

## Contractor Management

### RBM Contractor Management Work Cycle

The strength of Rio Tinto's contractor management practices delivers year-on-year improvements to safety, productivity and cost performance outcomes





Safety  
Share

**HOT  
WORK**



# Housekeeping



**Emergency exit /  
Muster points**



**Emergency phone**



**First-aid kit**



**Restroom locations**



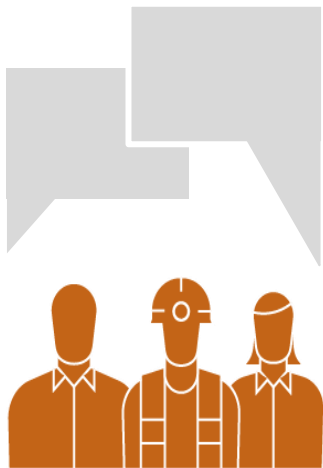
# Vision

To strengthen RBM's contractor management practices to deliver year-on-year improvements on safety, productivity and cost performance outcomes.





# Agenda for Today



- Understand the 4 Key Practices in Contractor Management
- CMCC
  - End to end workflow
  - Clinic
- CRM Participation
- 3 In a row coaching
- RBM CM Web page introduction
- Contractor self assessment



# RBM approach to managing contractors

Safety is our top priority and one of our core values. Our commitment to safety extends to the safety and wellbeing of our contractors. RBM realise a safe, engaged and effective workforce is essential to the delivery of our business goals, and that contractors of all types have a key role to play.

By improving the effective end to end management of contractors and living our value of teamwork, RBM will deliver a direct and material influence on safety, productivity and cost outcomes.





# Why are we focussing on contractor management?



Contractors perform more than 40% of our working hours



And billions of dollars worth of work



Safety



Has resulted in contractors making up more than 50% of our injuries

***How we manage and partner with our contractors directly impacts our success!  
This is one component of our transformation***

**Having a clear and consistent approach to contractor management across the Group will...**

Improve safety outcomes

Safety



Release cash

Cash



Allow us to equip our leaders

People



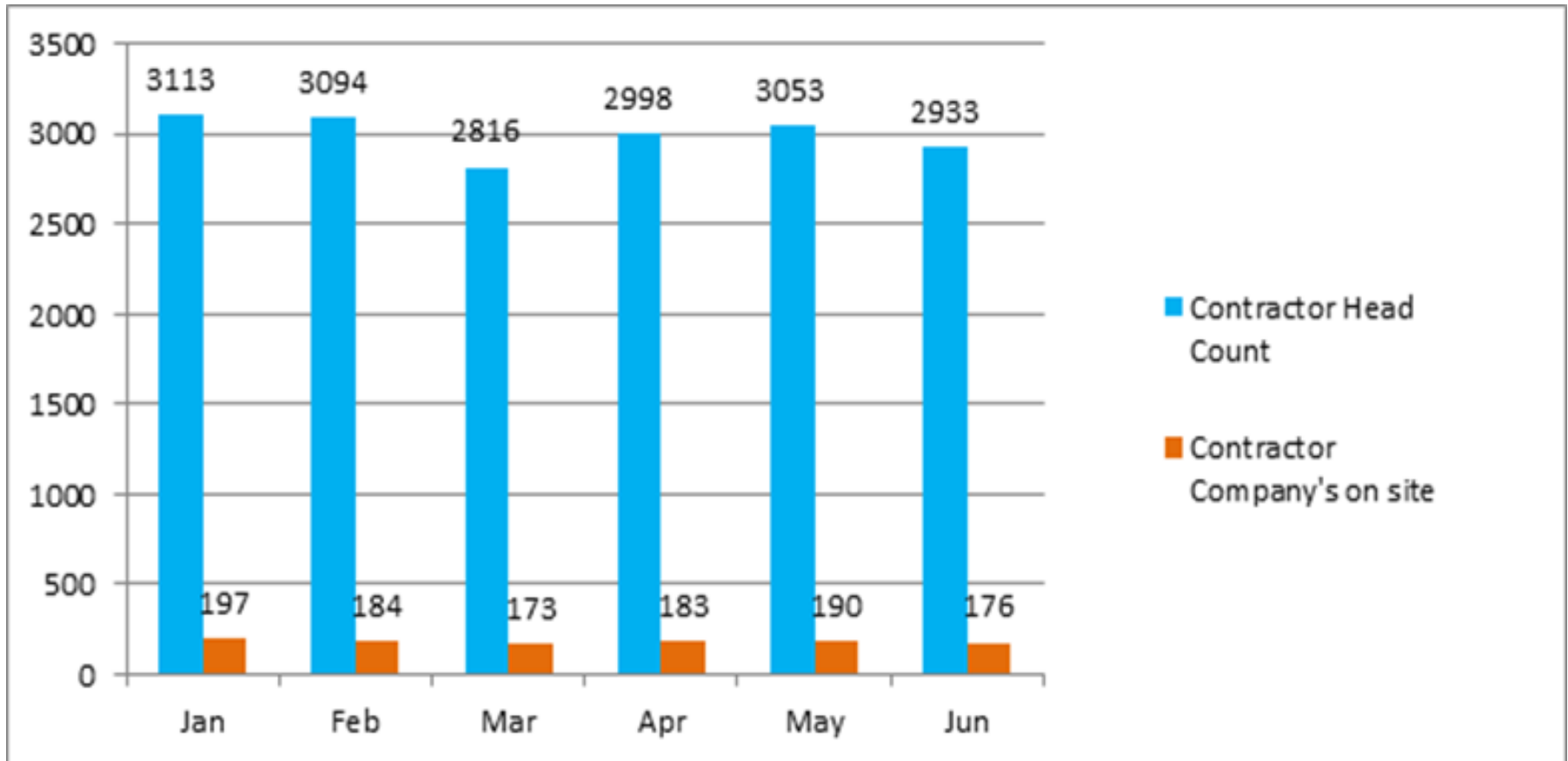
Build stronger relationships with our supply base

