

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		1 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

1.0 Purpose:

The purpose of this procedure is to describe the process required to be adopted with respect to Health, Safety, Environment and Quality (HSEQ) management during implementation of Contracts and Procurement process for acquisition of goods and/or services. The main objectives are to;

- Define the minimum HSEQ objectives to be met at each stage of a contract.
- Develop a strategy for proactive management of Contractor & Supplier HSEQ.
- Highlight the benefit of effective proactive approaches, particularly prior to tendering and mobilization.
- Describe a planned approach to Management of Contractor and Supplier HSEQ that will ensure a continuing improvement in HSEQ performance for all contractor activities.
- Describe the role and responsibilities of key personnel in contractor and supplier HSEQ management.

2.0 Scope:

This procedure applies to KE employees, contractors and suppliers.

3.0 Distribution:

All employees at KE, Contractors and Suppliers.

4.0 Definitions:

Company: Karachi Electric Supply Company.

Contract: A formal business agreement detailing the terms and conditions for the supply of products or the provision of services.

HSEQ Plan: A formal document showing how it is intended to manage the hazards determined. It should be recognized that in many situations, particularly for larger contracts, this HSEQ Plan will effectively form a significant part of the contract.

Contractor: A Supplier holding a Contract with Company for the supply of goods or services.

Contract Sponsor: The department, BU or function that has budget and management authority to execute the Contract.

Contract Manager: The person named in the contract to represent the Contractor in respect of the contract and to be responsible for the management of the contract or supplies.

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		2 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

Contractor Representative: The person appointed in writing by the Contract Manager to supervise the execution of the contract activities or supplies.

Scope of Work: The objective and extent of work to be accomplished by a Contractor or Supplier.

Services: Reflect work done in which people play a prominent role in delivery. A service is an intangible product. Work performed for pay.

5.0 HSEQ Requirements:

5.1 Corporate HSEQ Policy:

- Embedding the Health, Safety, Environment and Quality requirements in our routine and non-routine activities.
- Preventing injuries and ill health to personnel affected by our activities through a proactive system of risk management.
- Improving competence and skill through training and awareness.
- Ensuring continual improvement through a system of performance planning, measurement and reviews.

5.2 ISO 14001:2004 Specifications (Section 4.4.2) - Training Awareness and Competence:

The organization shall ensure that any person(s) performing tasks for it or on its behalf that have the potential to cause a significant environmental impact(s) identified by the organization is (are) competent on the basis of appropriate education, training or experience, and shall retain associated records.

5.3 OHSAS 18001 Specifications (Section 4.4.2) - Training Awareness and Competence:

Personnel shall be competent to perform task that may impact on OH & S in the work place. Competence shall be defined in terms of appropriate education, training and or experience.

6.0 Objectives:

The overall objectives of this procedure are:

- Ensure that contractors / supplier meet or exceed KE HSEQ standards.

6.1 Adherence to Hazards and Effects Management Process:

All hazards to contractor's personnel, KE staff, public and to the environment shall be:

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		3 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

- Identified, assessed systematically and eliminated where possible
- Controlled through formal procedures and planning methods
- Covered by contingency plans in place to deal with identified consequences of potential loss of control.

6.2 Mutual HSEQ awareness:

The contractor / supplier and the Contract Sponsor shall be mutually aware of both parties' minimum obligations to manage HSEQ and these obligations shall be within mutually agreed contractual terms.

6.3 Means to monitor the contract HSEQ management:

The means to monitor the contract HSEQ management system (HSEQMS) shall be mutually defined, understood, accepted and agreed by both parties as contractually binding.

6.4 Equal attention to Health, Safety, Environment and Quality:

6.5 Controls in place for hazards and effects management

The controls necessary for the management of hazards and effects shall be in place and working. Where they are not, this shall be speedily remedied or in extreme cases, work should be stopped.

