

Revised: July 1, 2022

**Policy**

## **1.0 Introduction**

Canadian Plains utilizes Suppliers, Independent Service Providers (ISPs) and Subcontractors for materials and services to complete Customer projects where it cannot self perform the work. In order to ensure such works are executed in a safe, efficient and timely manner, Canadian Plains strives to partner only with subcontractors that have aligned health, safety and environment expectations, and that assist in creating a climate that promotes participation in the implementation of Canadian Plains' Health, Safety and Environment Management System (HSEMS) on work sites.

Canadian Plains allocates prime importance to establishing relationships with subcontractors who are committed to the same performance objectives as Canadian Plains. Subcontractors willing to meet Canadian Plains' objectives and partner with Canadian Plains to improve performance will be preferred and encouraged to provide repeat business.

**Note:** With participative involvement, subcontractors provide valuable insight into performing their jobs safely and efficiently.

## **2.0 Scope**

Canadian Plains' health, safety and environment (HSE) expectations clearly establish the importance of subcontractor performance on our work sites and our customer locations. Continuously improving subcontractor performance is consistent with Canadian Plains' Mission, Vision, Values, and Health, Safety & Environment Policy.

Canadian Plains separates subcontractors into the following categories:

- 1. Suppliers** – Companies which supply and/or deliver materials (i.e. tools, pipes & fittings, etc) and equipment, (i.e. rental equipment, safety supplies, etc.) but does not include labour or performance of work (except from service or inspection) onsite.
- 2. Independent Service Providers (ISP)** – A business that employs one worker and fulfills a specific need such as project supervision, welding, pipefitting, operating equipment, construction equipment owners and operators, hauling construction equipment, etc.
- 3. Subcontractors** – Companies that supplies labour and provides contract services in addition to supplying materials and equipment onsite.

This policy applies to only Canadian Plains subcontractors, for more information refer to Section 7 of the Procedure Manual.

## **3.0 Key Policy Statements**

Subcontractor Management and related processes have been developed to ensure the qualification, selection, and management of subcontractors. This is accomplished by:

- Providing the resources for pre-qualification and selection; pre-work expectations; work in progress evaluation; and post work review.
- Providing guidance in the Subcontractor Management process to all Canadian Plains personnel involved in the selection of or providing direction to subcontractors.
- Thoroughly evaluating and assessing potential subcontractors before they are contracted.
- Setting clear expectations for alignment with HSE targets and objectives through Health, Safety & Environment Management System, processes, and risk management.

Manage, supervise, monitor, and influence subcontractors HSE behaviour and performance while they are working on our sites by:

- Ensuring that health and safety is not compromised for any reason.

