|  |
| --- |
| **Georgian Global Utilities - GGU**  **Environmental and Social Management Plans (ESMP) Package** |
|  |
| **Contractor Management Plan** |
| **May 2017** |

# Contractor Management Plan

## General

As part of the ESMP Package the GGU has prepared a Contractor Management Plan stating how the risks arising from the use of contractors during the construction activities will be managed. This Contractor Management Plan provides the necessary information needed to ensure a consistent and effective control in managing contractor in terms of the health, safety and environmental requirements. A Contractor Management Plan makes provision for the matters prescribed by the GGU ESMS, Georgian legislation and the international best practice, including IFC Performance Standards.

## Purpose of the Plan

The purpose of this Management Plan is to ensure a systematic approach to the management of contractors so that their work does not adversely impact the health and safety of themselves or others; the environment; or the community.

## Scope of the Plan

This Management Plan intends to specify the requirements for control of the risk that may be introduced to the company, through the engagement of contractors by:

* assessing the contractors health, safety and environmental arrangements prior to engagement;
* ensuring hazards associated with proposed contract work are identified;
* communicating safe work requirements for the work to be performed;
* assessing potential contractors and only awarding contracts to those who can perform safe work;
* briefing all contractors prior to work commencing, including details of relevant safe work procedures;
* monitoring the work of contractors during the contract; and
* evaluating the work of contractors at the end of the contract.

Further, this Management Plan will enable the GGU Project Manager, Procurement/Contract Manager, Project Supervisor and the ESHS Manager to:

* develop a good understanding of the contract and the responsibilities of the parties involved; and
* establish a system against which the performance of both parties can be monitored and problems can be identified, either before or as they occur.

## Duties of GGU ESHS Manager regarding contractors

GGU ESHS Manager must ensure:

* 1. that every contractor who works at the GGU sites/facilities is directed to comply with the requirements of the GGU ESMS, ESMP, Georgian legislation and the international best practice including IFC Performance Standards;
  2. that the activities of the contractor are monitored to the extent necessary to determine whether or not the contractor is complying with the GGU ESMS, ESMP, Georgian legislation and the international best practice including IFC Performance Standards;
  3. that, if the contractor is not so complying, the contractor is directed to take action immediately to comply with the GGU ESMS, ESMP, Georgian legislation and the international best practice including IFC Performance Standards;
  4. that if a risk to the health or safety of a person arises because of such non-compliance, the contractor is directed to stop work immediately and to not resume work until those requirements are complied with, unless an immediate cessation of work is likely to increase the risk to health and safety, in which event the contractor must be directed to stop work as soon as it is safe to do so;
  5. that the contractor and the contractor’s employees receive induction training with respect to occupational safety and health as specified in the GGU OHS Management Plan;
  6. that the contractor is provided with details of any relevant changes made to the GGU ESMP or OHS Management Plan.

## Management Plans developed by the Contractor

Contractor who works at the site/facility shall prepare set of site-specific environmental and social management plans and the occupational H&S management plan based on GGU generic ESMP Package, to be provided to Contractor by GGU ESHS Manager. These generic plans have been included in bidding documents and are obligatory to be fulfilled by awarded Contractor. Contractor’s OH&S Management Plan should include an assessment of risks associated with the work to be carried out by the contractor at the site/facility.

A contractor shall submit his site-specific environmental and social management plans and the OH&S Management Plan to the GGU ESHS Manager for approval. If the management plans of a contractor are accepted/approved by the GGU, the contractor must maintain and keep that management plans up-to-date and must submit to the GGU any proposed amendment to the plans for approval.

A contractor who has prepared site-specific management plans must make these plans available for inspection on request by GGU ESHS Manager, ESHS Inspector, or any other authorized representative or by any site check supervisor nominated by GGU.

A contractor, employee of a contractor, or subcontractor of the contractor, who works at a site/facility, must comply with the contractor’s site-specific environmental and social management plans (ESMPs) and the OH&S Management Plan, if these plans are approved by GGU.

A contractor must ensure that the copies of the contractor’s site-specific environmental and social management plans and the OH&S Management Plan are available for inspection during the course of work:

* 1. by any person working at the place of work concerned and by any person about to commence work at that place, and
  2. by a representative of the GGU, a government official, a site check inspector or an authorized representative, as well as the Lender.

