:</p>	<input type="checkbox"/>
<ul style="list-style-type: none"> • The contractor must provide BHP Billiton with evidence of their HSEC performance through a statistical safety reporting and tracking system that includes all accidents, incident, and near misses. The contractor must have established incident investigation and follow-up procedures; 	<input type="checkbox"/>
<ul style="list-style-type: none"> • The contractor can provide a reference list of former clients; 	<input type="checkbox"/>



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<ul style="list-style-type: none"> The contractor conducts regular on-site safety meetings – See Standard Operating Procedure for Safety Meetings; 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contractor must have an appropriate number of trained and experienced personnel, including those who hold current first aid certificates; 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contractor will have a process in place to continually monitor, review and update their staff training needs and safe operation procedures; 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contractor will have a process in place to audit on-site safety equipment and on-site supervision; 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contractor will provide evidence of safe operating procedures and that all employees know and understand the procedures; 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contractor has a drug and alcohol policy that conforms to the BHP Billiton site-specific policy; 	<input type="checkbox"/>
<ul style="list-style-type: none"> The contractor has an environmental policy that incorporates guidelines for employee awareness and training. The guidelines should meet or exceed those of the BHP Billiton HSEC Policy; and, 	<input type="checkbox"/>
<ul style="list-style-type: none"> Community relations aspects of the contractors activities will be in accord with the principles contained in the BHP Billiton HSEC policy. 	<input type="checkbox"/>

3. GENERAL REQUIREMENTS FOR CONTRACTORS	Comments
Appropriate on-site supervision, the use of trained and qualified personnel and the correct use of appropriate equipment, including vehicles, are amongst the most significant factors in the reduction or elimination of Incidents and Injuries.	
3.1 Supervision	Comments



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Contractors will provide on-site supervision wherever applicable by qualified and experienced supervisors to ensure contracted employees follow safe and correct procedures.	<input type="checkbox"/>
The on-site supervisor must be able to provide clear communication in the required language(s) with all site personnel so that instructions, requirements, safe work procedures, etc., are correctly conveyed and understood.	<input type="checkbox"/>
A safety coordinator should be assigned for the contractor's program. This may be a part time or full time assignment depending on the size and risk assessment of the project.	<input type="checkbox"/>
The BHP Billiton project supervisor has the authority to take all reasonable steps necessary to ensure the safety of on-site employees. This includes equipment and procedure modifications, employee/contractor disciplinary actions where required, and work stoppage if he or she perceives imminent danger.	<input type="checkbox"/>
3.2 Training	Comments
Contractors must demonstrate employee competency to fulfill the assigned tasks. Contractors must supply records on employees' work experience and training courses, as requested.	<input type="checkbox"/>
Medical conditions, which may affect a person's ability to perform work contemplated within the contractual terms, shall be reported to the BHP Billiton representative prior to commencement of work.	<input type="checkbox"/>
All contract employees shall receive induction to enable them to work safely and responsibly on BHP Billiton sites.	<input type="checkbox"/>
All contractor employees must be trained in safe and responsible work procedures for their job.	<input type="checkbox"/>
Contractor's employees must have received (or there must be evidence that the contractor has implemented) periodic refresher training.	<input type="checkbox"/>