6.6 Ensure clarity between Contract Sponsor and Contractor regarding responsibilities:

7.0 Procedure:

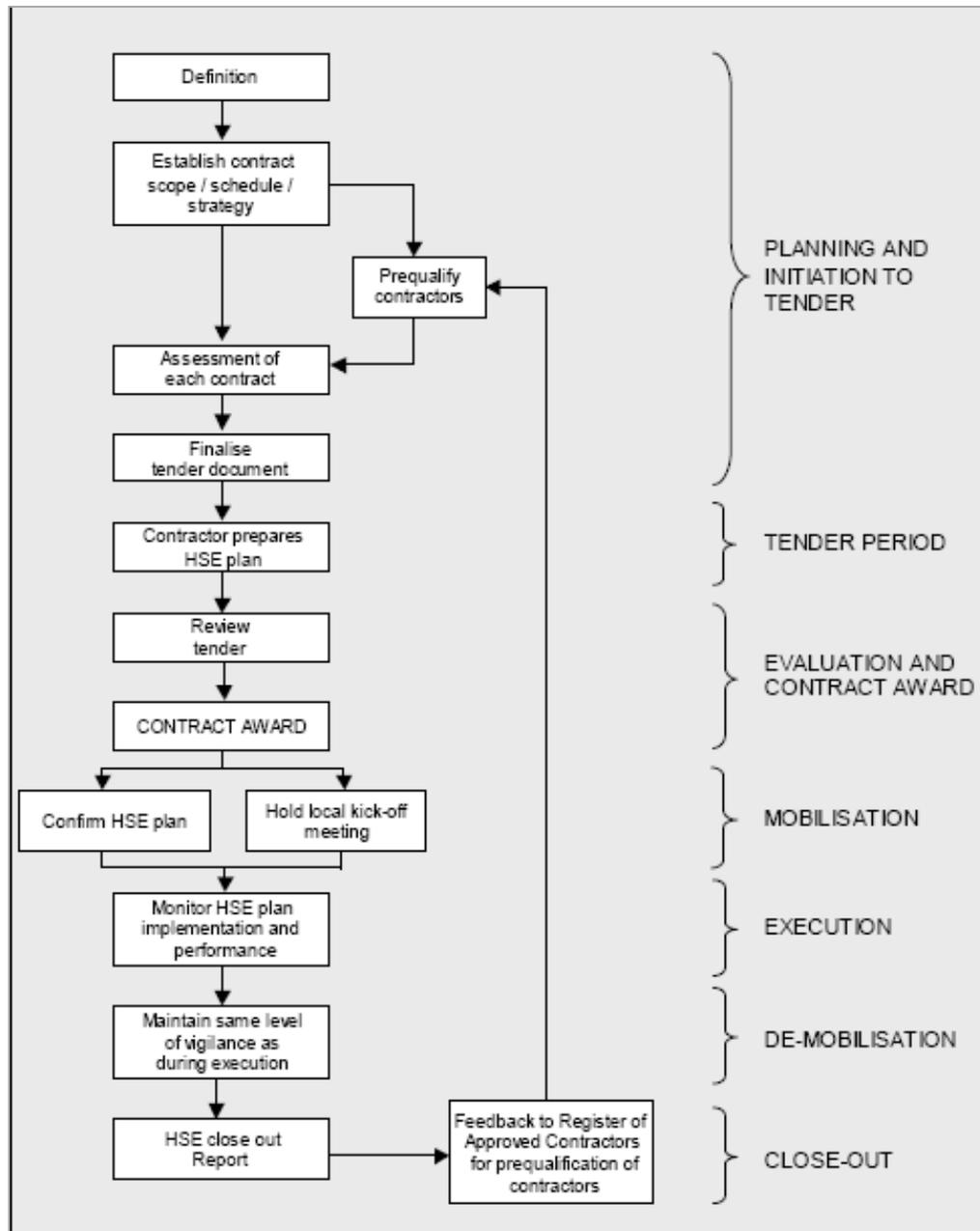
7.1 Contract Phases and HSEQ Planning:

The influence and inclusion of HSEQ issues in the preparation of tender and contract documents and the subsequent HSEQ management of a contractor shall be described within the context of an identifiable series of phases:

- Planning and invitation to tender.
- Tender period.
- Bid evaluation and contract award.
- Mobilization.
- Execution
- Demobilization
- Close-out.

More details are in the below table

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
	KE-SP-022	0		4 of 10
Document No.	Version	Date of Version	Page	Issuing department



7.2 Pre-Qualification and Tender Process:

Pre-Qualification is a process that shall be conducted preferably in advance of, but may be in parallel with, Tendering, to determine if a Contractor has the capacity to deliver a specific service. In all cases, pre-qualification shall include an HSEQ assessment component.

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		5 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

HSEQ prequalification pack shall include but not be limited to the requirement for potential Tenderers to submit the following:

- Contractor Self Evaluation Form (KE-SP-022-F01).
- HSEQ policy.
- Contractor HSEQ Management plan.
- HSEQ Organizational structure.
- Details of Contractor HSEQ training and audit systems.
- Overview of the Contractor’s recent HSEQ performance.