For the construction phase of the GGU Project the Contractor is required to prepare, implement, provide and maintain the following **site specific** **management plans** prior to commencing work:

*Occupational H&S Management Plan,*

*Emergency Preparedness and Response Management Plan,*

*Community H&S Management Plan,*

*Transport Management and Road Safety Plan,*

*Water, Energy and Resource Management Plan,*

*Pollution Prevention and Control Plan,*

*Waste Management Plan,*

*Reinstatement Management Plan*

**The generic versions of the above plans are developed based on international standards (including IFC PS) and are presented in the “GGU ESMP Package” that will be provided to Contractors** (so as mitigation measures identified as an outcome of specific Project ESIA, if/when any) **to serve as a basis for their site-specific EMPs**

Any such site-specific EMP must address the following issues:

* the method statement (including activities matrix and work process);
* the standards or codes to be complied with;
* the equipment to be used in the work process;
* the internal supervision/monitoring scheme;
* the records to be kept of the process;
* the competencies of the personnel doing the work;
* risk assessment for work activities; and
* specific ESH hazards that needs to be controlled to undertake the work safely and without harm to health and safety, the environment or the community.

Further, if the contractor’s site-specific ESMP is approved by GGU ESHS Manager, then the contractor:

* must maintain and keep the site-specific ESMPs up to date and must submit any proposed amendments to GGU ESHS Manager for acceptance;
* must make the ESMPs available for inspection on request by GGU, or a government official, or the Lender; and
* must comply with the approved site-specific ESMP.

Where there is a conflict between the contractor’s site-specific ESMP and the “GGU ESMP Package”, then the “GGU ESMP Package” will prevail.

**The GGU Project Manager, Procurement/Contract Manager, Project Supervisor and the ESHS Manager are to ensure that the contractor’s duties and responsibilities are embedded in the Contract.**

The ESHS provisions shall include the contractor’s responsibility to comply with their site-specific ESMPs (if accepted/approved), the “GGU ESMP Package” and the GGU Environmental and Social Policy. In addition, the contractor must also comply with all applicable legal and regulatory obligations including Georgian legislation, regulations and the IFC PS requirements.

## Duties of contractors regarding safe work method statement

A contractor must not undertake work at the site/facility unless the contractor:

* has undertaken an assessment of the risks associated with the work to be carried out by the contractor, and
* has prepared a written safe work method statement that includes a copy of the assessment of those risks, and
* has provided a copy of that statement to the GGU Project Manager and ESHS Manager.

A safe work method statement must:

* describe how work is to be carried out, and
* identify the work activities assessed as having safety and health risks, and
* identify those safety and health risks, and
* describe the control measures that will be applied to the work activities, and
* make provision for any matters that may be required by the regulations.

A contractor:

* must maintain and keep up-to-date the contractor’s safe work method statement, and
* must provide a GGU Project Manager and ESHS Manager with any changes made to the safe work method statement.

A contractor must ensure that all work carried out by the contractor himself, or by an employee of the contractor, or by any subcontractor at a site/facility is carried out in accordance with the safe work method statement prepared by the contractor and accepted/approved by GGU.

If a risk to the health or safety of a person arises because of non-compliance with the statement, the contractor must ensure that work is stopped immediately and does not resume until the statement is complied with. However, if the immediate cessation of work is likely to increase the risk to health or safety, the contractor is not required to stop the work immediately, but must stop the work as soon as it is safe to do so.

If there is a conflict between the GGU OH&S Management Plan and the contractor’s safe work method statement, the GGU OH&S Management Plan prevails.

## Contractor’s duties regarding subcontractors

A contractor who works at the site/facility must ensure that any subcontractor of the contractor provides the GGU management, with a written safe work method statement, for the work to be carried out by the subcontractor, before the subcontractor commences work at the site/facility.

A contractor who works at the site/facility must ensure that any subcontractor of the contractor complies with the OH&S Management Plan of the GGU.

A contractor must ensure that, if any change is made to the safe work method statement during the course of work, a copy of any part of the statement that has been changed and that is relevant to a subcontractor or employee of the contractor is provided to the subcontractor or employee as soon as practicable after the change is made.

**Contractor to ensure only competent persons employed to perform specified functions.** A contractor must not employ a person to perform a specified function unless the person holds specified evidence of competence to perform that function.

## Pre-Job Discussions, Inductions and Consultation

*Pre-Job Discussions*

The GGU ESHS Manager must conduct Pre-Job Discussions with the successful bidder to review ESHS related aspects of the contract including:

* ESHS expectations and other requirements based on the site-specific environmental and social management plans and the OHS Management Plan (including the reporting of injuries or incidents); and
* confirmation that all vehicles, tools and equipment that is to be used on site will be in a safe condition, fit for purpose and meet GGU requirements.

