

<b>Morenci Safe Production Standard</b>	<b>Standard # 6.37</b>	
<b>Contractor Environmental, Occupational Health &amp; Safety Requirements</b>	OHSAS 18001:2007	4.4.6
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<b>Approvals:</b>		
Senior VP Morenci Operations: July 28 <sup>th</sup> , 2015		Safety Steering Committee: July 28 <sup>th</sup> , 2015

## 1.0 PURPOSE:

This standard outlines the requirements for management of environmental and health and safety in relation to contractors working at FMMI. Improper selection, training, and management of contractors can lead to unnecessary liability, serious injury or fatalities. The purpose of this standard is to ensure a systematic approach for the use, approval and management of all contractors working on Morenci property.

- 1.1 Contractors must meet all on boarding requirements from both the Environmental Department and the Health and Safety Department and be approved for use on the property;
- 1.2 Contractors must have been provided the tools to control the environmental, safety and health risks associated with their work activities, regardless of the type of contract issued, and be monitored though out the duration of the project.
- 1.3 Onboarding required information and forms can be found at the following website: <https://fcx365-public.sharepoint.com/morenci>. (Please direct yourself to the Contractor Onboarding and Forms folder). Documentation shall be sent to the Contractor Health and Safety Representative and shall be updated quarterly.

## 2.0 SCOPE:

This standard applies to FMMI Business Units and all contractors and sub-contractors who work at FMMI. Some vendors and short term services workers, dependent upon the scope of work, may fall into this category.

## 3.0 TERMS, DEFINITIONS AND ABBREVIATIONS

**Contractor:** An individual, group, firm or a business engaged to carry out authorized work for FMMI. The definition of "contractor" does not include scientific workers; delivery workers; customers (including commercial over-the-road truck drivers); vendors; visitors or service workers. However, some may still be required to complete Environmental and Safety paperwork based off of the risk associated with the work. A risk assessment based on a detailed scope of work should be used to determine the requirements

**Business Unit Project Manager:** Any FMMI personnel who requests or direct contractors to perform work according to the scope and requirements. These individual should be designated by the divisions. They shall be the person who is the most experienced in the area and shall have the proper training on this standard.

**Field Release Contractor:** A contractor who is authorized to conduct general maintenance work across the branch via SAP generated work orders. These are required to have a designated contractor management representative.

**FMMI Property:** Considered to be all mine, processing and FMMI oriented town-site areas

**Independent Contractor:** any person, partnership, corporation, subsidiary of a corporation, firm, association or other organization that contracts to perform services or construction at a mine and which FMMI relies on that entity to execute the business with their own supervision and managerial functions

**Project Contracts:** A contractor authorized to conduct work on project or task specific basis through a CAS generated contract. These are required to have a designated Business Unit Project Manager (BUPM).

**Site Specific Training:** Training provided by division or department representatives covering the specific risks and controls associated with their areas, equipment and processes.

**Sub-Contractor:** A group or firm or a business unit who contracts a certain type of job(s) under the responsibility and authority of an FMMI approved Contractor.

#### **4.0 RESPONSIBILITIES:**

Pre-Job preparation and planning provisions are critical to outline the scope of the work, identify health and safety hazards, evaluate risks and implement effective controls. Pre-Job Planning Meetings for tasks which carry potentially fatal risks must be set-up by the Business Unit Project Manager.

No contractor shall be allowed to perform work until they have been properly on-boarded by both the Health & Safety and Environmental Departments once the contract has been signed and prior to work commencing. It is the BUPM's responsibility to ensure these documents are in place. These can be found at [fcx365-public.sharepoint.com](http://fcx365-public.sharepoint.com)

#### **4.1 CONTRACTOR:**

Responsible for ensuring compliance with the FCX Contractor Health and Safety Manual, all FMMI Safe Production Standards as well as all state and federal legal requirements. Sub-Contractor Health and Safety is the direct responsibility of the primary contractor. Sub-Contractors must follow the same approval criteria as primary contractors.

Contractors are responsible for assuring that all activities are conducted in a manner consistent with FMMI environmental, health and safety compliance and federal, state and local rules and regulations and to address issues that may arise prior to commencement and during any construction work on new and existing facilities. This includes but is not limited to: completion of the Contractor Environmental Guideline Packet, with scope of work, listing any potential work hazards to the environment, chemical inventory & product approvals, change orders, Best Management Practices (BMPs), Safe Production Standards, the Environmental Policy and awareness of the Environmental Management System (ISO) and auditing processes. Sub-contractors are obligated to adhere to the same environmental requirements.