In addition, any specific HSEQ requirements of the Contractor/Supplier should be defined based on the control measure outcomes of identified in the Risk Evaluation process and included in the Pre-Qualification package.

7.3 HSEQ Tender Package:

The Tender package shall clearly present all HSEQ requirements applicable to the Scope of Work. HSEQ documentation to be included in the HSEQ Tender package and must include but not be limited to the following HSEQ documentation:

- KE Corporate HSEQ Policy.
- KE Corporate HSEQ Manual.
- KE-SP-022 – Contractor / Supplier HSEQ Management Procedure.
- All relevant KE Corporate HSEQ Procedures (If required by the contractor).

These requirements are mandatory for all Contracts with the Company – irrespective of their jurisdiction. The applicability of all Company HSEQ requirements must be assessed on a case by case basis for each contract.

7.4 Tender Schedule:

A specific HSEQ Tender Schedule shall be prepared that lists all HSEQ related information to be provided by the Tenderer in their submission. It is used as a formal basis for evaluation of the Tender.

The Tender Schedule should require a response to be submitted by the Tenderer for all key HSEQ issues that must be addressed by the Contractor in performing the Scope of Work.

For simple procurement contracts, the HSEQ Tender Schedule may be limited to a request for basic information repeating to the Tenderers internal HSEQ policies and systems. However, for controlled Site based activities, more detailed information shall be requested of the Tenderer including specific responses to HSEQ related issues pertinent to the Scope of Work (e.g. outline of method statements, etc.).

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		6 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

7.5 HSEQ Evaluation of Tender Submissions:

A weighted evaluation of Tenderers final submissions shall be prepared as a basis determining a preferred Tenderer from an HSEQ perspective. The relative weighting assigned to each component of the Tender Schedule shall be based on the risk exposure associated with each aspect of the Scope of Work.

8.0 Contract Award:

8.1 Pre-award HSEQ alignment meeting:

A Pre-Award HSEQ alignment meeting is mandatory for all high risk contracts. The Contract Sponsor shall arrange a pre-award HSEQ alignment meeting with the preferred Tenderer to ensure that the Tenderer is fully cognizant and aligned with all HSEQ requirements applicable to the Scope of Work. Any discrepancies shall be identified at this meeting, if possible resolved, and outcomes minuted by the Contract Sponsor.

8.2 Finalize HSEQ Contract Documentation:

Should any HSEQ amendments to the Tender documentation be necessary as identified in the Pre-Award HSEQ alignment process, these amendments shall be translated into a revision of Contract documentation prior to Contract award.

Any additions, changes or deletions to the standard HSEQ pro-forma clauses shall be approved by the HSEQ and/or Legal functions.

9.0 Contract Pre-Execution:

9.1 Contractor / Supplier HSEQ Plan:

The purpose of the Contractor/Suppliers HSEQ Plan is to define how the Scope of Work shall be implemented by the Contractor/Supplier in accordance with Company (Contractual) HSEQ requirements.

Although a specific Contractors/Suppliers HSEQ Plan shall be required for all Contracts, the content and format of the plan shall be commensurate with the risk associated with executing each aspect of the Scope of Work as determined by risk assessment as well as the necessary control measures.

The Contractors HSEQ Plan shall address any bridging or interfacing requirements necessary to ensure the effective management of HSEQ related issues.

The Plan shall be approved by the Company prior to commencing execution of the Scope of Work.

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		7 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

9.2 Establish Specific HSEQ Systems and Processes:

Specific HSEQ systems and processes shall be established prior to commencing the Scope of Work shall be defined in the HSEQ Plan for the activity and/or the Contractors HSEQ Plan. Following presents a guide to Company expectations regarding HSEQ processes and systems to be established across a range of activities.

The level of inspection and assessment required will be a function of the Scope of Work, work environment and jurisdiction classification of planned activities.