*Inductions*

All contractors (including employees of contractors and sub-contractors) will be required to:

* receive site access approval (this will ensure that each person has been deemed medically fit and has all the necessary training and skills in order to perform the tasks required);
* attend GGU’s General Induction (which has been developed in accordance with the GGU ESMP Package and OHS Management Plan, prior to commencement of work, which includes training in emergency procedures and appropriate orientation to their work area.

*Consultation*

Channels are maintained at GGU for internal communication and consultation of ESHS information and requirements at relevant levels throughout the organization. GGU communicates its ESHS relevant procedures, requirements and changes (that may affect employees, contractors, suppliers) in a variety of ways including, but not limited to:

* general inductions;
* re-inductions (every year);
* monthly ESHS workshops;
* reporting system;
* tool box meetings;
* daily shift change meetings;
* safety notice boards; and
* contractor principal meetings (monthly).

## Monitoring and Review

During implementation of the contract, the GGU Project Manager, ESHS Manager and ESHS Inspectors must monitor the contractors’ performance and conduct formal audits and reviews with them to see that the contractor carries out its duties in accordance with the GGU ESMP Package, the contract, the contractor’s site-specific ESMPs and the OHS Management Plan, any and applicable regulatory requirements.

If during the implementation of the contract, the GGU ESHS Manager or ESHS Inspector determines that the contractor is not complying with the requirement described in the previous paragraphs, the ESHS Inspector will direct the contractor to take action to immediately comply (CAR/PAR system, presented further in this plan). However, if a risk to the health and safety of a person arises because of such non-compliance, the ESC will direct the contractor to stop work immediately and not to resume work until there is compliance unless an immediate cessation of work is likely to increase the risk to health and safety, in which event the contractor must be directed to stop work as soon as it is safe to do so.

Action plans must be developed, documented and implemented immediately to correct areas of non-conformance / under performance. There must be ongoing review of the action plans to ensure that any controls implemented are being maintained.

At the completion of the agreed Scope of Work, the contractor must advise the Project Manager and ESHS Manager that the work is complete and that all the contractor’s resources have been removed from the work area.

At the completion of the contact, an evaluation of the performance of the contractor must be made.

Performance records must be kept and used in future selection processes. The on-going validity of the retained data needs to be assessed before it is used.

Variations to the agreed Scope of Works related to ESHS performance must be approved by GGU ESHS Manager before any work considered by the variation is undertaken.

The Project Manager must prepare an application for variation that includes:

* a detailed scope of the variation;
* a statement identifying the ESHS requirements, cost and technical impacts of the variation; and
* a risk assessment detailing the potential hazards and risks created by the variation and the controls required.

## 

## Non-conformance, Corrective and Preventive Action Procedure

***Purpose and scope:***

The purpose of this procedure is to establish and outline the process for identifying non-conformance, documenting it, analyzing, and implementing preventive and corrective actions. Preventive or corrective actions may be initiated using this procedure for any ESHS problem affecting the GGU due to Contractor’s performance.

***General:***

A non-conformance means that something went wrong – a problem has occurred and needs to be addressed. Non-conformances are addressed with corrective or preventive actions. A non-conformance occurs when something does not meet the specifications or requirements in some way. Those requirements might be defined by the regulatory body, lender, or in the internal procedures of the company. A non-conformance can be found in **Contractor’s performance**, in particular - non-conformance with the Contract and the agreed site-specific ESMPs. A non-conformance could be identified through internal audit/monitoring, external audit, or simply through the routine site supervision, inspections or observations. The ISO 9001 requires that the non-conformance is documented/recorded and the actions taken.

This procedure addresses how to deal with non-conformance:

* to record a non-conformance;
* to identify causes and solutions
* to decide on what immediate actions will be taken to correct the problem, and who is responsible for the decision. These immediate actions may include:
  + stop further non-conformance
  + assess the effects of the problem – how much, how bad, etc.
  + contain the effects – e.g. localize the problem
  + notify responsible parties
* to make decision on corrective/preventive actions.

Corrective action is generally a reactive process used to address problems after they have occurred. Corrective or preventive action request is initiated using the CPAR form, as the primary vehicle for communication. Corrective action may be triggered by a variety of events, including internal audits and management reviews. Other items that might result in a corrective CPAR include **workers’ or community complaints**, or the results of external monitoring and measurement.

Preventive action is generally a proactive process intended to prevent potential problems before they occur or become more severe. Preventive action also is initiated using the CPAR form. Preventive action focuses on identifying negative trends and addressing them before they become significant. Events that might trigger a preventive CPAR include monitoring and measurement, trends analysis, tracking of progress on achieving objectives and targets, response to emergencies and near misses, and customer or community complaints, among other events.

CPARs are prepared, managed, and tracked using the preventive and corrective action database.

