

HSE evaluation of contractors

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Foreword

The NORSOK standards are developed by the Norwegian petroleum industry to ensure adequate safety, value adding and cost effectiveness for petroleum industry developments and operations. Furthermore, NORSOK standards are as far as possible intended to replace oil company specifications and serve as references in the authorities regulations.

The NORSOK standards are normally based on recognised international standards, adding the provisions deemed necessary to fill the broad needs of the Norwegian petroleum industry. Where relevant NORSOK standards will be used to provide the Norwegian industry input to the international standardisation process. Subject to development and publication of international standards, the relevant NORSOK standard will be withdrawn.

The NORSOK standards are developed according to the consensus principle generally applicable to standards work and according to established procedures defined in NORSOK A-001.

The NORSOK standards are prepared and published with support from OLF (The Norwegian Oil Industry Association) and TBL (Federation of Norwegian Manufacturing Industries). NORSOK standards are administered and published by Standards Norway.

Annexes A, B, C and D are informative.

Introduction

This NORSOK standard has been developed on the basis of E&P Forum Report no 6.36/210 of July 1994, *Guidelines for the Development and Application of Health, Safety and Environmental Management Systems*. The standard covers key elements which should form part of the contractor's overall system for HSE management. The document provides information on the company's criteria for qualifying and evaluating contractors, and specifies the company's requirements for HSE management by the contractor in as far as Annex A is incorporated in the contract.

This NORSOK standard is published without marking of changes, compared to Rev. 1, as the modifications are considerable.

1 Scope

This standard describes items and methodology for evaluating and following up the HSE management systems used by contractors. Annex A presents contractual requirements based on the items and methodology in the standard.

The standard applies to both operational- and construction related operations, including new facilities and modifications to/conversion of existing plants. This NORSOK standard does not apply to management or reporting activities which are solely intended to achieve a specified HSE level in the actual contract object.

2 Normative and informative references

The following standards include provisions and guidelines which, through reference in this text, constitute provisions and guidelines of this NORSOK standard. Latest issue of the references shall be used unless otherwise agreed. Other recognized standards may be used provided it can be shown that they meet or exceed the requirements and guidelines of the standards referenced below.

ISO 14001:1996, *Environmental management systems – Specification with guidance for use*.

3 Terms, definitions and abbreviations

3.1 Definitions

3.1.1

accident

event, which has caused injury, illness and/or damage to/loss of assets, or harm to the environment or to a third party

3.1.2

company

company named in the contract which has ordered the delivery

3.1.3

contractor

company or person named in the contract and who is to be responsible for the delivery in accordance with the specified terms

3.1.4

employee contribution

employees' statutory right and duty to contribute in all matters of importance to safety and the working environment

Note For activities in Norway that are governed by the Petroleum regulations, reference is made to the Framework regulation §§ 5, 6 and 13.

3.1.5

loss potential

classification of the most likely losses associated with an undesirable event

3.1.6

may

verbal form used to indicate a course of action permissible within the limits of the standard

3.1.7

near miss

An event which, under slightly different circumstances, could have caused injury, illness and/or damage to/loss of assets, or harm to the environment or to a third party

3.1.8**notifiable event**

undesirable event or other conditions which shall be notified under prevailing statutory regulations to the authorities

3.1.9**personnel injury**

all work related injuries and illnesses with consequences more serious than first aid injury

3.1.10**principal enterprise**

company with statutory responsibility under Norway's Working Environment Act for coordinating work on safety and working environment in the individual companies

3.1.11**shall**

verbal form used to indicate requirements strictly to be followed in order to conform to the standard and from which no deviation is permitted, unless accepted by all involved parties

3.1.12**should**

verbal form used to indicate that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required

3.1.13**supervision**

generic term for supervisory activities under the main headings of follow-up, review, verification and audit

3.1.14**undesirable event**

event, which have caused or could have caused injury, illness and/or damage to/loss of assets, or harm to the environment or to a third party

3.1.15**work**

all work to be done, all materials to be delivered and all commitments to be fulfilled by the contractor under the contract

