



Contractor Engagement Meeting

10 March, 2009

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Manager, Regional Strategic Procurement

Operational Control

- This is the first filter in the CHESM process.
- It allows focus on contracts where Chevron can effectively impose and manage the safety performance of the contractor.
- ***Chevron has operational control when it has the prevailing safety influence at the work site...***

Risk Based Approach

- Risk classification of *work to be performed by contractors*
 - High, Medium, or Low to be performed by Contract Owner & HES Representative.

Likelihood Descriptions and Indexes		
Descriptions	Index	
Event can reasonably be expected to occur during the contract.	1	Likely
Negative conditions may allow the event to occur during the contract, OR the event has occurred in a similar contract recently within the SBU.	2	Occasional
Exceptional conditions may allow the event to occur during the contract. Has not occurred in the SBU but has occurred within CIEP.	3	Seldom
Reasonable to expect that the event will not occur during this contract. Has not occurred in Chevron but has occurred several times in the industry.	4	Unlikely

Increasing Likelihood

Legend: 1, 2 – Contracts associated with high-risk works
 3, 4 – Contracts associated with medium-risk works
 5, 6, 7 – Contracts associated with low-risk works

4	3	2	1
5	4	3	2
6	5	4	3
7	6	5	4

Increasing Consequence/Impact

Consequences Description and Indexes	Index	4	3	2	1
		Incidental	Minor	Moderate	Major
Safety	Descriptions	Minor injury to a single person in workforce, not severe	One or more injuries in workforce OR one or more minor injuries in the public	One or more severe injuries in workforce, including permanent disabling injuries OR one or more injuries in the public	One or more fatalities in workforce OR in the public
Health		Adverse health effects or disease in workforce. Limited or no impacts on ability to function and medical treatment is not necessary	Adverse health effects in workforce with moderate to high functional impairment OR mild to moderate adverse health impacts to public	Adverse health effects or disease in workforce with moderate to high functional impairment OR mild to moderate adverse health impacts to public	Life shortening effects and/or high functional impairment requiring full time medical treatment in workforce (1-4) OR adverse health effects in the public with high functional impairment
Environment		Affects at or slightly above the significance threshold such as localized or short term effects on non-sensitive habitats or environmental media	Affects with moderate effects or significance such as relatively large changes in non-sensitive or disturbed habitats, localized or short term effects on a sensitive or undisturbed habitat or valued resource	Affects with moderate effects or significance such as relatively large changes in non-sensitive or disturbed habitats, localized or short term effects on a sensitive or undisturbed habitat or valued resource	Highly significant impacts such as disruption of migrations or feeding of valued populations, localized loss of a valued resource
Assets (equivalent economic impact)		Minimal damage. Negligible down time or asset loss. Costs < \$100,000	Some asset loss, damage and/or downtime. Costs \$100,000 to \$1 Million	Serious asset loss, damage to facility and/or downtime. Costs of \$1-10 Million	Major asset loss, damage to facility and/or downtime. Cost > \$10 Million

Leadership

■ Contract Owner

- The contract owner is a Chevron employee, or an individual acting as an agent of Chevron, with operational control of the contract. This individual is responsible for prioritizing contract assignments by risk and held accountable for HES performance of the entire contract.

■ Contractor Management Rep.

- Individual from the contractor firm
- Has commercial/management authority for the contractor firm represented



CHESM - Contract Owners

- Serve as advocate and resource for contractor
- Interim contractor performance review
 - The purpose of this meeting is to improve communication between Chevron and our contractors to increase awareness and performance in order to achieve Operational Excellence.
 - The focus of the meetings should revolve around three primary topics: 1) HES Issues, 2) Operational Issues, 3) Cost Savings / Initiatives.

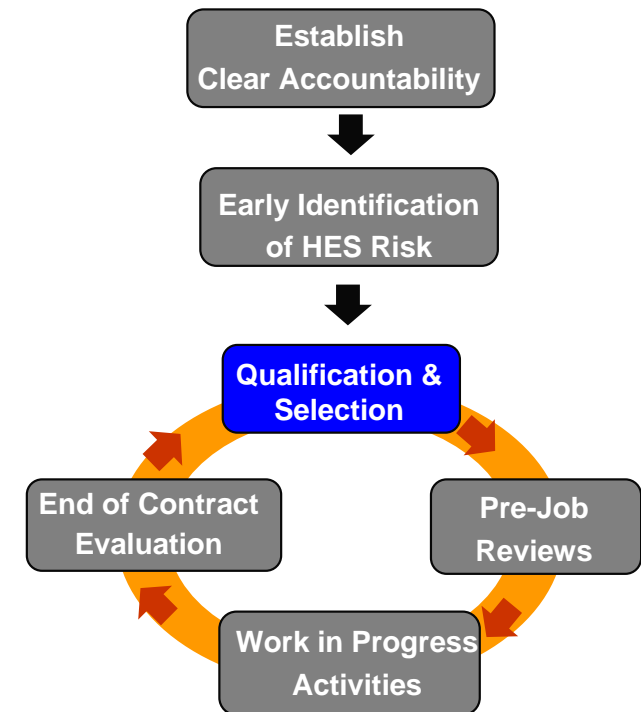
Qualification and Selection

Universal Grading Scale (5 tier)