The GGU ESHS Manager is responsible for reviewing issues affecting the Project and the ESMP, the application and maintenance of this procedure, and any updates to ESMP documents affected by the preventive and corrective actions. The GGU ESHS Manager is responsible for logging the CPAR into the database, and tracking and recording submission of solutions in the database. The requester and recipient of the CPAR are responsible for verifying the effectiveness of the solution. The GGU ESHS Manager is responsible for overall tracking and reporting on preventive and corrective actions.

Contractor receiving CPARs is responsible for instituting the required corrective or preventive action, reporting completion of the required action to the GGU ESHS Manager, and assuring sustained effectiveness. Completed records of CPARs are maintained in the database for at least two years after completion of the corrective or preventive action.

***Procedure:***

A. Issuing a CPAR

1. Any employee may request a CPAR. The employee requesting the CPAR is responsible for bringing the problem to the attention of the GGU ESHS Manager or the ESHS Inspector. The GGU ESHS Manager is responsible for determining whether a CPAR is appropriate and enters the appropriate information into the corrective and preventive action database. Responsibility for resolving the problem is assigned to the Contractor.

2. The GGU ESHS Manager, working with the Contractor, determines an appropriate due date for resolving the CPAR.

B. Determining and Implementing Corrective and Preventive Actions

1. The CPAR is issued to the Contractor, who is responsible for investigation and resolution of the problem. The Contractor is also responsible for communicating the corrective or preventive action taken.

2. If the Contractor cannot resolve the problem by the specified due date, he is responsible for determining an acceptable alternate due date with the GGU ESHS Manager.

C. Tracking CPAR’s

1. Close-out of CPAR’s should be tracked by the GGU ESHS Manager or his/her designees (ESHS Inspector). The CPAR forms having resolution dates overdue - will appear on the Overdue Solutions Report. The GGU ESHS Manager is responsible for issuing this report on a weekly basis to the COO or CEO and the Contractor on any overdue CPAR’s.

2. Records of CPAR’s are maintained in the database for at least two years after completion of the corrective or preventive action.

D. Tracking Effectiveness of Solutions

1. The Contractor, as a recipient of a CPAR, in conjunction with the requester (GGU ESHS Manager), is responsible for verifying the effectiveness of the solution. If the solution is deemed not effective, the CPAR will be reissued.

The attached is the CPAR Form:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CORRECTIVE/PREVENTIVE ACTION REQUEST** | | | | | | | | | | | | | **CPAR No.** |  | |
|  | | | | | | | | | | | | | | | |
|  | Corrective Action | | | |  | | Preventive Action | | |  | | Opportunity for Improvement | | | |
|  | | | | | | | | | | | | | | | |
|  | **Source** | | | | | | | **Reference** | | **Comments** | | | | | |
|  | Internal Monitoring/Inspection | | | | | | |  | |  | | | | | |
|  | External Monitoring/Inspection | | | | | | |  | |  | | | | | |
|  | Customer or Community Complaint | | | | | | |  | |  | | | | | |
|  | ESMS or ESMP Incompliance | | | | | | |  | |  | | | | | |
|  | Previous CPAR | | | | | | |  | |  | | | | | |
|  | Other: | | | | | | |  | |  | | | | | |
|  | | | | | | | | | | | | | | | |
| Description of Nonconformance, Risk, or Opportunity for Improvement: | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | |
| Initiator: | | |  | | | | | | Signature: | | | | Date: | |  |
|  | | | | | | | | | | | | | | | |
| Received and Entered into CPAR System by: | | | | | | | | | Signature: | | | | Date: | |  |
|  | | | | | | | | | | | | | | | |
| Assigned to: | | | | | | | | | | | Reply Due Date: | | | |  |
|  | | | | | | | | | | | | | | | |
| Root Cause Investigation: | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | |
| Actions Taken : | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | Planned Completion Date: | | | |  |
| Submitted by: | |  | | | | | | | Signature: | | | | Date: | |  |
|  | | | | | | | | | | | | | | | |
| Comments by Approval Authority (COMPANY Senior ES Specialist, other): | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | |
| Approved by: | |  | | | | | | | Signature: | | | | Date: | |  |
|  | | | | | | | | | | | | | | | |
| Followed Up by: | |  | | | | | | | Signature: | | | | Date: | |  |
|  | | | | | | | | | | | | | | | |
| Effective? | |  | | Yes | |  | | No | Evidence: | | | | | | |
|  | |  | |  | |  | |  |  | | | | | | |
|  | | | | | | | | | | | | | | | |
| Closed Out by: | |  | | | | | | | Signature: | | | | Date: | |  |
|  | | | | | | | | | | | | | | | |