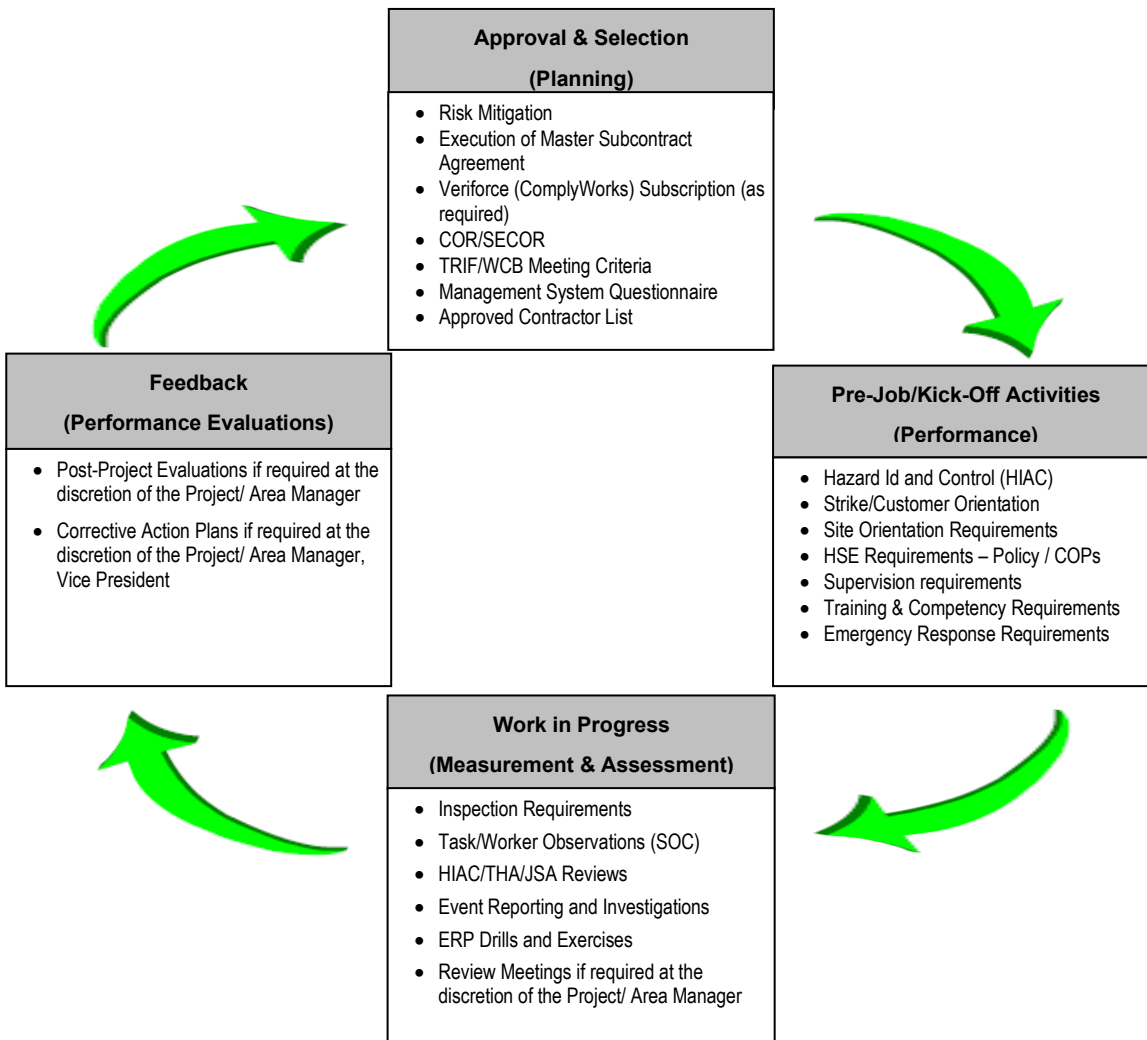
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- Having a thorough knowledge of Canadian Plains’ Systems, Practices and Procedures, and being able to apply this knowledge to mitigate unsafe acts, at risk behaviours and conditions.
- Being responsible and accountable for the application of safe work practices and task analysis.
- Having working knowledge of the HSE performance of all subcontractors being supervised.

Subcontractor Management is a four-stage process represented by the following figure:

**Figure 1 – Subcontractor Management Process**



- Approval & Selection (Planning) – Involves the evaluation and pre-qualification of prospective subcontractors (pre-qualifying) against Canadian Plains’ performance requirements.
- Pre-Job Activities (Performance) – Involves ensuring that the subcontractor’s workers understand our expectations prior to starting work, including hazards, risk and controls of the work site and how they are to be managed.
- Work in Progress Activities (Measurement & Assessment) – Direct supervision and involvement of all subcontractors in:

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- Pre-Job Kick off/ Daily Planning Meetings (as required),
  - Daily Tailgate Meetings,
  - Daily Hazard Assessments,
  - Worksite Inspections,
  - Safety Observation Process or equivalent,
  - Onsite Training, and
  - Incident Reporting and Management.
- Feedback (Performance Improvement) – Involves reviewing onsite performance to recognize positive results and to identify areas for improvement.

APPROVED:



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Stephen Smith  
President & CEO

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**Definitions****1. Suppliers**

A company which supplies and/or delivers materials (i.e. tools, pipe & fittings, etc.) and equipment, (i.e. rental equipment, safety supplies, etc.) but does not include labour or performance of work (except service or inspection) onsite.

Any onsite activities involving suppliers require 100% supervision throughout the execution of the task. Canadian Plains does not normally require a Subcontractor Agreement/MSA or prequalification through Veriforce (a.k.a Complyworks) for suppliers.

**2. Independent Service Provider (ISP)**

A business that is a self-employed contract service provider who is responsible for their own business risk coverage. An ISP is usually engaged to fulfill a specific need such as project supervision, welding, pipefitting, operating equipment, construction equipment owners and operators, hauling construction equipment, etc. ISP are required to follow Canadian Plains HSEMS processes. For more information on ISP refer to Section 7 in Canadian Plains' Procedure Manual.

