

Company Contractor EHS Management Best Practices Listing

The following is the overall approach and a listing and brief explanation of / rationale for some best practices that are available and practiced within Company, related to Contractor Environmental, Health & Safety management. Where these practices are department or business unit specific, this is indicated.

Overall Approach:

- Managed very closely with well defined responsibilities
- Factors in Contract Law (avoiding co-employment), OSHA Multi-Employer Worksite (controlling, creating and exposing employer) and EPA expectations (if on owner's site, it's owner's responsibility).

Rationale for Approach:

Managing contractors strictly from the Contract Law (arm's length) perspective is no longer acceptable in today's regulatory and litigious environment.

Specific Practices, Explanation and Rationale:

Best Practice	Explanation / Rationale
1. Engaging / involving EHS professionals in discussions of contracted work scope and development of contract conditions and specifications	Others may not possess the expertise to assess or determine specific EHS requirements
2. EHS requirements are specified up-front as part of RFQ / RFP phases	This is only fair to the respective bidders, as requirements can affect the respective bid amount.
3. Electronic On-Site Service Request (OSSR) Form	This document uses a series of questions to enable development of a well-written and clear work scope, in addition to specific contractual EHS performance and training requirements.
4. Contractor EHS Orientation DVD (and soon to be web-based for remote viewing) package	Ensures consistency of delivered messages to all contractors at all sites
5. Future internal targeted audits	To assess support of Contractor EHS Management Process by affected groups (training, purchasing, contract management, etc.)
6. Contracted supplemental EHS resources to assist with observing in-progress contractor work	Provides more focused oversight of contractor work during projects and outages and allows full-time plant EHS professionals to remain focused on already full O&M-related plates. Plant folks supervise and QA / QC the

	supplemental folks' work.
7. Contract documents written with specific, detailed EHS performance requirements and expectations	Without this, nothing else will work. Ensures clear understanding of expectations by all. Also prevents change orders for items not known / discussed up-front.
8. Optional menu of EHS-related liquidated damage statements for including in respective contracts	Enables EHS performance to be placed on equal footing with schedule, cost and quality that typically have specific related liquidated damage statements built in to contracts. (The mere existence of these as part of contracts facilitates the right behavior and rarely resulted in the need to use them.) These can also enable a built-in reward mechanism, depending on bid approach.
9. Covering EHS-related section of Contractor Performance Feedback Form with contractors prior to initiating work	Ensure clear understanding of expectations by all and communicates to contractors what they will be graded against.
10. Contractor rewards are based on EHS performance along with cost, schedule and quality related rewards	Shows EHS as a core business value
11. Requiring contractors to supply their own qualified EHS professionals for specific work	Additional oversight mechanism