In accordance with the Occupational Health and Safety Management System, conduct Hazard Identification and Risk Assessments where global risks are identified. Develop Standard Operating Procedures (SOP), Work Instructions and/or Job Safety Analyses specific to the job(s) being performed and utilize them as operational controls throughout work activities.

Submission of the contractor safety packet (Both Environmental and Safety) distributed with the contract must be submitted prior to authorization to work is granted by Contracts Administration. The Site Access Approval Form must be signed and returned to Security prior to work commencing on site. (Appendix 10.1)

#### **4.2 GSC will be responsible to manage safety elements in contracting processes by:**

Ensuring that contractors included on bidding lists have successfully met the FCX minimum qualifications.  
Reviewing and maintain records pertaining to contractor selection and approval

Complete selection criteria for awarded contractors per annual contract, job or project. This will be found in the RFP (Request for Proposal or Letter form) document of the contracting process and shall be completed for each new contractor that will be used on FMMI Property.

Contractors that have been approved but which have not actively worked at FMMI property for a period of one year or longer must be re-evaluated using this process.

Ensure that prospective Contractors meet the minimum FMMI Environmental and OH&S requirements prior to commencing work.

Take any necessary corrective actions when a contractor fails to comply with FMMI Safe Production Standards, legal requirements or other company safety procedures.

#### **4.3 Business Unit Project Manager/Contractor Management:**

Responsible for monitoring site or project specific OH&S aspects of contractor work activities. Generally these FMMI representatives are assigned oversight of a project and may include engineers, project team leaders, division representatives, supervision or other agents of the company. Contractor Management will provide monitoring of field release contractors.

Business unit project managers will be designated for each project performed by a contractor in their area. The Business unit project manager will work with Contracts Administration, Environmental and the Safety department to ensure proper provisions are in place prior to the work commencing and oversee the project in the field throughout the duration of the project. All project managers shall be familiar with this standard and ensure all the provisions are met by each contractor they are requesting services from.

- **Basic duties include:**

- Definition of scope of work
- Participate in the selection or bid process with Contracts Administration, Safety and Environmental departments.
- Participate in risk assessment reviews of the project.
- Ensure the proper onboarding documents are in place with both the environmental and safety departments prior to commencing work.
- Conducting kick off meetings for high risk jobs as determined during pre-bid meeting, and setting expectations and adherence to all safety processes as described in contractor safety manual.
- Ensure areas are providing FMMI site specific training to contractors.
- Ensure and verify compliance training specific to Morenci and MHSa required training
- Maintain records of audits performed.

#### **4.4 TRAINING DEPARTMENT:** Head of FMMI Technical Training Department has responsibility to:

Provide the internal compliance training required by risk assessment. If the contractor chooses to provide this training on their own, they will submit the training plan to the training department for review to ensure compliance with the requirements established by FMMI standards.

Authorize contractor representatives that will provide FMMI oriented compliance training and maintain records of such persons.

Maintain general attendance records of FMMI delivered contractor training. The contractor has ultimate responsibility for their company to retain and provide training records as necessary to FMMI or other legal agencies.

Assist with the training of the standard to all entities who will manage contractor activities

## **CONTRACTORS ARE RESPONSIBLE TO TRAIN THEIR OWN EMPLOYEES FOR ANY NON-SITE SPECIFIC TASKS**

**4.5 HEALTH AND SAFETY DEPARTMENT:** Manager of FMMI Safety Department is responsible for:

In conjunction with Business Units participate in the review of contractor safety onboarding requirements prior to contractor beginning work.

In conjunction with Business Units, participate in pre-bid and kick off meetings to assist with safety and risk management.

Periodically review contractors for correct records required by applicable government regulations and internal FMMI requirements.

Review and maintain records pertaining to contractor audits conducted by the Safety Department.

**4.6 ENVIRONMENTAL DEPARTMENT:** Manager of Environmental Department is responsible for:

Maintaining Environmental training requirements given to the department by contractors.

Participation in kick-off meetings.

Participation in periodic contractor review meetings held by GSC if applicable.

Review and maintain contractor environmental records on a regular basis.

**4.7 SECURITY DEPARTMENT:** The Sr. Supervisor of the Security Department is responsible for:

Issuing of badges to contractor for entry to property. A list of approved contractors will be kept current. New contractors must present a signed property entry form (Appendix 10.4) to the badging office and be on the approved list to enter.

## **5.0 STANDARDS OF PERFORMANCE**

Each Contractor and **sub-contractor** shall successfully pass an Environmental and OH&S approval process(s) upon award of contract with FMMI.

The evaluation process includes participation of Environmental, Safety, GSC, and Business unit project manager. GSC will have primary responsibility to lead process.

GSC will provide bidding contract companies evaluation criteria information sheet with due date.