Partnership





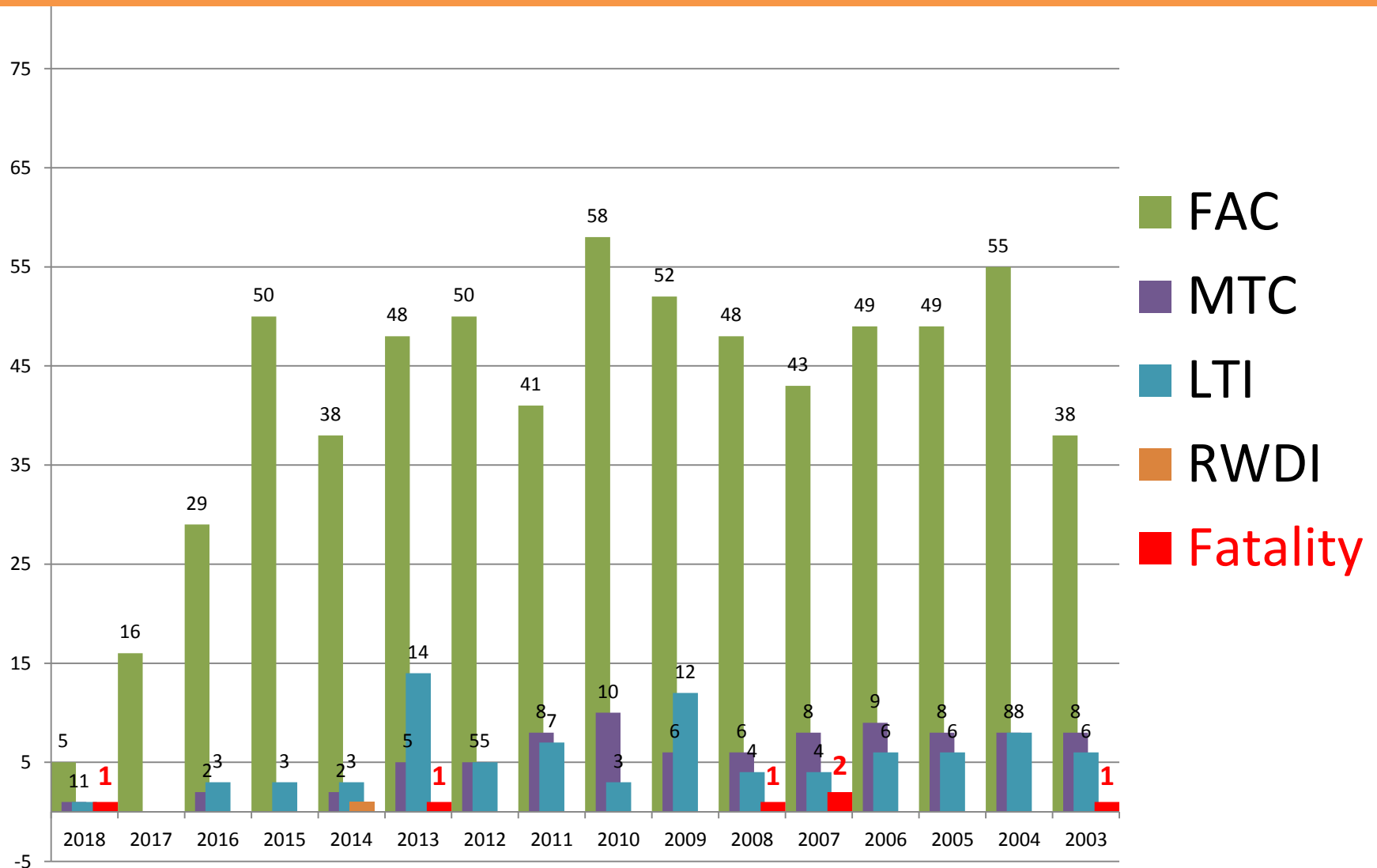
# Active contractors on site







# Safety : Contractor Safety Statistics (2018 YTD)





# Contractor Management Strategy

## Strategy centered on three pillars

1	Embed the Structure to enable change	Establish key resources in each business unit, assisted by a small central team, to drive improvement through consistency of processes, assessment and performance measurement
2	Value and build Capability	Training and coaching support provided for leaders to build the capabilities we need to effectively manage contractors. Case studies integrated within key leadership programmes to embed core principles
3	Be great at Key Practices	<p>Improve safety, productivity and cost outcomes by focussing on the four areas that will have the greatest impact and demand strong teamwork to be successful.</p> <ul style="list-style-type: none"><li>• KP1 - Clear scope</li><li>• KP2 - Operationalise the contract</li><li>• KP3 - Verify the work</li><li>• KP4 - Evaluate performance.</li></ul>



# Contractor Management Objectives 2018

## Contractor Safety

- Measure contractor safety performance
- Address gaps and ensure consistent approach by all contractors
- Mentor and coach poor contractor safety performance

## Contractor Performance

- Measure adherence to key practices across site
- Coach poor contractor performance in relation to key practices
- Effectively manage long term contractors via VMCs

## Contractor Engagement

- Conduct monthly contractor safety meetings across site
- Manage contractor on-boarding and off boarding
- Knowledge sharing of key practices