**3. Subcontractors**

A company that supplies labour and provides contract services in addition to supplying materials and equipment onsite.

**4. Subcontractor Management**

The management of subcontractors used by Canadian Plains which includes pre-qualification, selection, execution of a Master Subcontract Agreement, performance measurement, evaluation, and the setting of criteria for continual improvement.

**5. Multiple-employer workplace**

Multiple-employer workplace means a workplace where workers of two or more employers are working at the same time.

**6. On-Site Low Risk Subcontractors**

Subcontractors performing tasks and providing services not associated with the inherently hazardous processes (e.g., site security, vegetation management, removal of waste, office cleaning staff, etc.). Low Risk subcontractors are not required to pre-qualify using Veriforce (a.k.a Complyworks).

**7. Owner**

Every owner of a workplace must provide and maintain the owner's land and premises that are being used as a workplace in a manner that ensures the health and safety of persons at or near the workplace. Typically, the owner is Canadian Plains' customer; however, Canadian Plains has ownership responsibilities for our yards, offices and shops where we direct activities of our subcontractors.

**8. Prime Contractor (Operating Authority)**

The Prime Contractor is responsible for the overall controlling, coordinating, and managing of health, and safety concerns at the work site. All provinces that Canadian Plains operates in have legislation governing the responsibilities of the Prime Contractor. The legislation designates the owner of the work site as the Prime Contractor however the Site Owner may transfer such responsibility to a contractor through a formal documented contract in accordance with the applicable legislation.

**9. Subcontractor that are "Not Approved"**

Subcontractor that are "Not Approved" may be utilized in emergency/one-time situations, if such subcontractor is providing a specialized service, or is required due to time constraints, provided that approval of the appropriate Operations Vice President is obtained.

**1.0 Responsibilities**

It is the responsibility of all Canadian Plains personnel to ensure Subcontractor Management processes are used and supported effectively when subcontractors conduct work on behalf of Canadian Plains.

**2.0 Supervisor Responsibilities (Project Manager, Superintendent)**

Supervisors are responsible for:

- Ensuring that the subcontractor has been approved prior to use.
- Participating in the Subcontractor Management process by ensuring pre-job activities (e.g., pre-mobilization meetings, orientations, and health and safety plans, HIACs), and work in progress activities (e.g., review meetings, task/worker observations, inspections, and incident reporting).
- Establishing and communicating site specific health, safety and environment expectations and requirements (e.g., pre-job meetings, HIACs, etc.) through site specific orientations.
- Validating the health, safety and environment related training and trade certifications, as required.
- Ensuring that on-site workers understand Canadian Plains' requirements, procedures and rules for the job/task being completed.
- Monitoring on-site performance of all subcontractors being supervised and commend or correct the performance as required.
- Conducting post-job evaluation of subcontractor performance and provide evaluation reports to their Supervisor and Canadian Plains' management. It is understood that a post-job evaluation cannot be conducted with all subcontractors. A risk assessment of the work performed shall be used to identify the subcontractors and projects that require a post evaluation.
- Recognizing and commending good performance as well as implementing the escalating consequence process when required.

**3.0 Line Management Responsibilities**

It is the responsibility of Line Management to:

- Use only pre-qualified subcontractors, except in emergency work situations.
- Monitor subcontractor performance and provide feedback as necessary.
- Involve subcontractors in Pre-Job processes, where appropriate.
- Identify requirement for approval of temporary or emergency subcontractors.
- Initiate performance reviews of Subcontractors as required.
- Verify implementation of the Subcontractor Management System, within their area of responsibility.
- Approve subcontractor pre-qualification variances as required (i.e., Medium Risk Compliance Ranking).

**4.0 Operations Senior Management Responsibilities**

It is the responsibility of Operations Senior Management to:

- Ensure resources are available to effectively apply the Subcontractor Management process.

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- Support, communicate and, where necessary, enforce the Subcontractor Management process.
- Approve subcontractor pre-qualification variances as required (i.e., High Risk Compliance Ranking or Not Participating in Veriforce (a.k.a Complyworks) Subcontractor Program).