Contract companies will submit requested information to GSC (for example: credentials, certifications, organizational charts, safety staff qualifications, environmental qualification etc.) along with their proposals/bid packages.

GSC supplies information to the business unit project manager for verification of criteria (safety history, MSHA, OSHA)

Business unit project manager/Safety//Environmental and GSC use various evaluations in selection process.

**5.1** At minimum, any Contractors working at FMMI shall ensure the following requirements are in place within their Environmental OH&S Program:

- Establish OH&S Programs for the project(s), equipment, tools, materials and PPE which are at least as stringent as FMMI requirements
- Comply with all applicable environmental and health & safety local, state and federal laws and internal FMMI requirements applicable to the work that will be performed.
- Provide to FMMI the name(s) designated to be the Contact Person(s) and Agent(s) of the company while on FMMI premises. The designated Contact Person(s) or their designee shall be physically available on the workplace when a crew is performing their assigned job.

- Ensure that incidents which occur on FMMI site or involve FMMI employees and equipment are promptly communicated to area management and the health and safety department. In addition contractors are responsible for conforming to the incident investigation requirements established in STD 6.31 Incident Investigations.
- Each Contractor shall submit Total Recordable Injury Rates (TRIR worksheet) each month to the FMMI Health and Safety Department. (By the 5th day of the each month when actively working at FMMI)
- Each Contractor shall submit Daily Man Power Reports to Contractor Management. Some special projects may be excluded from this requirement only by approval from the business unit project manager and a contractor management representative.
- Ensure that environmental incidents which occur on FMMI site or involve FMMI employees and equipment are promptly communicated to area management and the environmental department
- Ensure the above requirements include sub-contractors
- Attend kick off meetings as defined in section 7.0

**5.2 Non-Approved vendors or other short term service workers that are not required by MSHA to receive comprehensive training may be brought on site if the following conditions are met:**

- Approval is received by an authorized representative of the Global Supply Chain, the Safety Department, the Environmental Department, Contract Management, and The business unit project manager.
- All employees receive FMMI hazard training
- All employees receive site specific training if determined necessary as a result of the services they will perform

***Vendors and service workers shall receive training in accordance to their frequency of exposure to mine hazards. Vendors which conduct work on mine property that increases their exposure to hazards associated with the extraction and production process will be considered contractors as defined within this standard.***

<p><b>If work will NOT exceed five days AND Contractor has not worked on any MSHA- regulated surface mine in the previous 12-month period.</b></p>	<p><b>If work exceeds five days</b></p>
<ul style="list-style-type: none"> <li>• MSHA 30 CFR Part 48.31 – Hazard Training at the security gate</li> <li>• Areas specific training conducted by the department Responsible Person or designee (for example: STD 2.2 Conveyor Safety)</li> <li>• Contractor must be escorted by a company representative or FCX employee at all times.</li> </ul>	<ul style="list-style-type: none"> <li>• MSHA 30 CFR Part 48-Training and Retraining of Miners</li> <li>• Areas specific training conducted by the department Responsible Person or designee</li> <li>• Task specific training</li> <li>• Appropriate mobile equipment training.</li> </ul>

In cases where Contractors have a Sub-Contractor(s), the Contractor shall ensure that their Sub-Contractor(s) are included within the FMMI selection and assessment process. The environmental compliance and conformance as well as the health and safety of sub-contractor employees is the direct responsibility of the

primary contractor authorized to conduct work for FMMI. It is the responsibility of the primary contractor to obtain approval from FMMI to bring a contractor on site.

In cases of emergency work that needs to be handled immediately by a new Contractor; Global Supply Chain, FMMI division management/project owners, Contractor Management and the Safety Department must review and authorize the contractor or **sub-contractor** to perform work.

## **6.0 CONTRACTOR TRAINING:**

Refer to FCX11: MSHA training requirements for Contractors and visitors.

Refer to the FCX-07: Property Entry-Surface Mines North America Operations.

Contractors that are hired to conduct core or specialized work, in which General Industry or specialized task training is considered necessary and mandatory by equipment manufacturers, local, state and federal agencies; are expected to have provided all applicable employees with such training as a pre-requisite to performing work on FMMI property. (Radiation, cranes, etc.)

**6.1 Critical Compliance Training:** A safety course intended to provide individuals with sufficient information to recognize safety hazards of critical tasks and safety requirements according to FMMI work standards.