Process	Controlled site activities	Supply/Procurement contract only
Plan	Equipment (Inspections, Checklists, Certifications, Tagging) as per KE-SP-022-F02	Inspections
	Procedures (Permit systems and certificates)	
	Personnel (Induction, training, certifications)	
Do	Maintain hazard register	
	Inspections	
	Actions register maintenance	
	Contractor coordination meetings	Contractor coordination meetings
	Workforce communications meetings Tool Box Talk	
	Behavioral observation systems	
	Incentive scheme implementation	
	Knowledge sharing initiatives	Knowledge sharing initiatives
Check	Compliance auditing	Compliance auditing
Act	Monthly HSE Reporting	
	Incident and event	

9.3 Complete Pre-Start HSEQ Inspections and Review:

Assessment of key plant, equipment and personnel should be undertaken prior to site mobilization. For example, equipment to be evaluated may include the following:

Fixed and mobile plant (cranes, elevated work platforms, generators, air compressors, etc.). Other specific equipment (scaffolding, ladders, harnesses, rigging, tools, PPE, etc.)

Inspections, audits and third party compliances are mandatory for all activities.

All Personnel working in activities shall have the minimum training, competency and qualifications:

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		8 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

Certificates verifying competency, training and qualifications shall be up to date and made available to upon request.

In addition, short service personnel shall complete a minimum of:

- Site specific HSEQ Induction.

All other personnel shall complete;

- Site specific HSEQ Induction.
- Specific training and competency topics as identified by the site.

10.0 Contract Execution:

10.1 Implement HSEQ Systems and Processes:

The Contract Sponsor and HSEQ Support shall be responsible for monitoring and review of Contractor compliance with all HSEQ requirements defined in the Contract.

A process of continuous review shall be maintained to track HSEQ performance throughout Contract execution. Opportunities for improvement and enhancement of HSEQ systems and processes shall also be identified and implemented. Tools to assist in this process include the following:

- Regular reviews and inspections
- Audit compliance with the HSEQ Plan
- Audit HSEQ performance against the KE requirements
- Contractor coordination meetings.
- Other feedback mechanisms.

HSEQ performance reviews shall be conducted on a quarterly basis for all high risk contracts.

An HSEQ Action Register shall be established to ensure HSEQ issues are followed up in a timely manner.

10.2 Reporting and Auditing:

Reporting: The Contractor shall be responsible for providing monthly HSEQ performance data to the Company as defined in the Contract and aligned with Company reporting requirements.

Reporting shall be done of the following as minimum;

- HSEQ Incidents / Accidents

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		9 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

- Near-misses
- Tool Box Talk
- Manning Statistics

Auditing: Auditing shall be undertaken by the Contractor, Contract Sponsor and HSEQ as defined in the Contract and the Contractors HSEQ Plan.

A process of corrective action tracking shall be in place in the event that areas of non-compliance are identified. Depending on the Scope of Work, formal audits and audit reporting may also be required.

10.3 Contract Closeout:

After completion, a Contract HSEQ review shall be prepared that provides a formal record and a concise history of the contractor's HSEQ performance and capture learning's that can be applied to future contracts. The review should derive the majority of its content from factual documentation collected during the duration of the contract and lodged with Supply and Chain for future reference.

11.0 Responsibilities:

11.1 Contract Sponsor:

- Shall be responsible for ensuring that this Procedure is implemented for their assigned contract.
- Shall be responsible to conduct regular audit, inspections in conjunction with Corporate HSEQ Department.
- Shall gather the relevant HSEQ documents from the contractor as mentioned in the procedure or as and when required basis.

11.2 Corporate HSEQ Department:

- Shall assist the contract sponsor to conduct the inspections, audits.
- Shall analyze the HSEQ Data received from the contract sponsor for the continuous improvement in the HSEQ System.
- Shall analyze the contracts / tenders with respect to HSEQ Management System prior to the award of contracts.

	CONTRACTORS AND SUPPLIERS HSEQ MANAGEMENT PROCEDURE			
KE-SP-022	0		10 of 10	HSEQ
Document No.	Version	Date of Version	Page	Issuing department

11.3 Contractor:

- Shall be responsible to conduct regular internal audit, inspections, tool box talks, etc as per company policy.
- Shall provide the HSEQ Data on regular basis as mentioned in the procedure.
- Shall be responsible to provide the HSEQ Resources (PPEs, SPEs, training) to all staff involved in the activity.

12.0 APPLICABILITY

- All Management and non-management staff – KE.
- 3rd Party contractual.

13.0 FORMS / DOCUMENTS

KE-SP-022-F01 ----- Contractor Self Evaluation Form.

KE-SP-022-F02 ----- Equipment Inspection Checklist.


 10.8.19
AMIR ZAFAR
 Director-Corporate HSEQ
 KESC Ltd.

Prepared By;
HSEQ Department


Mehul Gadhvi
 Chief Executive Officer
 KESC Ltd.

Approved By;
CEO