**5.0 Subcontractor Administration Management Team Responsibilities** (Operations, Administration, Finance, Health Safety & Environment)

The Subcontractor Administration Management Team is responsible for:

- Responding to Canadian Plains personnel with questions or problems related to the Subcontractor Management processes.
- Responding to subcontractors with questions or problems related to the Subcontractor Management processes.
- Overseeing the subcontractor file(s) and the Approved Subcontractor List that is maintained by Canadian Plains' Subcontractor Registry, Veriforce (a.k.a., Complyworks).
- Request and confirm required documentation for subcontractor pre-qualification variances (e.g., Insurance, WCB, Stats, etc.).
- Provide/confirm additional contract documents as required (e.g., Subcontractor Agreement/MSA, customer requirements, specialized insurance, licences, etc.).

**6.0 Health, Safety and Environment (HSE) Department Responsibilities**

The Health, Safety and Environment Department is responsible for:

- Coaching and participating in pre-job processes (e.g., scope of work development, project HSE/HIAC plan, resourcing & pre-mobilization meetings).
- Advising and participating in performance discussions with Canadian Plains Managers, Supervisors, and subcontractors.
- Supporting subcontractor HSE evaluations where required by customers, Canadian Plains Project Management Team and Senior Management.
- Assisting the operations management in developing subcontractor improvement plans, resulting from HSE assessments and post-project evaluations.
- Supporting and/or conducting and measuring on-site performance.

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**Process****1.0 Pre-Qualification and Approval**

The approval and pre-qualification processes are Canadian Plains' initial means to ensure subcontractor performance meets or exceeds Canadian Plains' criteria. The subcontractor must demonstrate they have systems and practices in place including health and safety performance history to help achieve our performance objectives.

Canadian Plains' Subcontractor Management process requires all on-site subcontractors meet the following conditions:

- Business must be a registered Corporation
- Registration and creating an account with Veriforce (a.k.a Complyworks) and releasing data to Canadian Plains for evaluation
- Respond to Canadian Plains' questionnaire within Veriforce (a.k.a Complyworks)
- Provide Workers' Compensation (WCB) Clearance for all provinces where work is performed for Canadian Plains and the current WCB Rate Sheet or equivalent, depending on jurisdiction. To be maintained through Veriforce (a.k.a Complyworks)
- Provide a Safety Program that addresses the services which are being provided
- Provide safety statistics for the previous three (3) years
- Provide Certificate of Insurance that meets Canadian Plains' requirements
- Provide any additional documentation specific to the type of service being provided
- Execute a Canadian Plains' Master Subcontract Agreement
- If a subcontractor does not have a formal health and safety manual, they will be expected to utilize and follow the guidance provided by Canadian Plains Management and Canadian Plains' HSEMS.

After determining the type of work and the level of risk associated with the project, a Canadian Plains representative will identify the scope of work, requirements, performance expectations and criteria for selecting the subcontractor.

Potential subcontractors are evaluated against Canadian Plains' Risk Matrix (Appendix 1) using Veriforce (a.k.a, Complyworks). Based on the subcontractor's compliance rating additional approvals may be required:

**Approved Low Risk Subcontractors (Green Compliance Rating):**

- Approved for use and do not require Management approval.

**Medium Risk Subcontractors (Yellow Compliance Rating):**

- A mitigation plan and the justification for selection must be reviewed, approved and documented through email by the Area/ Project Manager.

**High Risk Subcontractors (Red Compliance Rating):**

- A mitigation plan and the justification for selection must be reviewed, approved and documented through email by the appropriate Operations Vice President.

**Subcontractors that are "Not Participating":**

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- Subcontractors that do not participate in Veriforce (a.k.a Complyworks) will be required to fill out Non-Participating Subcontractor Approval form (CF-S-85) and provide all supporting documentation. This application, mitigation plan and the justification for selection must be reviewed and approved by the appropriate Operations Vice President using CF-S-85. The approval of the contractor will only be valid for the duration of the project.
- During emergency situations, the services of a Subcontract that is "Not Approved" may be require. It is the responsibility of the Canadian Plains Supervisor and Manager, to ensure that the Emergency Use Subcontractor provides proof of Insurance and WCB coverage before starting work. Approval by the appropriate Operations Vice President is required prior to use of any Emergency Use Subcontractors.

### **7.0 Pre-Job Activities**

Canadian Plains recognizes that input from subcontractors early in the execution of a project increases the chances of success. As such wherever possible, Canadian Plains will work directly with subcontractors to identify potential issues in the project, combine expertise and will involve key contractors in pre-job activities. This is an opportunity to inform the subcontractor of Canadian Plains' and the customer/site operator's expectations and requirements (e.g., Alcohol and Drug policy, Life Saving Rules, etc.) as well as familiarizing the team with the location, facility and site-specific practices and procedures.