Due to the frequency of exposure and criticality of prescribed controls, all approved contractors and subcontractors must receive the following training dependent of the specific work being performed

1. LOTOTO Training
2. Blue Stake
3. Restricted Area Access (Hot Work, Open Hole, Flagging & Barricading, Shovel Perimeter, Blasting)
4. High Density Polyethylene (HDPE) Pipe Handling
5. Confined Space
6. Working At Heights
7. In-pit driving

Additional training may be required for specific work activities as deemed necessary by pre job kick off meetings and risk analyses. The business unit project manager is required to arrange the training with the training department. Any contractor who would prefer to conduct this specific training must have their training approved by FMMI training department.

**6.2 Business Project Unit Manager:** Provide or arrange training for site specific risks and associated controls (Example: Conveyor Safety Standard, Chemical processes, Global significant risks, or Divisional Specific Safety training)

**6.2.1** Contractors shall demonstrate, upon request, employee's competencies for the skills or tasks the contractor is hired to perform. Competencies can be demonstrated by showing valid licenses or approved training certificates. It is the responsibility of the contractor to document, provide copies of and make available for review certificates for all training required by MSHA and FMMI standards.

**6.2.2** Task training is the responsibility of the contract company and must be completed in accordance with the requirements of MSHA 30 CFR Part 48. Contractor Personnel assigned to operate equipment or conduct a task in which they have had no previous experience shall be instructed in the safety and health aspects and safe work procedures of the task and trained by a competent person prior to performing work.

**6.2.3** Contractors are required to provide appropriate personal protective equipment to each employee. Contractors shall ensure that all PPE meets the requirements established within STD 2.16 Personal Protective Equipment. The following mandatory PPE shall be provided to all employees:

- Protective Hard Hat
- Safety Glasses
- Hard toed boots
- Safety Vests (when exposed to traffic or production areas)
- Other PPE as required by risks associated with the respective area/task

**7.0 Pre-Job Planning Meetings (Kick off Meeting)**

**7.1** All contractors conducting new tasks or work assignments or that have a high degree of OH&S risks shall attend a kick off meeting. The meeting should be organized and led by the project manager in conjunction with the Contracts Administrator. It shall be attended by a representative of contract management, the health and safety department, environmental and a representative of the workgroup responsible for oversight of the work. Global Supply Chain participation department may/may not be required depending on the history of the company with FMCI and characteristics of the project.

**7.2** During the kick off meeting, Appendix 9.2 – Contractor Kick-Off Meeting Form shall be completed and the following reviewed:

- Review of the Health and Safety aspects related to the work being performed
- Review of the Fatal Risks and Critical Controls outlined by the Contractor.
- Compliance with training requirements needed to perform the task
- Environmental considerations and controls
- Contractual agreements and obligations

**8.0 REFERENCE DOCUMENTS**

- 8.1** Mine Safety and Health Administration (MSHA) Regulation: CFR 30, Including 48.25, 48.27, Part 45, section 115 of the mine act.
- 8.2** FCX Contractor Safety Manual
- 8.3** Contractor Environmental Guideline Packet
- 8.4** OSHA CFR 29:1926, CFR 29:1910
- 8.5** FCX-07 Property Entry-Surface Mines North America Operations
- 8.6** FCX-11 MSHA training requirements for Contractors and Vendors

**9.0 RECORDS**

Name of the Document	Responsible for Control	Records Retention
Contractor OH&S Requirements	Global Supply Chain	Permanent
Training Certificates	Contractor	Duration of employment plus 5 years
Contract/Service Agreement and it's relevant documents and records	Global Supply Chain	Duration of contract plus 1 year after expiration.
Contractor Kick-Off Meeting	Safety Department	Duration of task (on-site) plus 5 years.

Contractor Environmental Guideline Requirements	Environmental Services	Permanent
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**10.0 Required Form-Intranet and Contractor Safety Website posted.**

- 10.1 Contractor Contact Information**
- 10.2 Emergency Contact Numbers**
- 10.3 Contractor Kick-Off Meeting Verification**
- 10.4 Contractor Monthly TRIR Report**
- 10.5 Contractor Pre-Bid Information**
- 10.6 Contractor Quarterly Task Training Inventory**
- 10.7 Contractor Requirements Information.**
- 10.8 Contractor Site Access Form**
- 10.9 Contractor JSA**
- 10.10 Contractor Safety Manual**
- 10.11 Contractors On-Site for Radiation Notification Form**

**11.0 REVIEW AND CHANGE**

All changes, modifications and/or revisions must be documented on the table below:

<i>Description of Changes to this Document</i>
Removed Appendices and replaced with Intranet Posted forms. Cosmetic changes no approval required
Standard supersedes 6.11 and any other related information regarding contractor onboarding
Added the 10.10 for called contractor JSA
Added 1.3, 10.10, and removed 10.1. SJD
Added 10.11 per request of RSO - SDE



Example flow chart