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<p>All contractors' employees must have a minimum requirement of safety and emergency training in compliance with BHP Billiton Global Exploration Standards. This can be demonstrated with certificates in first aid, in technical training or from governmental agencies, e.g., NOHSC, WHIMIS, OSHA, etc.</p>	<input type="checkbox"/>
<p>In locations where trained contractors' employees are unavailable, BHP Billiton will provide appropriate training and expect these employees to follow the BHP Billiton standard operating procedures.</p>	<input type="checkbox"/>
<p>3.3 Equipment</p>	<p>Comments</p>
<p>Contractors should provide personal protective equipment (PPE), first aid and safety equipment for all employees. If they are unable to do so, they must advise the BHP Billiton manager, who will ensure proper equipment is supplied, or they must not proceed with the task.</p>	<input type="checkbox"/>
<p>The contractor's equipment must be capable of performing the required tasks. Where possible, BHP Billiton should inspect the contractor's equipment (e.g., drill rigs) before arrival on-site.</p>	<input type="checkbox"/>
<p>Contractors must demonstrate that their equipment (e.g., drill rigs) is maintained in safe and good working order. This should be supported by provision of maintenance records and/or BHP Billiton inspection. This includes mechanical, electrical, hydraulic, pneumatic, personal protection, first aid, and safety equipment.</p>	<input type="checkbox"/>
<p>BHP Billiton expects contractors to follow the manufacturer's specifications and schedules for the maintenance of all equipment.</p>	<input type="checkbox"/>
<p>All vehicles, vessels, or aircraft used by contractors must operate in accordance with applicable BHP Billiton policies, Exploration Global Standards and Standard Operating Procedures.</p>	<input type="checkbox"/>
<p>3.4 HSEC Meetings and Emergency Response Plans</p>	<p>Comments</p>
<p>BHP Billiton and contractor staff should strive for continuous improvement in HSEC performance and accident prevention through the use of regular HSEC meetings, procedural reviews, safety inspections and open communication at all levels. They will follow the guidelines in Standard Operating Procedures for Safety Meetings.</p>	<input type="checkbox"/>



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Contractors will provide BHP Billiton with their Emergency Response Plan (ERP), which must be adaptable to suit the project location and conditions. Where the contractor is unable or it is impractical to provide an ERP, the local BHP Billiton Exploration ERP will apply.	<input type="checkbox"/>
3.5 Environment and Community	Comments
Each employee is responsible to take care of the environment and local community relations, and observe the BHP Billiton HSEC Policy. For topics of regional importance, refer to the BHP Billiton regional HSEC adviser.	<input type="checkbox"/>
The contractor and crew will comply at all times with applicable legislation and with the BHP Billiton HSEC Policy.	<input type="checkbox"/>
Contractors will demonstrate their environmental and community commitment through their policy and past performance. Contractors must have standards compatible with and in compliance to BHP Billiton's HSEC Policy and Exploration Global Standards.	<input type="checkbox"/>
Contractors shall conduct their activities in a manner intended to prevent damage to property, livestock, crops, timber, cultivated land, roads and trails, open or protected spaces, gates and fences etc. This will include prevention of fire risk.	<input type="checkbox"/>
An assessment of the need for rehabilitation of disturbed sites must be undertaken in conjunction with the BHP Billiton representative, and a suitable work plan implemented to minimize disturbance and ensure satisfactory rehabilitation of the areas affected.	<input type="checkbox"/>
3.6 Vehicles	Comments
All vehicles utilised by contractors will be in compliance with the Exploration Global Standards for vehicles and Standard Operating Procedures.	<input type="checkbox"/>

4. NON-QUALIFIED CONTRACTORS	Comments
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<p>In certain countries, it may be necessary to tender bids from contractors who do not have the facilities, work force, or training to meet the preferred contractor selection process. If contractors are prepared to develop the preferred contractor criteria, BHP Billiton may consider them for tender and provide the contractor with training and equipment to meet BHP Billiton's HSEC standards. It is especially important for a non-qualified contractor to demonstrate willingness to follow and adopt BHP Billiton HSEC Standards and Procedures.</p>	<input type="checkbox"/>
<p>Follow these procedures to obtain services of a non-qualified contractor:</p>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Assess potential contractors using the Preferred Contractor Selection criteria; and, 	<input type="checkbox"/>
<ul style="list-style-type: none"> • Identify contractor shortfalls. 	<input type="checkbox"/>
<p>Perform a risk assessment of the HSEC-related shortfalls.</p>	<input type="checkbox"/>
<p>If a contractor is in partial compliance, the contract supervisor for BHP Billiton will review the shortfalls in terms of training needs, supervisory capabilities, equipment, and working procedures with the intention of providing appropriate support (e.g., training, equipment) to allow consideration of the contractor for the program.</p>	<input type="checkbox"/>
<p>If the risk of incident is deemed too high to proceed with available contractors, defer the project until BHP Billiton can obtain a preferred contractor or a non-qualified contractor can meet BHP Billiton compliance criteria. It is not worth the risk of using contractors that cannot perform the necessary tasks safely and properly, or risking the lives and well-being of their employees. BHP Billiton is committed to working safely at all times in all places.</p>	<input type="checkbox"/>