### **8.0 Project Kick-Off Meetings**

At the discretion of the Project Manager (based on scope and duration), Canadian Plains will endeavor to involve our subcontractors in project kick-off meetings.

The purpose of the project kick-off meetings is to discuss:

- Work scope;
- Project/Job Safety Plan;
- Mobilization logistics;
- Equipment, materials and supplies;
- Customer expectations; and
- Worksite Requirements:
  - Canadian Plains/Customer orientation requirements;
  - Review personal protective equipment;
  - Review documentation, incident reporting and emergency response plan, etc.;
  - Review site training requirements;
  - Review alcohol and drug procedure/testing requirements; and
  - Other requirements as outlined by Canadian Plains and its customer.

### **9.0 Execution of Work**

Canadian Plains and the subcontractor each have a role to play in maintaining compliance through the execution of work. Canadian Plains will fully integrate all subcontractors into our daily work activities through:

- Monitoring their participation or completion of hazard assessment processes including THAs or JSAs, tailgate meetings, safety observations and hazard reassessments.

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- Monitoring the ongoing HSE performance using direct supervision by the Project Leadership, ongoing observations, worksite inspections, and event reporting.
- Monitoring implementation of corrective actions following incidents, inspections, observations, etc.

Whenever possible, all HSE related issues with the workers are to be addressed through their supervisor. In the case of an incident, the subcontractor must report this incident to Canadian Plains and investigate it appropriately. Canadian Plains will in turn report the incident through to the customer. Canadian Plains will oversee and support the subcontractor's investigative process.

If an unsafe act, unsafe condition or at-risk behaviour is observed, work is to be immediately stopped and the contract worker engaged by his/her supervisor to correct the act, condition or behaviour to prevent recurrence. In the event of repeat offences, Canadian Plains reserves the right to remove individuals or contractors from the project.

**Note:** In most cases Canadian Plains' subcontractors are treated as one in the same as Canadian Plains for the purposes of progress reporting. As such, Canadian Plains will generally track and report subcontractor leading and lagging safety indicators when providing any required progress reporting.

### **11.0 Post Project Reviews**

Post project reviews are conducted at the discretion of the Project Manager or Operations Vice President. These meetings are encouraged as a venue for providing two-way feedback on lessons learned and improvements which could be made ahead of the next project for both sides.

The post-project review captures the real-time assessment by the Canadian Plains Site Representative for work completed and provides recommendations for the future use of the subcontractor.

The post-project review includes a review of expectations identified in the pre-project meetings as well as the following:

- Achievement of the project expectations.
- The subcontractor's strengths and areas for improvement.
- HSE Performance (leading and lagging indicators).
- The suitability of the subcontractor for future work.
- Feedback to Canadian Plains from the subcontractor regarding pre-project communication and expectations including areas for improvement in the Subcontractor Management process.

### **12.0 Escalating Consequences**

Where a subcontractor fails to meet expectations, the Canadian Plains Project Manager, Area Manager or Operations Vice President may implement consequences up to and including termination of the contract. The escalating consequences process is a three-phase process:

- Verbal Phase – Discussion regarding the failure to meet expectations, with logging of the discussion by the Supervisor.
- Written Phase – Formal meeting addressing the continued failure to meet expectations, with a documented plan to address the failure within a time frame.
- Resolution Phase – Formal meeting discussing failure to meet expectations set out in the plan and the resolution including termination of work.

**Note:** All corrective actions must be documented.

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In situations where there is a wilful violation by an employee of the subcontractor, the escalating consequences can result in the immediate removal from site.

In any of these cases, the responsible Canadian Plains division should inform Senior Management and the Health, Safety and Environment Manager of the incident and resolution. Violations will be tracked in Veriforce (a.k.a Complyworks).

**Appendix 1 – Subcontractor Management Matrix**

This matrix provides the baseline of expectations and information that is required for the initial screening criteria for subcontractors. This information will be maintained and monitored on the Veriforce (a.k.a., ComplyWorks) database.