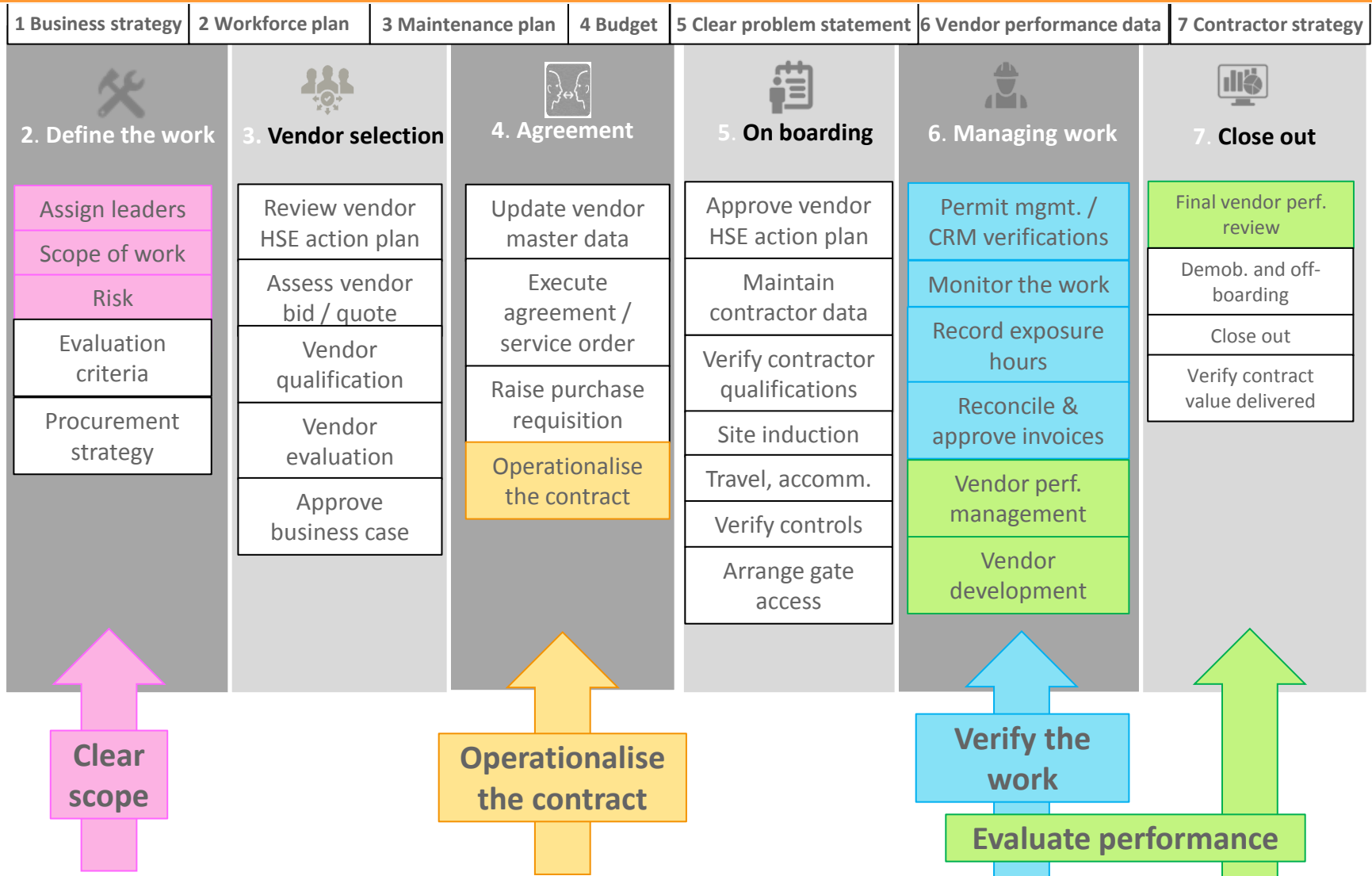
# 4 Key Practices

- Our focus is on four key practices across the end-to-end contractor management process that will add the greatest value and are key to ensuring safe and productive operations.
- The four Key Practices span all seven pillars of the end-to-end contractor management process.
- By focusing on the areas that have the greatest impact, successful implementation of each key practice provides the fundamentals to help drive efficiencies across the entire end-to-end process.

# Key Practices: CM end-to-end process integration

## 1. Strategy

*Using performance data and planning tools to drive the right balance between our internal workforce and external services as part of a clear strategy. To achieve this, we need the following:*



By focussing on those areas that have the greatest impact, successful



# Key Practice 1 Scope of Work





# Key Practice 1: Clear Scope of Work

## Purpose of this session

A **clear scope** helps us understand and communicate the following: -

- **Safety Risks:** Identify critical risk with the contact for a safe work environment
- **Task(s):** Identify the work to be done or service to be delivered
- **Schedule:** Agree on the duration of the job, number of personnel on site, reduce non productive hours, milestones and completion dates, reduce overruns, variations
- **Performance:** State the expectations and how to measure them
- **Costs:** Implement the right commercial structure for the work, reduce overspend (OVI) and limit disputes with contact owners





# Clear Scope: Roles & Responsibilities



	Asset / BU roles			
Procurement	CM Lead	Contract Owner / Leader	Designated Leader	Scope Writer
<ol style="list-style-type: none"> <li>1. For work leading to a contract, ensure partnership with Contract Owner to understand requirements, SoW quality and commercial risks are identified and managed</li> <li>2. Ask the right questions to ensure the scope is fit for purpose.</li> <li>3. Identify opportunities to aggregate demand or drive a better outcome as per the sourcing strategy.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide process, coaching and shares best practice</li> <li>2. Periodically verify that scope is clearly defined, and identify opportunities for improvement.</li> </ol>	<ol style="list-style-type: none"> <li>1. Verify that the scope of work is fit for purpose, with the outcome clearly defined and has a level of detail commensurate with the risk, complexity and \$ involved, and it is aligned to the business strategy. Ask – is there a better</li> <li>2. Ensure the scope writer has involved the right people in the discussion.</li> <li>3. Assigns a Designated Leader that has the capability / capacity required to ensure that the in field verification can be done successfully</li> </ol>	<ol style="list-style-type: none"> <li>1. Be involved early in understanding the scope as it relates to verification and management</li> <li>2. Determine how the associated risk in executing of this work will be managed</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure that you are able to articulate the outcome that is sought and the risks involved in the work.</li> <li>2. Ensure the right people are involved, understand business needs, complexity and risk</li> <li>3. Identify early when you don't believe you have the skills / experience to complete 1. and 2. and ask for help</li> </ol>





# KP 2 - Operationalise the Contract





## KP 2 - Operationalise the Contract Purpose of this session

To help you to .....