- TRIR 25%
 - Company level 8% & Chevron Thailand 17%
- Safety Questionnaire 20%
- Audit 20%
- Feedback Forms 25%
 - Field Inspection 15% & Interim Review 10%
- Working Relationship 10%

Employee Guidance

- A-B - No restrictions
- C - Mitigation Plan and pre-job meeting required
- D - Mitigation Plan, pre-job meeting required; President Thailand approval in writing; trained HES person on site during work
- F - Not allowed to be used; Managing Director approval required



Contractor HES Management

Asia South

Asia South



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Contractor Data

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Z Test Construction Inc. (chesmdb)

123 ABC Street
 One District, Two Province 10000
 Thailand
[Email](#)

HES Rating
A

Overall HES Rating

[Email ScoreCard](#)

HES Category	Percentage	Modified Percentage	Score	Last Update	Last Submitted
Total	100%	100%	90.2	3/25/2009 9:35:10 PM (US/Central)	3/25/2009 9:35:10 PM (US/Central)
TRIR	8%	8%	6	3/25/2009 9:35:10 PM (US/Central)	No Data
Chevron TRIR on SBU	17%	17%	17	3/25/2009 9:35:10 PM (US/Central)	No Data
Qualification Questionnaire	20%	20%	16.95	3/25/2009 9:35:10 PM (US/Central)	No Data
Audit	20%	20%	20	2/20/2009 3:31:21 AM (US/Central)	2/20/2009 12:00:00 AM (US/Central)
Field Inspection	15%	15%	13.05	2/20/2009 3:41:00 AM (US/Central)	2/20/2009 12:00:00 AM (US/Central)
Interim Review	10%	10%	7.2	3/1/2009 8:14:54 PM (US/Central)	3/2/2009 12:00:00 AM (US/Central)
Working Relationship	10%	10%	10	1/13/2009 12:07:46 PM (US/Central)	No Data

Additional Updates

Field Feedback Stats

HES Category	Last Update	Form	Stats
Audit	2/20/2009 3:31:21 AM (US/Central)	Audit	1
Comments	No Data (US/Central)	Field Inspection	1
		Interim Review	2
		Working Relationship	1

Attributes

Attribute	Value
Country	Thailand
Risk Rank	High
Functional Work Groups	Infrastructure

Communication Tools

chevron.com | Willyoujoinus.com | Chevron careers



Contractor Safety Chevron Thailand



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[Short Service Employee \(SSE\)](#)

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[The Chevron Way](#)

Contact Us

Hotline for reporting violation of laws and Chevron's policies:
001-800-11-007-5466

OR

1-704-556-7046

Incident Free Operations

Chevron's global workforce is dedicated to the belief that all accidents are preventable and that the goal of incident-free operations is attainable. Chevron Thailand is committed to achieving world-class health and safety performance.

Stop Work Authority

It is Your **Responsibility** and You Have the **Authority**.

We Always comply with the Tenets of Operational Excellence. As an employee or contractor for Chevron, you are **Responsible** and **Authorized** to stop any work that does not comply with these tenets **AND** there will be no repercussions to you. That is our commitment to you.

Tenets of Operational Excellence

We Believe:
All incidents are preventable.

Two Key Principles:
Do it safely or not at all.
There is always time to do it right.

We Always:

1. Operate within design or environmental limits
2. Operate in a safe and controlled condition
3. Ensure safety devices are in place and functioning
4. Follow safe work practices and procedures
5. Meet or exceed customer's requirements
6. Maintain integrity of dedicated systems
7. Comply with all applicable rules and regulations
8. Address abnormal conditions
9. Follow written procedures for high risk or unusual situations
10. Involve the right people in decisions that affect procedures and equipment

Last Update: 20 August 2008
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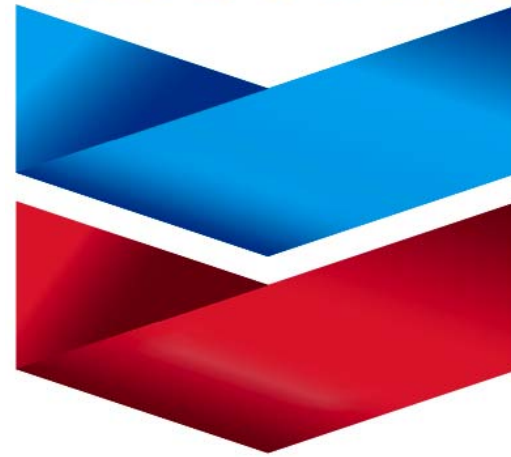
www.chevronthailand.com/contractorsafety

What do you need to Know??

- Who's your Contract Owner?
- What's your safety rating?
- Who gets updated in your company?
- Got Feedback?



Chevron



Thank You