3.1.16**work related illness**

illness caused wholly or partly by conditions in the workplace

3.2 Abbreviations

CHEMS	database containing chemicals information in HOCNF
EMAS	Forskrift om frivillig deltaking for organisasjoner i en fellesskapsordning for miljøstyring og miljørevisjon
EMS	environmental management system
EOSCA	European Oilfield Speciality Chemicals Association
HOCNF	harmonised offshore chemical notification format
HSE	health, safety and environment
MSDS	material safety data sheets
NPD	Norwegian Petroleum Directorate
OLF	The Norwegian Oil Industry Association
OSPAR	Oslo and Paris convention
PPE	personal protective equipment
SFT	Norwegian Pollution Control Authority

4 Methodology for HSE qualification, evaluation and follow-up

4.1 Elements in the HSE management system

Activities are grouped in seven principal categories, which fit naturally into any recognised system for HSE and quality management. The system is thereby compatible with such management systems as those from the International Association of Oil and Gas Producers (OGP), the International Maritime Organisation (IMO) and the American Petroleum Institute (API). These seven categories are briefly described in Table 1.

Table 1 - Principal elements in the HSE management system

HSE management system elements	Addressing
1. Leadership and commitment	Top-down commitment and company culture, essential to the success of the system
2. Policy and strategic objectives	Corporate intentions, principles of action and HSE aspirations
3. Organisation, resources and documentation	Organisation of people, resources and documentation for sound HSE performance
4. Evaluation and risk management	Identification and evaluation of HSE risks relating to operations, products and services, and development of risk-reducing measures
5. Planning and procedures	Planning the conduct of work operations, including planning for change and emergency response
6. Implementation and monitoring	Execution and monitoring of operations, and how corrective action should be taken when necessary
7. Auditing and reviewing	Periodic assessment of system performance, effectiveness and fundamental suitability

4.2 Coordination of different HSE management systems

The company and the contractor should exchange their strategic HSE plans and relevant documentation for their respective HSE management systems in order to identify possible incompatibilities. Such incompatibilities shall be clarified and resolved before contract award. Effective coordination of the various HSE management systems will make it possible to develop common objectives and programmes. This could require a decision on which system should have the lead role and which should have a supporting role in different circumstances. If a principal enterprise has been defined for the work, its HSE management system will normally be assigned the lead role. However, care should be taken to ensure that parties involved meet the current regulatory requirements regarding establishment, follow-up and further development of HSE management systems. Detailed coordination of the various HSE management systems shall be determined at the pre-planning stage, in consultation with employee representatives from company and contractor.

4.3 Items and criteria

The matrix below shows which HSE items relating to management and reporting shall be taken into account for classification, evaluation and follow-up. Items are marked by bullet points, and grouped under [the management system's principal elements](#).

This matrix also provides a description of the requirements which shall be satisfied by the contractor under each item or category. The following terms are used to describe the actual level:

- A - Unacceptable
- B - Poor
- C - Acceptable
- D - Excellent

Associated level descriptions are shown in columns under each item. Descriptions are cumulative when relevant. The company can decide for itself how the specified expectations shall be used to qualify and evaluate the individual inquiry or delivery. See Annex D for examples. Annex B presents typical contract categories and HSE items that should be considered within each category. Annex C presents an example of a classification matrix for undesirable events.