<b>Strike Group - Large Contractor Compliance Matrix</b>				
<b>Flag</b>	<b>Low Risk</b>	<b>Medium Risk</b>	<b>High Risk</b>	<b>Data Not Provided</b>
Business Structure	Questions have been answered	Questions have <u>not</u> been answered		<b>No Data Provided</b>
Insurance Coverage	Current and \$2M or more of CGL coverage or CGL+ Umbrella uploaded	30 days to expiry	Expired, No Commercial General Liability Insurance, less than \$2M insurance or No certificate uploaded	
WCB Clearance (AB, SK, MB, BC, Ont, NWT if applicable)	WCB exists and valid Clearance/ Letter of Good Standing Uploaded	Received Clearance Alert or missing Clearance / Letter of Good Standing Letter	No WCB coverage	
COR/SECOR or Equivalent Safety Program	Has an Equivalent Safety Program		Does not have an Equivalent Safety Program	
Safety Statistics	Safety Statistics have been entered for previous 3 years.	Previous 3 year data not provided and date is within February of the new year. (Extended grace period)	Safety Statistics has not been entered for previous 3 years and the date is March 1 <sup>st</sup> of later of the current year.	
Safety Stats Performance (Lagging indicator TRIF)	TRIF < 4.0	TRIF 4.0 – 7.5	TRIF > 7.51	
Company Health and Safety Program	Yes		No	

Alcohol and Drug Policy	Yes		No	<b>Data Not Provided</b>
Strike's Code of Conduct	Has read and accepted Strike's Code of Conduct		Has <u>not</u> read and accepted Strike's Code of Conduct	
Cultural Compliance	Questions have been answered	Questions have <u>not</u> been answered		
ESG Compliance	Questions have been answered	Questions have <u>not</u> been answered		
<b>Sub – Group NSC Regulated</b>	<b>Low Risk</b>	<b>Medium Risk</b>	<b>High Risk</b>	
Fleet Safety Journey Management (if applicable)	Yes – Satisfactory – Audited NSC or Satisfactory – Unaudited	Yes - Conditional	Unsatisfactory - NSC	

<b>Strike Group – Small Contractor Compliance Matrix</b>				
<b>Flag</b>	<b>Low Risk</b>	<b>Medium Risk</b>	<b>High Risk</b>	<b>Data Not Provided</b>
Business Structure	Questions have been answered	Questions have <u>not</u> been answered		<b>No Data Provided</b>
Insurance Coverage	Current and \$1M or more of CGL coverage or CGL+ Umbrella uploaded	30 days to expiry	Expired, No Commercial General Liability Insurance, less than \$1M insurance or No certificate uploaded	
WCB Clearance (AB, SK, MB, BC, Ont, NWT if applicable)	WCB exists and valid Clearance/ Letter of Good Standing Uploaded	Received Clearance Alert or missing Clearance / Letter of Good Standing Letter	No WCB coverage	
Safety Statistics	Safety Statistics have been entered for previous 3 years.	Previous 3 year data not provided and date is within February of the	Safety Statistics has not been entered for previous 3 years and	

		new year. (Extended grace period)	the date is March 1 <sup>st</sup> of later of the current year.	
Company Health and Safety Program	Yes		No	
Alcohol and Drug Policy	Yes		No	
Strike's Code of Conduct	Has read and accepted Strike's Code of Conduct		Has <u>not</u> read and accepted Strike's Code of Conduct	
Cultural Compliance	Questions have been answered	Questions have <u>not</u> been answered		
ESG Compliance	Questions have been answered	Questions have <u>not</u> been answered		

## Appendix 2 – Subcontractor Post Project Review

Review Post project reviews are conducted at the discretion of the Project Manager or Operations Vice President. These meetings are encouraged as a venue for providing two-way feedback on lessons learned and improvements which could be made ahead of the next project for both sides.

<b>Subcontractor Information</b>		
Company Name:	Project Name:	
<b>Scope of Work:</b>		
Subcontractor Met Project Canadian Plains Safety Expectations:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Post Project Safety Improvement Plan Recommended:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b>Positive Safety Practices Observed:</b>		
<b>Safety Issues or Concerns Identified:</b>		
<b>Subcontractor Response and or Feedback</b>		

Future Work Consideration		
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/> With conditions identified below
Condition #1		
<b>Assigned to:</b>	<b>Due Date:</b>	<b>Date Completed:</b>
Condition #2		
<b>Assigned to:</b>	<b>Due Date:</b>	<b>Date Completed:</b>
Condition #3		
<b>Assigned to:</b>	<b>Due Date:</b>	<b>Date Completed:</b>