- Understand the **Contract Implementation** process
- Understand the requirements for a **site safety management plan & site engagement**
- Understand the **Job start discussion**





# KP2: Contract Implementation

## The process

### Objective:

To ensure those involved in delivering the work of contracts, are aware of what has been agreed. Critical areas:

1. Health, safety, environment and community (HSEC)
2. Scope of Contract
3. Commercial Agreements
4. Performance Measurement
5. Expectations





## KP2: Safety Management Plan

### Purpose of a safety management plan

- To ensure that the contract is applied at site level
- The contractor's safety management plan and qualifications are reviewed
- A process for ongoing monitoring and auditing is in place





## KP2: Safety Management Plan

What	When will this take place	Who will be involved
<p>The requirement for the implementation of a Safety Management Plan for contractor work taking place at RBM by identifying and mitigating risks to ensure work is executed in a safe manner</p>	<ul style="list-style-type: none"><li>• During Pre-mobilisation</li><li>• At Mobilisation</li><li>• Ongoing workplace compliance audits</li></ul>	<ul style="list-style-type: none"><li>• Designated Leader (RBM person that oversee the work)</li><li>• Contractor's Management (MD, Safety Manager or Site Manager)</li><li>• Service Provider</li><li>• Contract Owner (RBM budget holder)</li></ul>





# KP2: Site Engagement

## Pre-mobilisation Safety File, Work-pack Review and self audit



Safety File Index

**Prior to mobilization the Contractor's Responsible Person (CRP) will prepare the following**

- 1) A safety file as per Safety File Index, approved by the designated leader
  - 2) Conduct a "Pre mobilization" self audit
  - 3) Compile a Work Pack, consisting of the following:
    - Project execution schedule, level 4 detail
    - Work method statement, level 4 detail
    - JHA, with level 4 detail
    - Competency profile for each individual involved in the work pack
- (Level 4 refer to a detailed document, understandable by all involved in the work)



Contractor self  
assessment





# KP2: Site Engagement

## At-mobilisation Work-pack Review

When	What must be done	Who is responsible
Work pack review by the CRP with the contracting team will take place prior to the start any physical site work	<ul style="list-style-type: none"><li>• Review work-pack with all team members</li><li>• Brief and test team members for understanding of the hazards and controls of the approved risk assessment (JHA)</li><li>• Brief his team on the overall work methodology (WMS) and associated hazards with the contract</li><li>• Team members will sign the WMS/JHA to confirm that this review has been completed</li><li>• New team members or those who have been off site for more than 10 working days, will be re-briefed</li><li>• Sub-contractors will be briefed in a similar manner</li></ul>	Contract responsible person (CRP) – (contractor site supervisor)





# KP2: Site Engagement

## At-mobilisation Compliance Audit



### At mobilisation audit

When	What must be done	Who is responsible
At Mobilisation, prior to the start any physical site work	<ul style="list-style-type: none"><li>• An “<i>At Mobilisation Compliance audit</i>” will be conducted</li><li>• The results will be captured in IMPI</li></ul>	<ul style="list-style-type: none"><li>• The contract responsible person (contractor site supervisor) will prepare the documentation</li><li>• The RBM Designated Leader will conduct the audit as per template</li></ul>







# KP2: Site Engagement

## Workplace Compliance Audit - ongoing



### Workplace ongoing audit

When	What must be done	Who is involved
<p>This is an ongoing workplace compliance audit, done monthly as a minimum per work package or whenever there is a requirement</p>	<ul style="list-style-type: none"><li>• Conduct a “<i>Workplace Compliance Audit – General Short</i>” at the workplace</li><li>• Capture the results in IMPI</li></ul>	<ul style="list-style-type: none"><li>• The Designated Leader will conduct the audit</li><li>• Contractor Management (MD, Safety Manager or Site Manager) is expected to participate</li></ul>





# Key Practice 3 Verify the work





## KP 3 Verify the work

### Purpose of this session

Effective management of day-to-day contractor work requires a structured and well-defined approach that includes verification activities while the work is underway.

These activities, supported by a suite of verification tools ultimately help us manage contractor work safely and efficiently as per the scope and agreement.



# Verify the work: Proposed benefit of the verification cycle

- Promotes a more effective and focused verification process
- Contractor Management (CM) personnel have a clearer understanding of what is required and are equipped to perform the task.
- Provides greater visibility of work progress and allow leaders to see the status of the jobs and take appropriate action
- Enables the recording of verification data that can be collated for reporting purposes, influence the vendor selection process and enhancing existing Contractor Management processes
- Complements initiatives to boost awareness around the commercial side of contractor management by ensuring CM personnel have a strong understanding of the Scope of Work (KP1) and Contract terms (KP2).



# Verify the Work: 3 Phase

<b>CM Verification</b>	<b>It is an interaction between RBM and supplier personnel that takes place at the job site. It encourages two-way discussion, allowing us to monitor expected outcomes and take action where required.</b>
Invoice Verification	We invite suppliers to our sites to deliver a service or outcome at an agreed rate/cost. Invoice Verification ensures that by only paying what we agreed to pay for we are acting as owners, treating the business' costs as our own.
Walk the contract	The intent of 'Walk the Contract' (WtC) is to verify in practice that a contract <ul style="list-style-type: none"><li>• Has been implemented as intended (value is realised, leakage is minimised)</li><li>• Remains fit for purpose (market shift, KPIs relevant, scope relevant, etc)</li></ul>



