



Contractor Engagement *Handbook* for Suppliers

Effective Date: November 28, 2012

Doc ID: OT-07-GDL-9006-E

Revision Number: 1.0



Contents

1.	Contractor Engagement Overview	4
1.1	Objectives	4
1.2	Process Overview	4
1.3	Key Roles	4
1.3.1	Supplier	4
1.3.2	Designated Manager	5
1.3.3	Central Contractor Engagement Services (CCMS) Team	5
1.4	Key Definitions and Terms	5
1.5	Disclaimer	5
A.	Pre-qualification and Vendor Sourcing	6
B.	Planning and Preparation	7
B.1.	Respond to Request for Quotation or Tender	7
	Review Procurement documents	7
	Additional Scope of Work Documents	8
	Scope of Work Response Templates	8
	General Health, Safety and Environment Pack	9
	Pre-job Health, Safety and Environment (HSE) Pack	9
C.	Mobilisation	10
C.1.	Welcome Letter and Pack	12
	Unpack the Welcome Pack	12
C.2.	Worker Information	12
C.3.	Qualifications and Training	13
C.4.	Medicals	13
C.5.	Vehicles, Tools & Equipment	14
	Getting Tools & Equipment to Site	15
C.6.	Chemicals	15
C.7.	HSE Management Plan	15
C.8.	Pre-Job Conference	15
C.9.	Travel & Accommodation	16
C.10.	Inductions	16
D.	Manage the Work	17
D.1.	HSE Action Plan	17
D.2.	Performance Scorecard and Performance Management	18



Contractor Engagement *Handbook for Suppliers*

Effective Date: November 28, 2012

Doc ID: OT-07-GDL-9006-
E

Rev: 1.0

D.3.	Timesheets & Invoicing.....	18
D.4.	Yearly or Bi-yearly Medicals	18
D.5.	New Employees and Terminations	19
E.	Review and Contractor Close Out.....	20
E.1.	Performance Review	20
E.2.	Close out Work	20
E.3.	Exit Medicals.....	20
2.	Terms and Definitions	21
3.	Document Control	22
3.1	Approval History	Error! Bookmark not defined.
3.2	Revision History	Error! Bookmark not defined.



1. Contractor Engagement Overview

1.1 Objectives

Oyu Tolgoi's service contractors play a key role in our mission to be world class copper business that is safe and sustainable. They provide critical services across our business. The objectives of OT Contractor Engagement are to:

- **Increased Safety Performance** – caring for the safety and wellbeing of both our staff and contractor workforce is our first priority. We want to manage the risks and create a 'zero harm' safety environment for all our workforce
- **Deliver good commercial outcomes** – ensuring we work closely with our contractors to deliver the right business outcomes at value for money
- **One standardised process for Contractor Engagement at Oyu Tolgoi** – have a single way for procuring, mobilising, managing, assessing performance and demobilising our contractor workforce (compliant with Rio Tinto HSEQMS). This is supported by a Central Contractor Engagement Services team there to help both Oyu Tolgoi and contractor organisations.

