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

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.
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

#### Contract Management Team
- Assemble the team and agree Roles & Responsibilities
- Teams are properly on-boarded and know what is expected of them
- Teams have been trained, are competent and have the time to manage the Contract

#### Contractor Capability
- Collect and assess data from potential Suppliers
- Verify Contractors Capability for all High Risk Contracts and/or scope elements locally (optional for Medium Risk Contracts)
- Contractor (site) is visited when needed (+ specialists)
- Bid Normalisation is done (to compare bids)

#### Contract HSE Plan
- Contractor offers Contract HSE Plan (for High Risk Contracts - optional for Medium Risk)
- Draft plan is discussed, updated and approved
- (Joint) Risk Assessment is done
- Hierarchy of Control has been applied

#### Contract HSE Risk
- Discuss the Contract HSE Risk
- Ensure timely involvement of specialists

#### Responsibilities
- Clarification meeting is held, and responsibilities and interfaces are clear
- Contractor is capable of handling risks
- Contract Mode and Contract Risk confirmed

#### Contract Requirements
- Select the relevant HSE requirements
- Identify and agree leading and lagging indicators
- Agree incentives scheme and Consequence model (be mindful of unintended consequences)

### Execute & Close-out

#### PRE-MOBILISATION
- Go/No-Go meeting
- Team building

#### MOBILISATION
- Kick-off meeting
- Site-inductions

#### EXECUTION
- Verify implementation
- Monitor changes
- Regularly assess Performance

#### CLOSE-OUT
- Close-out meeting and sharing learnings
- Update Supplier profile (share with Industry)

*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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