# KP3: CM verification

## Essential Elements

	1. HSE Risk & Controls	2. Scope of Work	3. Contract /Agreement	4. Productivity
Why is it important	Risks are understood, controls are in place and are effective	SoW is understood by all parties and work being performed is aligned with scope	Contract T&C's in place as per agreement, we pay only for what was agreed	Work is being executed in a productive manner, roadblocks / inefficiencies identified and addressed
What tools to use	<ul style="list-style-type: none"> <li>• CRM</li> <li>• JHA / PTO</li> <li>• Take5</li> <li>• PTW</li> </ul>	<ul style="list-style-type: none"> <li>• SoW document; or</li> <li>• Works order, or;</li> <li>• SWP</li> </ul>	<ul style="list-style-type: none"> <li>• Contract; or</li> <li>• Contract summary; or</li> <li>• Quote</li> </ul>	<ul style="list-style-type: none"> <li>• Work schedule; or</li> <li>• Work order (schedule time)</li> </ul>
What I should see	<ul style="list-style-type: none"> <li>• CCC complete and controls effective</li> <li>• Risk identified and controls effective</li> <li>• Awareness of risks</li> <li>• Positive safety behaviour</li> <li>• Positive attitude towards safety</li> </ul>	<ul style="list-style-type: none"> <li>• SoW is at the job</li> <li>• Awareness of SoW by people doing the job</li> <li>• Work aligned with SoW</li> <li>• SoW sufficiently described in the work required</li> </ul>	<ul style="list-style-type: none"> <li>• Working times, consumables, PPE supplied and equipment supplied align with the contract</li> </ul>	<ul style="list-style-type: none"> <li>• No waiting / standing time, adherence to work schedule, resources available when required, permits are on/off when required</li> </ul>
Follow up action	<ul style="list-style-type: none"> <li>• Action / correction on the spot</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify scope outcomes in unclear</li> <li>• Feedback on gaps back to scope writer</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify with vendor leader on the job</li> <li>• Escalate to Contract owner</li> </ul>	<ul style="list-style-type: none"> <li>• Remove roadblocks</li> <li>• Escalate recurring roadblocks</li> </ul>



# KP3: Invoice verification

## Roles & Responsibilities

Who	Role
Vendor	<ul style="list-style-type: none"><li>• Execute work or supplies goods as per scope/specification</li><li>• Submit invoices for payments due to Accounts Payable</li><li>• Provides all supporting documents to the end user</li><li>• Maintains supporting evidence of all work completed</li></ul>
Contract Owner	<ul style="list-style-type: none"><li>• Ensure services/goods supplied are as per scope/specification</li><li>• All contract conditions are met</li><li>• Verify and measure work completed</li><li>• Create and approves Service Entries</li><li>• Inspect and maintain supporting documents</li></ul>
Accounts Payable	<ul style="list-style-type: none"><li>• Match invoice details with PO in RTBS</li><li>• Capture for payment if the above correspond</li><li>• Report discrepancies to Contract Owner or RTP</li></ul>



# Key Practice 4 Verify the work







# KP4: Evaluate Performance Strategy

## Purpose of this session

- A two way review of all related work packages for ongoing monitoring and auditing
- To ensure that the contract is applied to plan at site level
- Contractor HSE Performance Assessment is accessible
- Contractor Performance Scorecard data is accessible
- Building a database to improve safety, productivity, cost performance and & drives effective decision making in relation to contract management
- The outcomes can result in –
  - Continue relationship with contractor
  - Place contractor on a performance improvement plan
  - Place contractor on a Rescue Plan
  - Terminate relationship with contractor in relation to order or as vendor



# KP4: Contractor HSE Performance Assessment



## HSE Performance Assessment

What must be done	When will this take place	Who is involved
Complete a HSE assessment for each contractor performing work on site	At least monthly for long duration contracts or work packages that exceed one month, or  At the end of each contract	Contractor owner will provide the necessary information based on the assessment questionnaire CM lead will collate the data and complete the assessment The CM lead will review the scorecard and interact with the contractor where required



# KP4: Contractor HSE Assessment

Criteria	Red = 1	Orange = 3	Green = 5
<b>1. Contractor Safety Performance at RBM (Injuries and near hits for past 12 months)</b>	High and Critical (PFI) rated incidents	Only Moderate to low incidents	No incidents
<b>2. Contractor Principals self audits</b>	No Audits conducted	At least 1 Audit conducted per month	1 Audit per order/work package per month
<b>3. Contractor 292 PTO's</b>	No PTO's conducted	At least 1 PTO conducted per month	1 PTO per order/work package per month
<b>4. JHA submission quality - Designated Leader rates new JHA's submitted for approval</b>	Full re-write twice or more	Return for re-write	Minor changes by RBM reviewer
<b>5. Workplace compliance audits done by RBM Designated Leader</b>	Major findings (work had to be stopped)	Minor findings (could be rectified on site with no delays)	No findings
<b>6. Participation in LIF (Contractor Principals)</b>	No attendance	1 visit per month	2 visits per month
<b>7. COP/GP Review confirmation from contractor</b>	No feedback	Intermittent feedback	Monthly signed feedback received
<b>8. Ngwenya Participation - Work crew members' Ngwenyas submitted before the Monthly Contractors Safety meeting</b>	No Ngwenyas submitted	More than 1 Ngwenya submitted	Best Ngwenya selected from team and submitted for the monthly Ngwenya Award
<b>9. Annual Safety Management Plan submitted</b>	Not submitted	Submitted before end May	Submitted before end February
<b>10. CRM participation - compliance to CCC (as per CCFV and CCVS conducted on active work packages)</b>	No evidence of CCC found and team not knowledgeable on Critical Risks for the task	Evidence of CCC incorrectly done or wrong CCC identified. Team has knowledge of Critical Risks and CRM process	100% compliance. Team understands CRM process, can identify Critical Risks and complete CCC's correctly
<b>11. CRM participation - CCFV's done by Contractor principals</b>	On system - not participating	1 per month	1 per month per active work package on site
<b>12. Monthly Contractors safety meeting attendance</b>	No attendance	Valid Apology sent timeously	Monthly attendance



# KP4: Contractor HSE Scorecard

## LEGEND

Poor	0% - 49.9%
Satisfactory	50% - 79.9%
Good	80% - 100%
Not on Site (NOS)	50% - 100%