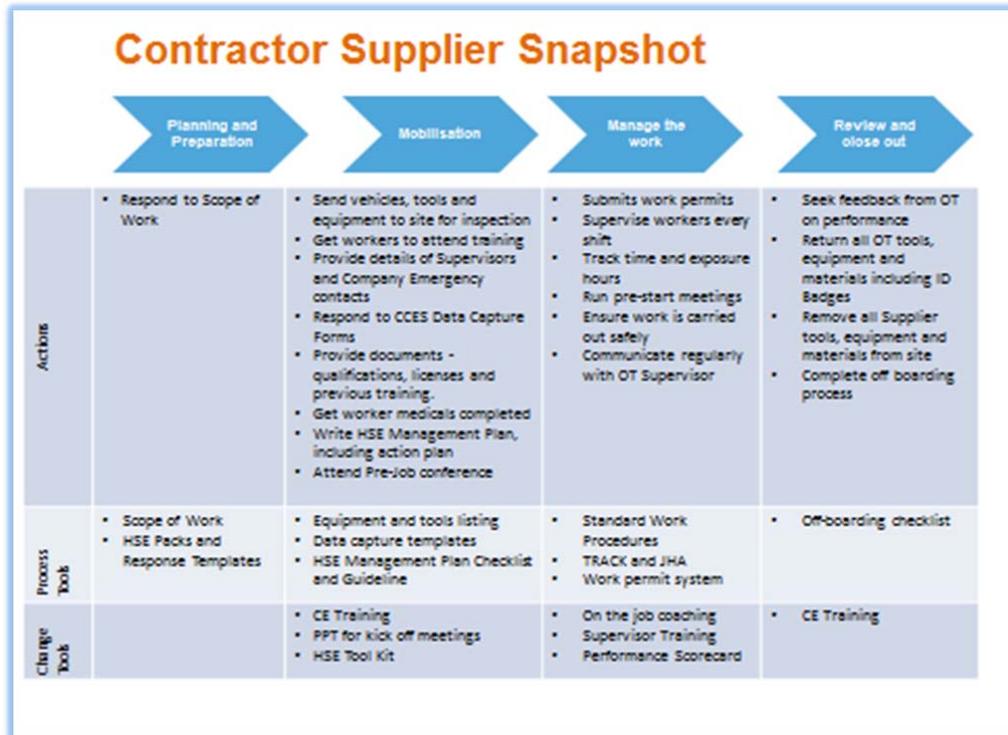
1.2 Process Overview

This document guides you through the 5 steps of Contractor Engagement.



1.3 Key Roles

1.3.1 Supplier



1.3.2 Designated Manager

1.3.3 Central Contractor Engagement Services (CCES) Team

1.4 Key Definitions and Terms

For a full listing of definitions and terms, refer to Section 2 Terms and Definitions.

1.5 Disclaimer



General Conditions for Goods and Services (MN)

The conditions specified in the *General Conditions for Goods and Services* details your legal responsibilities when working with Oyu Tolgoi. This handbook **does not supersede** the conditions detailed in *General Conditions for Goods and Services*.



A. Pre-qualification and Vendor Sourcing

To ensure Oyu Tolgoi works with suitably qualified organisations, we may require your organisation to go through a pre-qualification process through our service provider Achilles. This is at the discretion of OT Procurement.

If your organisation has already been through a pre-qualification process, then this will not be repeated for each sourcing event. . If you have any questions or concerns about pre-qualification speak to your Procurement representative.

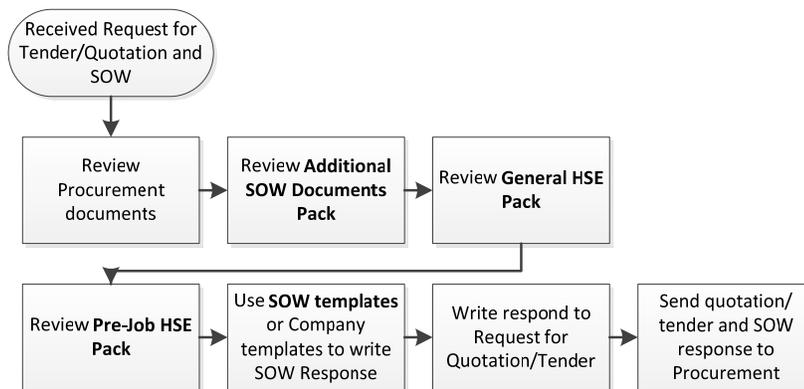
B. Planning and Preparation

Preparation and planning is the phase where the scope of work (SOW) is developed, the procurement processes are initiated and the Supplier is selected.

This is the phase when your organisation needs to respond to the request for quotation or tender.

It is important that you **review all the documentation sent to you** so that you can provide a realistic price for the services that are being requested.

B.1. Respond to Request for Quotation or Tender



Relevant to all Contractors

This section is relevant to all contractors responding to a tender or request for quotation.

With a request for quotation or tender from OT Procurement there will be additional information provided to help you understand the:

- hazards associated with the work to be carried out
- the requirements for medical check-ups at start and completion of works
- skills, qualifications and experience required for the job
- level of supervision required
- additional resources that may need to be factored in such as First Aid Officers, HSE Officers
- Additional tasks that you will be required to complete to mobilise your workers to site if the contract is awarded to you.

Review Procurement documents

Review the procurement documents to make sure you want to respond to the request for tender or quotation.



