Health Management Contract Guidelines
for clients and contractors

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- Thanks to the Co-Authors

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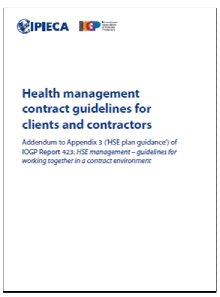

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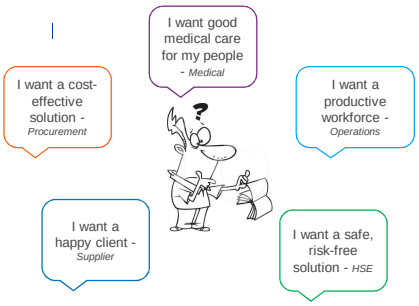
Key Stakeholder Perspective – Part 1



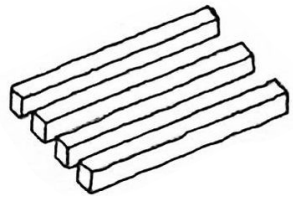
The Contract

- Parties enter into voluntary obligations with each other
- Consensus in idem – “meeting of the minds”
- Spirit of agreement is crucial

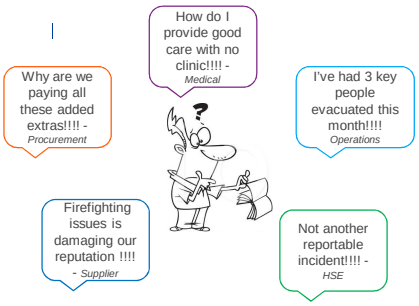
How many pipelines do you see?

I know that you believe you understand what you think I said, but I'm not sure you realise that what you heard is not what I meant.

- Robert McCloskey



Key Stakeholder Perspective - Part 2



Keeping people safe and healthy

- *Helping people live healthier lives. Making healthcare work for everyone, everywhere*
- Lives are at stake in locations lacking adequate healthcare infrastructure
- Reducing health-related risks and improves workforce health
- Healthy, engaged workforces reduce business disruption - improving effectiveness, efficiency and client-contractor relationship
- We like it when things go to plan

Health Management Contract Guidelines

- Clarity of required services and responsibilities:
- Promotes compliance
- Facilitated by:
  - Common terms of reference
  - Transparent communication
  - Checklist format – short and clear
- Encourages forward thinking
- Allows development of a clear health management plan

ANY QUESTIONS?

UnitedHealthcare Global

Challenges with Health Management Contracting between Clients and Contractors

October, 2016

Outline

- Introduction
- Case Scenario
- Contracting Issues and Outcomes
- Contributing Factors

Introduction - Collaboration

Coming Together is a Beginning;

Staying Together is Progress;

Working Together is Success.

- Henry Ford -

Case Scenario - Incident

On an operation in a remote location in Pemba, Mozambique with very limited health care facilities an expatriate contractor sub-contracted to carry out some jobs on behalf of Schlumberger for the operating Client suddenly fell ill while on the Rig Offshore.

Contractor Personnel had to be evacuated from the rig to the Client's onshore clinic in the town of Pemba which had limited medical care services. Personnel was stabilized at the clinic but required further advanced care and needed to be evacuated to Johannesburg, South Africa to get the level of medical care required.

Case Scenario -Challenges

1. Schlumberger assumed that Client Medical evacuation plan covered transportation to location with available secondary/ tertiary medical care
2. Client Medical Evacuation Contract Agreement relinquished responsibility in town of Pemba
3. Pemba operated only a local airstrip with limited services
4. Sub-Contractor had no International Medical Insurance Coverage
5. No existing Health/ Medevac plan with sub-contractor
6. Medical evacuation (by air) of personnel was required to the neighboring country of S.A
7. Sub-Contractor had no valid entry visa for S.A

Case Scenario – Outcome and Learning

1. Contractor personnel Medevac by air to S.A with SLB bearing full cost
2. Review of health/ medical contract agreement with Client and Sub-Contractors
3. Review, update and communication of SLB Medical ERP for project
4. Review and update of Health Management plan for Sub-Contractors

Contracting Issues and Outcomes

- Specific and important health provisions overlooked in contract
- Inadequacy, inapplicability or ambiguity of health management provisions established
- Unclear roles and responsibilities identified in contract execution stage
- False reliance on good faith or corporate spirit of existing relationships
- Strained relations arising from disputes on ownership of liabilities

Contributing Factors

- Incomplete appreciation of contractual expectations by one or both parties
- Health contract drafts based on generic or past project draft templates
- Contract generic language references
- Non involvement of the subject matter experts or functions
- Applicable local laws and regulations not taken into consideration
- Lack of communication of executed contract agreement
- Failure to establish internal procedures for managing project personnel changes
- No established verification protocols for fulfilment of contract requirements

IPIECA IOGP

Health Management- Guidelines for working together in a contract environment

October 2016

THE GLOBAL OIL AND GAS INDUSTRY ASSOCIATION FOR ENVIRONMENTAL AND SOCIAL ISSUES

www.ipieca.org

History

- This document was initiated in November 2013, delivered to the International Oil and Gas Association (IOGP/IPIECA) health committee in September 2014 and presented to the Society of Petroleum Engineer's HSE conference in Stavanger in April 2016
- IOGP/IPIECA doctors represent most of the major oil and gas client and contractor companies worldwide.

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Objectives of this document

- An effective health management system reduces or prevents:
  - Loss of life
  - Health-related accidents
  - Injuries and illness
  - Disruptions in operations
- In the workplace, an effective health management system requires active and positive collaboration among operators and contractors

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Objectives of this document

- Gaps were identified in the operator-contractor relationship concerning health and hygiene responsibilities and the expectations of both parties.
- There were no guidelines for the management of health and hygiene between the operator and contractor.
- Our health committee set about creating the missing guidelines for the management of health and hygiene between the operator and the contractor – starting from the contracting phase.
- The aim was to provide a health management tool that could be used by client and contractor during the bidding and contractual process to identify and clearly define the requirements and responsibilities for each operation.

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The Document

The document that was developed provides a Health Management Checklist assessing each of the following 8 sections:

1. Health Risk Assessment
2. Industrial Hygiene and Ergonomics
3. Medical Emergency management
4. Management of Illness
5. Fitness for task assessment and health surveillance
6. Health impact assessment
7. Health reporting and record management
8. Public health and health promotion

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The Document

The 8 sections are broken down into 37 questions that define the major health and hygiene issues which need to be agreed upon between contractor and client.

For each issue the following must be clearly answered:

- What is required?
- Who is responsible for this issue? The contractor or operator?
- What exists?
- What is available? And by when must it be available?

Health Management Plan Checklist

Subject	Item	Check Item	Required? Yes/No/NA	Responsibility Operator or Contractor	Exists Y/N	If not available, when is it needed?

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Conclusion

- All companies have illnesses and injuries on their operations.
- Although a good health management system cannot prevent all illnesses and injuries, it can go a long way in reducing the health consequences for the employee and for his family.
- When fully implemented during the contractual phase this guideline will significantly improve the management of health and hygiene issues on oil and gas operations around the world.
- This document is recommended for all oil and gas companies worldwide.

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Conclusion

This document will most likely be used as an Addendum to Appendix 3 (HSE Plan for Guidance) of IOGP/IPIECA Report 423 "HSE management – guidelines for working together in a contract environment".

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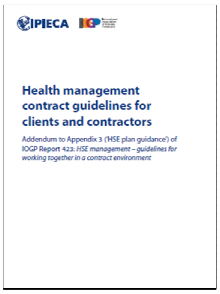

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