EDS CONTRACTOR HSE RATING SHEET SUMMARY - January - June 2018

NO.	CONTRACTOR COMPANY NAME	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
1		NOS	85%	91%	91%	92%	100%
2		NOS	95%	100%	100%	89%	86%
3		NOS	100%	36%	36%	68%	100%
4		NOS	32%	32%	32%	28%	33%
5		NOS	38%	32%	32%	32%	28%
6		NOS	72%	55%	55%	48%	44%
7		NOS	59%	78%	78%	79%	96%
8		NOS	48%	94%	93%	86%	86%
9		NOS	39%	78%	78%	36%	36%
10		NOS	32%	64%	64%	32%	28%
11		NOS	71%	93%	93%	92%	69%
12		NOS	68%	100%	100%	100%	100%
13		NOS	97%	96%	96%	95%	92%
14		NOS	64%	96%	96%	32%	28%
15		NOS	32%	64%	64%	64%	60%
16		NOS	39%	86%	86%	81%	87%
17		NOS	68%	36%	36%	68%	36%
18		NOS	NOS	NOS	NOS	68%	36%
19		NOS	74%	35%	35%	32%	60%

20	NOS	86%	74%	74%	50%	75%
21	NOS	68%	100%	100%	52%	36%
22	NOS	36%	30%	30%	100%	100%
23	NOS	36%	20%	20%	20%	20%
24	NOS	100%	100%	100%	100%	100%
25	NOS	32%	96%	96%	32%	32%
26	NOS	87%	99%	99%	82%	84%
27	NOS	32%	32%	32%	32%	28%
28	NOS	96%	100%	100%	96%	100%
29	NOS	96%	100%	100%	95%	98%
30	NOS	83%	69%	69%	87%	88%
31	NOS	86%	88%	88%	88%	100%
32	NOS	44%	37%	37%	48%	48%
33	NOS	95%	36%	36%	36%	69%
34	NOS	64%	64%	64%	48%	60%
35	NOS	86%	100%	100%	91%	94%
36	NOS	36%	36%	36%	36%	36%
37	NOS	37%	89%	89%	89%	89%
38	NOS	100%	100%	100%	100%	97%
39	NOS	68%	68%	68%	36%	100%



# KP4: Contractor Performance Assessment



Contractor  
Performance Assessment

What must be done	When will this take place	Who is involved
<p>Complete a Performance assessment for each contractor performing work on site</p> <p>Generate and communicate a performance scorecard to track contractor performance</p>	<p>A performance assessment will be completed monthly for long duration work packages or at the end of the contract for short term contracts (less than 2 months)</p> <p>This will form, part of the close out process.</p>	<p>Designated leader will provide the necessary information based on the assessment questionnaire</p> <p>Contract owner will collate the data and complete the assessment</p>



# KP4: Contractor Performance Scorecard

B Contract performance / Operational excellence		Assessor Score	Rate	Total Weight
<b>1</b>	<b>Scope of Work:</b>		<b>19</b>	<b>25%</b>
	a. Is the Work Method Statement/s in the JHA/s in the work pack aligned with the scope of work?	Satisfactory	8	/10
	b. Does the work group have a clear understanding of the requirements of the job?	Satisfactory	8	/10
	c. Ease to get reports as required (monthly reports, PTO, working hours & headcount, ...)	Satisfactory	8	/10
	d. Does the work being performed align to the Scope and Work Method Statement?	Satisfactory	8	/10
	e. Are there Order Variation Instructions (OVI's) required to complete the scope of work?	Contractor valid claim	6	/10
<b>2</b>	<b>Service Quality and Quantity</b>		<b>13</b>	<b>25%</b>
	a. Compliance of products / services obtained with respect to agreement?	Good	10	/10
	b. Equipment, tools and facilities are adapted to provide the service required?	Satisfactory	8	/10
	c. Is the Contractual Quality Control Plan (QCP) agreed, witness/hold points signed off and delivering the expected quality results	QCP not in place	2	/10
	d. Is the number of people working on the job and their competencies, in accordance with	Too weak	0	/10
	e. Claims/complaints processing is effective and corrective actions are done by contractor	Almost every time	10	/10
	f. Level of efforts and technical support provided to improve the quantity and quality of the service required	Too weak	0	/10
<b>3</b>	<b>Timeline and Productivity</b>		<b>14</b>	<b>25%</b>
	a. Is there an agreed work execution schedule available with fixed baselines?	NO	0	/10
	b. Is the work execution schedule tracked and updated against the baselines?	NO	0	/10
	c. Percentage of on time in-full delivery/progress against agreed updated schedule	More than 80%	8	/10
	d. Are delays by the contractor recorded and summarised in categories that can be acted on?	YES	10	/10
	e. Are delays by RBM recorded and summarised in categories that can be acted on?	YES	10	/10
	f. Are there contractor action plans to recover from delays and are they delivering results? (Excluding RBM delays)	100%	10	/10
	g. When required, quotes for variations are provided within a reasonable timeline	Seldom	2	/10
<b>4</b>	<b>Contract, Price &amp; Cost Management</b>		<b>21</b>	<b>25%</b>
	a. Compliance with pricing negotiated in the contract / agreement?	Satisfactory	8	/10
	b. Does the work group arrival, break and finish times align with the agreement?	Satisfactory	8	/10
	c. Does the supply of plant, equipment, tools and PPE align with the agreement?	Good	10	/10
	d. Does the use of consumables (i.e. fuel, gas) align with the agreement?	Satisfactory	8	/10
<b>Total</b>			<b>34</b>	<b>/50</b>
<b>GRAND TOTAL</b>			<b>76.52</b>	<b>100%</b>



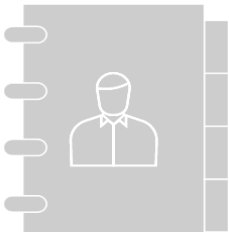
# KP4: Contractor HSE & Performance Scorecard

		<b>Assessment</b>	
<b>HSE</b>	HSE SCORECARD <i>(Carry over from Contractor HSE Score)</i>	/80	<b>80</b>
	Contractor Alignment/Integration	/20	<b>6</b>
	<b>TOTAL</b>	<b>/50</b>	<b>43</b>
<b>Contract performance &amp;</b>	Scope of Work Compliance	/25	<b>25</b>
	Service Quality and Quantity	/25	<b>25</b>
	Timeline and Productivity	/25	<b>25</b>
	Contract, Price & Cost Management OVI	/25	<b>25</b>
	<b>TOTAL</b>	<b>/50</b>	<b>50</b>
<b>TOTAL HSE</b>		(Minimum 80%)	% <b>86</b>
<b>TOTAL Contract performance</b>		(Minimum 70%)	% <b>100</b>
<b>TOTAL Evaluation</b>		(Minimum 75%)	/100 <b>93</b>



