

CONTRACTOR MANAGEMENT FRAMEWORK

1 PLAN & SCOPE → →

- Determine that contracting is an option worth investigating A
- Seek approval from relevant manager to investigate contracting option A
- Confirm that contracting aligns with the business strategy, budget and risk profile DM
- Nominate Contract Owner and Contract Owner's Representative DM
- Conduct risk assessment to determine overall level of HSE risk. OR
- Raise Request for Contract (RFC) OR
- Allocate RFC to Supply Representative SA
- Agree response time with Contract Owner's Representative SR
- Draft Scope of Work document and submit to Supply Representative OR
- Develop Sourcing Strategy and Assessment Criteria with Contract Owner's Representative SR

2 TENDER & SELECT →

- Draft tender documents and assessment model, and complete peer review SR
- Seek Supply Manager approval of tender documents and assessment model SR
- Review previous close-out report and nominate potential tenderers SR
- Release tender documents SR
- Conduct tenderer site visits (if appropriate) OR
- Collate tender responses SR
- Prepare shortlist of tenderers SR
- Review shortlist of tenderers HSE
- Finalise shortlist of tenderers SR
- Convene Tender Review Panel including, contract owners representative and technical specialists SR
- Review HSE Self Assessments HSE
- Review Employee Relations Self Assessments HR
- Review commercial and operational responses SR
- Finalise and collate tender assessments SR
- Provide short-listed tenderers with feedback and seek improvements (where required) SR
- Review tenderer responses (where required) SR
- Select preferred tenderer SR
- Complete final detailed review of HSE Management Plan HSE
- Complete final detailed review of ER/IR Management Plan HR
- Negotiate contract Terms & Conditions (if required) SR
- Raise Contract Approval Request and seek approval SR
- Release contract for signature by contractor, then WAO delegates SR

3 MOBILISE → → →

- Receive and file signed copies of contract. SR
- Issue signed copies of contract to contractor SR
- Issue Mobilisation Checklist to contractor SR
- Commence Mobilisation Checklist activities CS
- Commence Mobilisation Checklist activities, including competency verification and span of control assessment OR
- Ensure contractor has Site Rules and provide access to WAIO Standards & Procedures, ie: Fatal Risk Control Standards. OR
- Establish Outline Agreement SR
- Convene Mobilisation Meeting CO
- Conduct Mobilisation Meeting CO
- Issue Outline Agreement Bulletin to Contract Users SR
- Raise a Work Order (Maintenance only) CU
- Raise a Purchase Requisition CU
- Convert Requisition to Purchase Order SR

4 EXECUTE & MANAGE → → → →

- STEP 1: PREPARE CONTRACT EMPLOYEES FOR WORK**
- Approve the Authority to Work and any required permits, ie: Excavation Permit, Isolation Permit, Track Occupancy Authority. CU
 - Approve site access and escort contract employees to place of work (for first time on site) CU
- STEP 2: SUPERVISE CONTRACTORS**
- Raise Work Orders (as required) CU
 - Supervise work performance CU
 - Supervise HSE compliance CU
 - Review and process timesheets CU
 - Review and process service entry sheets, budget holder approves in GSAP CU
 - Attend contract review meetings CU
 - Raise non-conformance for commercial incidents CU
 - Raise technical non-conformances with specialist areas (eg HR, HSE) CU
- STEP 3: MANAGE CONTRACT IMPLEMENTATION**
- Conduct in-field inspection to assess HSE compliance OR
 - Compile feedback from Contract Users on work performance OR
 - Review contractors monthly report OR
 - Provide feedback to Contractor on work performance OR
 - Manage expenditure on contract OR
 - Manage non-conformances and corrective actions (non-systemic & low risk) OR
 - Escalate non-conformances and corrective actions (systemic and medium/high risk) OR
 - Manage implementation of contract variations (with Supply representative) OR
 - Attend contract review meetings OR
 - Respond to audits of contractor management OR
- STEP 4: MANAGE CONTRACT**
- Ensure compliance systems are in place CO
 - Review contractor performance CO
 - Review utilisation of contract CO
 - Receive and manage claims (with Supply representative) if escalated CO
 - Manage non-conformances and corrective actions that are systemic and/or medium/high risk CO
 - Endorse contract variations CO
 - Chair contract review meetings CO
 - Manage responses to audits of contractor management CO
- STEP 5: OVERSEE CONTRACTOR HSE**
- Conduct in-field assessments to assess contractor HSE performance HSE
 - Provide assessment feedback to Contract Owner HSE
- STEP 6: OVERSEE CONTRACTOR HR**
- Conduct compliance audits to HR Management Standard HR
 - Provide audit feedback to Contract Owner HR
 - Manage ERMS and gate access processes HR
- STEP 7: OVERSEE CONTRACT COMMERCIALS**
- Conduct compliance audits against Contract Management Framework SR
 - Assist Contract Owner with claims SR
 - Manage commercial non-conformances with contract owners representative SR
 - Complete and execute approved contract variations SR
 - Attend contract review meetings SR
 - Draft & issue formal contract notices SR

5 CLOSE OUT → → →

- Identify that the contract is ending (6 months in advance for high spend contracts & 3 months in advance for others) SR
- Seek advice from Contract Owner on future of contract SR
- Conduct audit of site-based materials to determine ownership & value OR
- Report findings of audit of site-based materials to Supply Representative OR
- Prepare and issue letter to contractor notifying cessation of contract and need for return of equipment SR
- Convene Demobilisation Meeting CO
- Conduct Demobilisation Meeting CO
- Verify return of equipment and report to Supply Representative OR
- Advise contractor of intentions regarding outstanding work, outstanding payments and cessation of work SR
- Issue Site OA Bulletin notifying cessation of contract SR
- Demobilise from site/s CS
- Ensure return and deactivation of site access cards OR
- Finalise timesheets and service entry sheets CS
- Approve final timesheets and invoices CU
- Compile and acknowledge claims SR
- Investigate and advise recommendation on closure claims to Contract owner SR
- Close claims and Outline Agreements SR
- File commercial documents in contract close-out file in supply BVDs SR
- File technical documents in department filing system CU

ROLE	GENERAL DESCRIPTION	KEY
ANYONE	Anyone	(A)
MANAGER	Department Manager	(DM)
SUPPLY ASSISTANT	Supply Assistant	(SA)
CONTRACT USER	The person who is responsible for direct supervision and day-to-day engagement of the contractor.	(CU)
CONTRACT OWNER'S REPRESENTATIVE	The person who is responsible for management and monitoring of a contract, usually a Superintendent, Senior, Principal or Supervisor, depending on the complexity of the contract.	(OR)
CONTRACT OWNER	The person with overall accountability for the successful execution of the contract. This must be a General Manager or Manager.	(CO)
SUPPLY REPRESENTATIVE	The person from the Supply Department who is responsible for the procurement and commercial aspects of the contract.	(SR)
HSE SPECIALIST	The person from the HSE Department who is responsible for the health, safety and environment aspects of the contract.	(HSE)
HR SPECIALIST	The person from the HR Department who is responsible for the employee and industrial relations aspects of the contract.	(HR)
CONTRACTOR/ SUPPLIER	The person who performs the work as defined in the contract. Responsible for completing the work, reporting on status and performance, and for adhering to the agreed systems, plans, policies and standards.	(CS)

FOR FURTHER INFORMATION PLEASE CONTACT YOUR SUPPLY REPRESENTATIVE OR E-MAIL: WAIOContractorManagement@BHPBilliton.com