



**PETRONAS**

# **PETRONAS Upstream Contractor HSE Management**

**ASEAN HSSE  
Loss Prevention & Professional Development  
Conference & Exhibition**

**Hotel Istana, KL  
19.09.19**

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# Contractor HSE Performance in PETRONAS Upstream Business remains a concern..

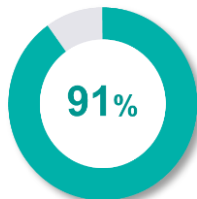
- Contractors contributed in high man-hours worked with high incident rate.



In Average, 70% of total man-hours in Upstream Business is contributed by Contractors and unfortunately contractors have resulted in HIGH number of incidents.



In **2017**, Contractors have contributed 100% (9 out of 9) no of injurious incidents



In **2018**, Contractors have contributed 91% (10 out of 11) no of injurious incidents in Upstream Business.

- Therefore, there is a need to **STRENGTHEN** Contractors HSE Management in Upstream Business.



# Contractor HSE Management comprise of 7 phases from Planning until Close-out to ensure competent Contractors are selected

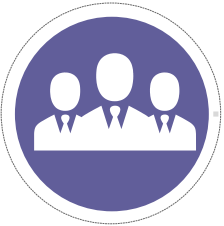


# Contractor Key Positions in the contract

**Contractor Contract  
Manager / Project Manager**



**Contractor  
Site Representative**



**Contractor Site HSE  
Officer**



**Contractor Procurement  
Manager**

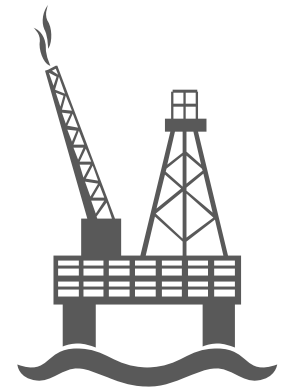


# Roles of Contractor Key Positions in the contract



## Contractor Contract Manager / Project Manager

- ◆ Accountable for the effective implementation of the contractor assurance/verification plan.
- ◆ Ensure effective implementation of the approved HSE Plan e.g. HSEMS, HSE procedures, HSE programs, HSE inspection and assurance programs, HSE Meeting, reporting and implement remedial action
- ◆ Comply with resource requirements including competent personnel in the contract
- ◆ Lead investigation of HSE incidents and implement recommendations. Contractor share lessons learnt from HSE incidents
- ◆ Report HSE Performance and implement interventions as required

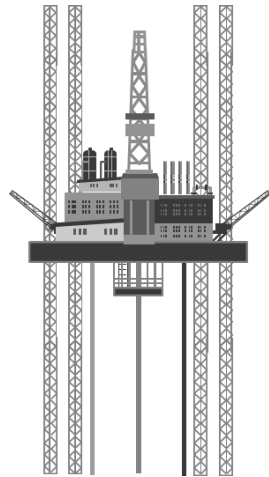


# Roles of Contractor Key Positions in the contract



## Contractor Site HSE Officer

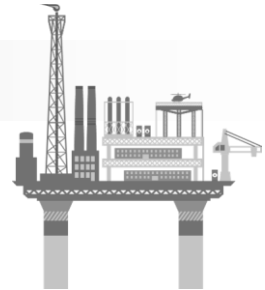
- ◆ Provide HSE support to the implementation of the contractor HSE Plan e.g. HSEMS, HSE procedures, HSE programs, HSE inspection and assurance programs, HSE meetings, HSE reporting, etc.
- ◆ Support regular and formal performance review meetings with the client.
- ◆ Initiating, developing and closing actions relating to contractor performance issues.
- ◆ Enforce HSE requirements on site.
- ◆ Lead/participate site HSE meetings.
- ◆ Lead/participate in HSE incident investigations and implement recommendations. Share lessons learnt from HSE incidents.
- ◆ Conduct inspection and assurance on approved HSE Plan.



# Roles of Contractor Key Positions in the contract



## Contractor Site Representative (CSR)



- ◆ Day-to-day interface with the client site representative.
- ◆ Accountable for the implementation of the contractor assurance/verification plan.
- ◆ Ensure the contractor (including any subcontractors) is/are managing the key obligations in accordance with the contract for the safe delivery of the scope of work:
  - ◆ Conducts assurance/verification activity in accordance with the plan
  - ◆ Confirm that HSE KPIs are correctly measured and recorded
  - ◆ Support regular and formal performance review meetings with client
  - ◆ Initiating, developing, and closing actions relating to contractor performance issues.



## Contractor Procurement Manager



- ◆ Provide contracts/supply chain support during the implementation of the contract
- ◆ Supporting regular and formal performance review meetings with the client.



# Concern from the Contractor HSE Performance



- Non compliance to HSE Procedures (e.g. PTW, PASR, Safe use of equipment)
- Ineffective implementation of risk assessment and failure to identify hazards at work in JHA
- Action items from risk assessment not communicated to the worker and resulted in accident
- Workers competency issue – e.g. Staff awareness on their HSE responsibility example, Work Leader not comply to role and function



- HSE Legal non compliance e.g Chemical Management and Scheduled Waste Management (segregation, labelling etc) and competent person
- Lack of awareness on HSE Plan by contractor staff
- Budget allocation for HSE not clearly demarcated
- Contract HSE Clause not communicated effectively to the relevant personnel

# Efforts to ensure Contractor improve HSE Performance



Special Task Force formed to address pain points in managing contractor HSE management across Malaysia Asset



Strengthen HSE Assurance activities at Contractor sites during Pre Mob, Mobilization, Execution and Demobilization



PETRONAS Contractor HSSE Mentorship Program to selected Contractor

# Summary of key highlights



From incident investigation report, there are issues on compliance to HSE requirements and work procedure, risk assessment and competency




Poor Contractors' HSE Performance remain a concern in Upstream Business



Ongoing efforts by PETRONAS to ensure Contractor improve on HSE Performance



# Way Forward on PETRONAS expectation from Contractors



**Vigilant Compliance** by Contractors with HSE Requirements as stipulated in the Contract

**Key positions in Contract;** Contractor Project Manager, HSE, CSR and Procurement Manager to play their role effectively


**Contractor Senior Management Leaders** to demonstrate leadership in HSE and more visible to the workforce at the worksite

**Provide Full Support to PETRONAS** by Contractor in conducting HSE Assurances exercises e.g. during Pre-mobilization, Mobilization, Execution and Demobilization

**Upstream collaboration** with Asset to continue assure the contractor comply with the HSE requirement

**Improvement in Contractor HSE Management and Performance** at PETRONAS Groupwide is currently ongoing with the effort





“The best preparation  
for tomorrow is doing  
your **best** today.”

H. Jackson Brown Jr.

**Thank you for your passion!**