# Contractor Management Summary – what should you do / expect as from today

- KP1 -** Detailed scope of work from contract owner
- KP2 -** Contractor to prepare safety file with index  
Contractor responsible person complete pre-mobilisation compliance audit  
At mobilisation workplace compliance audit is done with the designated leader  
Ongoing workplace compliance audits are done with the designated leader
- KP3 -** Verify work is executed according to the contract  
Invoice verification (including service completion certificate)
- KP4 -** HSE Scorecard is completed per contractor  
Contractor Performance review conducted per work package / order number
- Gen -** Use RBM Contractor web page to access documentation and information





# Contractor management

## Richards Bay Minerals



- Codes of practice ▼
- General procedures ▼
- Policies ▼
- Templates ▼
- CMC process ▼
- Key practice 1 ▼
- Key practice 2 ▼
- Key practice 3 ▼
- Key practice 4 ▼
- Key practice training ▼

Clear scope



KP 1

Operationalise the contract




KP 2

Verify the work



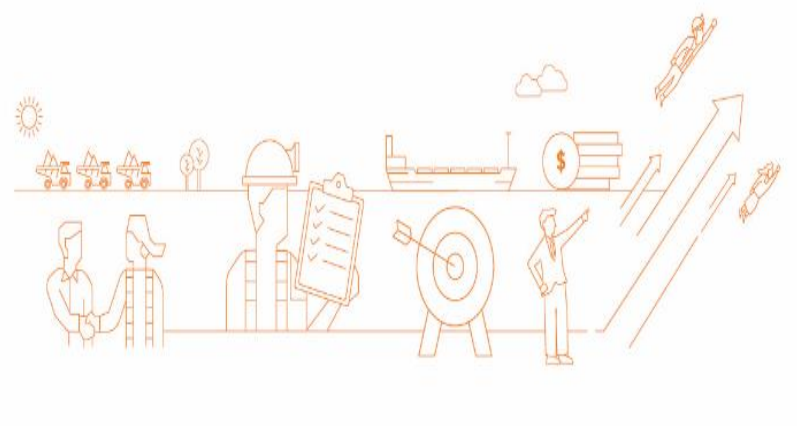
KP 3

Evaluate performance

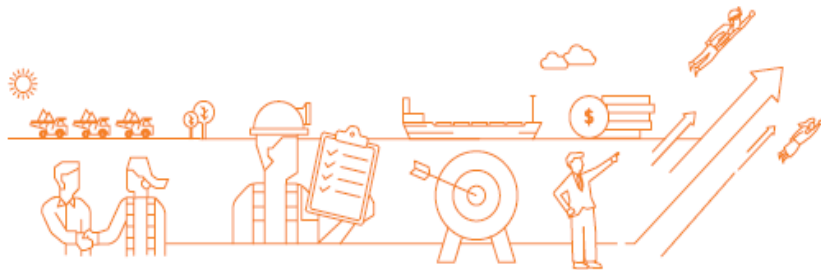


KP 4

- CRM ▼
- RBM HSEQ management system ▼
- CMCC Info ▼
- Permit to work calculator ▼



**Richards Bay Minerals (RBM)** is a subsidiary of **Rio Tinto** in South Africa, we produce ilmenite from mineral sand deposits. Rio Tinto's shareholding is 74 per cent. Daily the RBM team works towards our core leadership values. Only through respecting and applying these values can we continue to make all our stakeholders our priority. Our vision and uncompromising mission is to be the safest, most reliable and sustainable industrial minerals supplier. Our team strives to conduct our business with both passion and compassion. They realise that by creating a positive impact in our wider community, business success follows naturally.



## Key Practice 2

## Operationalise the Contract



Safety is our top priority and one of our core values. Our commitment to safety extends to the safety and wellbeing of our contractors. We know a safe, engaged and effective workforce is essential to the delivery of our business goals, and that contractors of all types have a key role.

By improving the effective end to end management of contractors and living our value of teamwork, we will deliver a direct and material influence on safety, productivity and cost outcomes.

## KEY PRACTICE 2

Operationalising the contract is about making sure the key operational aspects of the contract are understood and applied in your day to day work.

There are three ways we will make this happen:

1. Standardised commercial terms per region that are easy to understand.
2. Contract summary documents that simplify contract terms for everyone involved in the job, including:
  - a. scope of contract
  - b. how safety and risks will be managed
  - c. who pays for what
  - d. how performance will be measured
  - e. what behaviours are required on the job.

When a contract is signed or a purchase order released the expectations of all those involved in the work at Rio Tinto and the Supplier are agreed.

To deliver work safely and in the most productive and cost effective way it is critical that end users understand the contract or purchase order.

3. A kick-off meeting with the supplier to ensure everyone involved in the job understands what's expected.

Rio Tinto Procurement is responsible for making sure these three things happen alongside contractor management leads and site teams.

Contact:

For tools and templates, see

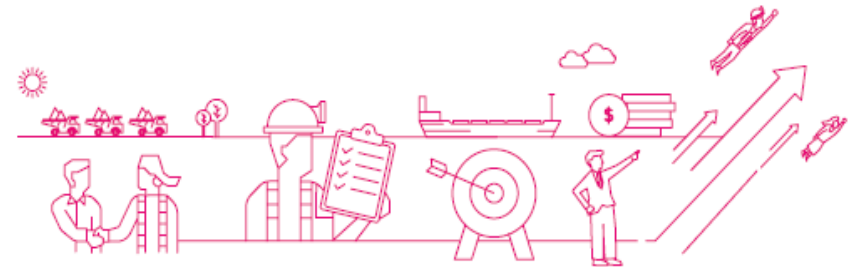
Element > contractor management

Internal Alignment	Contract Implementation	
Internal Alignment meeting including all those included in Contract Management (ex Supplier)	Provides information relating to scope, safety and critical risk management, commercial items, performance measurement and productivity.	Site Engagement - Safety Management Plan
		Ensures that the contract is applied at a site level, critical item to review is the
		Job start discussion



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## Key Practice 1

## Clear Scope



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By improving the effective end to end management of contractors and living our value of teamwork, we will deliver a direct and material influence on safety, productivity and cost outcomes.