Element 1: Leadership and commitment			
A — Unacceptable	B — Poor	C — Acceptable	D — Excellent
Item 1.1 - Commitment to HSE through leadership: a) Are senior managers personally involved in HSE management? b) Is there evidence of commitment at all levels of the organisation? c) Is there a positive culture on HSE issues? If the answer to one or more items is YES, please provide details.			
No commitment from senior management, no evidence of a positive HSE culture.	HSE delegated to line managers — no direct involvement by senior management.	Evidence of a positive HSE culture in senior management and at all other levels. Management involved in HSE activities, setting objectives and following up.	The contractor is recognised as a serious and reputable player in the HSE area, both in relation to clients and within the society in which it operates.
Element 2: Policy and strategic objectives			
A — Unacceptable	B — Poor	C — Acceptable	D — Excellent
Item 2.1 - HSE policy, access and responsibility: a) Does the contractor have a corporate HSE policy document? Does the contractor have clearly stated HSE goals? If the answer is YES, please attach a copy. b) Who has overall and ultimate HSE responsibility in the organisation? c) Who is the most senior manager in the organisation with responsibility for ensuring that the contractor's HSE policy is observed in the workplace and at sites where the contractor's employees are working? Specify name, title and experience. d) Describe the methods used to inform all employees about the contractor's HSE policy. e) How are employees informed of changes to this policy?			
No HSE policy document.	A policy statement exists, but not in a widely distributed document.	An HSE policy document describes responsibility and accountability. The policy is developed with active employee contribution, and distributed to all employees.	Contractor's HSE policy has the support of all employees. The message is fundamental in nature, and the policy remains unaltered over time.
Item 2.2 – Contractor's policy on accidents and losses: What is the contractor's formal policy on avoiding accidents and losses?			
Employees and management express disbelief with respect to the possibility of completely avoiding accidents and losses.	Management has no consistent positive view on the possibility of completely avoiding accidents and losses.	Employees and management agree that the long-term target should be to completely avoid accidents and losses.	Contractor's HSE policy is consistently based on the belief that it is possible to completely avoid accidents and losses. Management routinely communicates this mind-set in-house as well as to clients and the media.
Element 3: Organisation, resources and documentation			
A — Unacceptable	B — Poor	C — Acceptable	D — Excellent
Item 3.1 – Employee contribution: How does the contractor provide for employee contribution when developing its HSE culture and HSE management system?			
The employees have no actual influence on their own working situation with respect to health and safety.	The contractor ensures that the employees and their representatives may offer their opinion in matters concerning health and safety.	The employees are allowed sufficient time and resources to be able to participate in the establishment, follow-up and development of the HSE management system. The contractor attempts to draw on the collective knowledge and experience of the workforce before decisions concerning HSE are taken.	A fundamental principle with the contractor is that the employees shall have actual influence in matters concerning HSE, and that the employees shall actively contribute to the development of the contractor's HSE culture.

Item 3.2 - Organisation and communication: How is the contractor structured to achieve effective HSE management and communication?			
Roles and responsibilities inadequately defined. Insufficient time and resources are made available. Insufficient focus on the importance of effective HSE communication.	Requirements exist, but knowledge and compliance is inadequate.	Roles, responsibilities and the need to allocate sufficient time and resources by management and HSE specialists clearly defined. Routines exist to ensure that instructions and information are communicated to involved personnel. Emphasis on health, working environment, safety and the environment.	Emphasis on adherence and improvement. Non-compliance invariably affects the individuals involved.
Item 3.3 - HSE training of managers and supervisors: a) Has formal training been provided for managers and supervisors who will plan, supervise, check and implement the work so that these, regardless of management level, are familiar with their responsibility for ensuring that the work is done in accordance with HSE requirements? b) Does this training embrace relevant topics on health, the working environment, safety and the environment? If YES, please provide details. Describe the content and duration of courses if the contractor provides in-house training.			
No specialised staff training.	No systematic training.	HSE training norms and training programmes are defined for managers at all levels. The norms meet all regulatory requirements, and are adhered to.	Formal HSE training of all relevant staff in terms of their respective responsibilities. Emphasis on both health, working environment, safety and the environment. The contractor offers training beyond regulatory requirements in critical HSE areas.
Item 3.4 - Personnel HSE induction programme: a) What arrangements have been made by the contractor to ensure that new employees are familiar with basic industrial HSE, and that this knowledge is kept up to date? b) What arrangements does the contractor have for ensuring that new employees are informed about possible problem areas and specific hazards inherent in the activity?			
No formal programme established.	Verbal instructions on relevant procedures and practices only. Information booklet provided for new employees, but no on-the-job briefing by qualified personnel.	Relevant documentation and training provided to all new employees. On-the-job briefing by qualified personnel.	Follow-up observation of new employee's work. Mentorship arrangements provided and adhered to for all new employees. The contractor offers training beyond the basic level.
Item 3.5 - HSE training programme: a) What training is provided by the contractor to ensure that personnel involved are familiar with all applicable, formal requirements, and that the HSE knowledge is kept up to date for all personnel? b) What arrangements has the contractor made for emergency response training?			
No formal programme established.	Verbal instructions on relevant procedures and practices only.	Training programme established based on applicable rules, regulations and company requirements.	Employees are routinely briefed on safe work practices and emergency duties. The contractor offers training beyond the basic level.
Item 3.6 - Specialised training: Has the contractor identified activities which call for special training to handle potential hazards? If the answer is YES, provide details of the training given.			
Formal hazard assessment of work activities not performed. Insufficient knowledge of	Typical hazards known and communicated to involved personnel. Basic on-site training	Formal HSE training programmes developed for all potentially hazardous activities,	The effectiveness of the training programmes are being routinely verified.