

**BEST PRACTICES IN INTEGRATED SUBCONTRACTOR MANAGEMENT
TO ELEVATE EHS PERFORMANCE IN THE PETROLEUM INDUSTRY**

James J. Colbert*

The RETEC Group, Inc.
2409 Research Blvd, Ste 106
Fort Collins, CO 80526
Voice: 970-493-3700
Fax: 970-493-2328
Email: jcolbert@retec.com

Jessica Cassens

Daniel Anguiano

The RETEC Group, Inc.
Austin, TX

The petroleum industry relies heavily on suppliers to accomplish its business objectives and sustain performance. Not only do contractors and subcontractors represent the largest number of workers at petroleum exploration, production, and refining facilities, they are also representing the largest challenge for producers/operators in managing environmental health and safety (EHS) at their sites. With each additional tier of supplier subcontracting, the operator's ability to directly manage EHS performance, and therefore manage risk, becomes more complex and difficult. In addition, recent EHS regulatory actions have targeted oil & gas producers/operators as a 'high hazard' industry and placed special enforcement emphasis on the industry regionally; this backdrop raises the stakes for effective management of supplier performance.

This presentation outlines best practices in subcontractor EHS management, and presents a standardized process that is aligned with the project life cycle or Deming cycle (plan, perform, measure, improve) for simple integration into work processes. The best practices outlined include establishment of clear EHS expectations and responsibilities, thorough pre-qualification, tiered orientation and training based on services provided, post-project evaluation, and feedback. The process has significantly reduced supplier and subcontractor EHS incident rates within a portfolio of petroleum environmental remediation sites, and has broad applicability throughout industry.