## KEY PRACTICE 1:

A clear scope helps us understand and communicate the:

1. **Safety Risks:** and how to remove, mitigate or manage them.
2. **Task(s):** to be performed or the work to be done by the right supplier
3. **Schedule:** duration of the job, milestones, and completion dates
4. **Performance:** expectations and how to measure them
5. **Costs:** the right commercial structure for the work, accurate total cost of ownership.

## The essential elements of KP1 are to:

1. Define (the Who, What, When, Where & How)
2. Assess (the task/s, complexity, economic & Privilege To Operate exposures)
3. Develop (the scope of work)

Contact:

For tools and templates, see

Element > contractor management

1. Define	2. Assess	3. Develop	4. Next Steps
<ul style="list-style-type: none"> <li>Identify Stakeholders</li> <li>Understand the need</li> <li>Know the purpose</li> </ul> Use the <b>DEFINE</b> template for a description of the: <ul style="list-style-type: none"> <li>✓Who,</li> <li>✓What,</li> <li>✓When,</li> <li>✓Where,</li> <li>✓How</li> </ul>	Assess the complexity: <ol style="list-style-type: none"> <li>1. Is this a routine task?</li> <li>2. What are the risks/hazards?</li> <li>3. How familiar are contractors with the task/s</li> <li>4. What are the economic/PTO</li> </ol>	<ul style="list-style-type: none"> <li>Use appropriate template that matches complexity of work</li> <li>Ensure sufficient detail to enable proper execution</li> <li>Use checklists for consistency</li> <li>Seek guidance where necessary</li> </ul>	<p>Do we have a contract with a Supplier familiar with the work? – award and manage appropriately</p> <p>Do we need to go to market? – involve Procurement early</p>



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# Contractor management

## Richards Bay Minerals



- Codes of practice
- General procedures
- [View All](#)
- Policies
- Templates
- Appointment as Supervisor of Excavation Work
- Authorisation to Unload - Delivery Driver
- Delivery Driver Authorisation to unload
- Index COPs and Policies
- Look Out ID Tag
- Non Critical Lift Plan
- Take 5 (Nov 2016)
- Tool and Inventory List
- Toolbox Talks
- CMC process
- Key practice 1
- Key practice 2
- Key practice 3
- Key practice 4
- Key practice training

<p>Clear scope</p>  <p>KP 1</p>	<p>Operationalise the contract</p>  <p>KP 2</p>	<p>Verify the work</p>  <p>KP 3</p>	<p>Evaluate performance</p>  <p>KP 4</p>
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- CRM
- CRM CCC Confined Spaces
  - CRM CCC Contact with Electricity
  - CRM CCC Fall from Height
  - [View All](#)
  - RBM HSEQ management system
  - CMCC Info
  - Permit to work calculator

### 1. Define

- Identify Stakeholders
- Understand the need
- Know the purpose

Use the **DEFINE** template for a description of the:

- ✓Who,
- ✓What,
- ✓When,
- ✓Where,
- ✓How

Use the SoW Questionnaire to support thinking

### 2. Assess

Assess the complexity:

1. Is this a routine task?
2. What are the risks/hazards?
3. How familiar are contractors with the task/s
4. What are the economic/PTO exposures

### 3. Develop

- Use appropriate template that matches complexity of work
- Ensure sufficient detail to enable proper execution
- Use checklists for consistency
- Seek guidance where necessary
- Obtain Leader Review/Signoff
- Participate in risk assessments and other BU processes

### 4. Next Steps

**Do we have a contract with a Supplier familiar with the work? – award and manage appropriately**

**Do we need to go to market? – involve Procurement early**

Richards Bay Minerals (RBM) is a subsidiary of Rio Tinto in South Africa, we produce ilmenite from mineral sand deposits. Rio Tinto's shareholding is 74 per cent. Daily the RBM team works towards our core leadership values. Only through respecting and applying these values can we continue to make all our stakeholders our priority. Our vision and uncompromising mission is to be the safest, most reliable and sustainable industrial minerals supplier. Our team strives to conduct our business with both



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- Key practice 2 ▼
- Key practice 3 ▼
- Key practice 4 ▼
- Key practice training ▼

Clear scope



KP 1

Critical Risk Management

- CRM CCC Confined Spaces
- CRM CCC Contact with Electricity
- CRM CCC Contact with Molten Material
- CRM CCC Drowning
- CRM CCC Entanglement and Crushing
- CRM CCC Exposure to Hazardous Substance
- CRM CCC Exposure to Termal Extremes
- CRM CCC Fall from Height
- CRM CCC Falling Objects
- CRM CCC Lifting Operations
- CRM CCC Rail Collision
- CRM CCC Rail Impact on Person
- CRM CCC Slope Failure
- CRM CCC Uncontrolled Release of Energy
- CRM CCC Vehicle Collision or Rollover
- CRM CCC Vehicle Impact on Person

Close

**1. Define**

- Identify Stakeholders
- Understand the need
- Know the purpose

Use the **DEFINE** template for a description of the:

- ✓ Who,
- ✓ What,
- ✓ When,
- ✓ Where,
- ✓ How

Use the SoW Questionnaire to support thinking

**2. Assess**

Assess the complexity:


1. Is this a routine task?
2. What are the risks/hazards?
3. How familiar are contractors with the task/s
4. What are the economic/PTO exposures

- Use appropriate template that matches complexity of work
- Ensure sufficient detail to enable proper execution
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- Seek guidance where necessary
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**Do we have a contract with a Supplier familiar with the work? – award and manage appropriately**

**Do we need to go to market? – involve Procurement early**

Evaluate performance



KP 4

- CRM
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  - CRM CCC Contact with Electricity
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Thank  
you