General Conditions for Goods and Services

The conditions specified in the *General Conditions for Goods and Services* details your legal responsibilities when working with Oyu Tolgoi. This handbook **does not**

supersede the conditions detailed in *General Conditions for Goods and Services*.

Additional Scope of Work Documents



Additional SOW Documents.zip

This zip file will contain documents that will help you gain understanding of the full scope of work:

- **Scope of Work** – this document provides you with the expected start date and finish date of the work, a listing of the major tasks or deliverables that you need to quote on, and any background information that you may need to help in gaining an understanding of the job.
- **Permits and Standards** – this provides you a listing of the Oyu Tolgoi permits that will be required to do the work and the Oyu Tolgoi health, safety and environmental standards. The work and your workers will be required to meet these standards.

A copy of the standards is contained in the HSE Pack.

- **Resources** — this provides you information such as the supervision ratio expected for the work.
The supervision, First Aid and HSE Officer Ratios determined by OT are not negotiable.
The other labour numbers are a suggestion. If you think it is going to require more or less labour, then it is up to you to reflect this in your pricing.
- **Hazard Identification** – this is a listing of the key hazards that are associated with the work. Your HSE Management Plan must consider these with the appropriate controls to manage these hazards.
- **Supporting Documents** – The supporting documents may include information like drawings, technical specifications, photos etc.

Scope of Work Response Templates



SOW Response Template Pack.zip

This pack contains templates to respond to some of the information required for the request for quotation/tender.

- **Hazard Identification and Control Form** – This form is based on Hazard Identification document provided in the Additional SOW Documents Pack, and contains an additional column so that you can detail how you plan to control the hazards listed.
- **Contacts List** – This form is used to list all the Company contact details that will need to be known for the duration of the contract.

- **Candidate and Qualifications List** – This is a listing of *proposed* personnel that you will provide to complete the work. You will also be required to submit a copy of all qualifications.

General Health, Safety and Environment Pack



General HSE Pack.zip

Read and understand this pack before responding to the quotation or tender. The General HSE Pack provides you with HSE information relevant to all Contractors that work at OT. There may be requirements in this pack that may impact the price and start date of the job. For example: the requirement to provide medicals and 'Fitness for Work' declarations for all workers.



Do not include any of the following documents in your response

The following documents are provided to you prior to award so that you plan for the additional costs and work that may be required prior to mobilising your workers to site.

- **HSE Management Plan Guideline** – this document details the information that we require in the HSE Management Plan. A HSE Management Plan needs to be written for all work to outline information such as the 24x7 emergency contact numbers for the Company, your plan for safety meetings and to also detail how you plan to control the hazards identified in the Hazard Identification form sent with the *Additional Scope of Work Documents*.
- **HSE Management Plan Checklist** – this is the checklist that the Oyu Tolgoi representative will use when checking that your HSE Management Plan is complete.
- **HSE Pre-Job Contractor Preparation Checklist** – this checklist gives you information about all the activities that will need to be completed prior to mobilising workers to site. You do not need to complete this form prior to contract award. It is attached for your information so that you can plan for the additional work that will be required prior to mobilising your workers to site.

Pre-job Health, Safety and Environment (HSE) Pack



Pre-job HSE Pack.zip

This pack contains the permits and standards applicable to this particular scope of work.

C. Mobilisation

The mobilisation process ensures that workers are provided the correct training to be able to work at site and the vehicles, tools and equipment are in good working order prior to the commencement of work.

If your company is successful, after the contract has been formally awarded to you Oyu Tolgoi require further information about:

- Workers personal data such as emergency contact details.
- Qualifications and Training of workers so that we can verify their competency and assess what training is relevant to their role at Oyu Tolgoi...
- Medical check-up at the Oyu Tolgoi approved medical providers so that ensure workers are fit for duty.
- Vehicles, Tools and Equipment that will be brought to site so that we can make sure the vehicle, tools and equipment are safe.
- Chemicals that will be brought to site so that we can ensure they are registered and we understand the requirements for emergency response the chemicals and the emergency first aid that would be required should an accident happen.
- HSE Management Plan that outlines the controls, supervision, actions and meetings that will be put in place to protect the safety of your workers.

This section details the tools that you will be provided, and the actions that you need to take to enable Central Contractor Engagement Team to inform Oyu Tolgoi representatives of the relevant information to mobilise your workers.

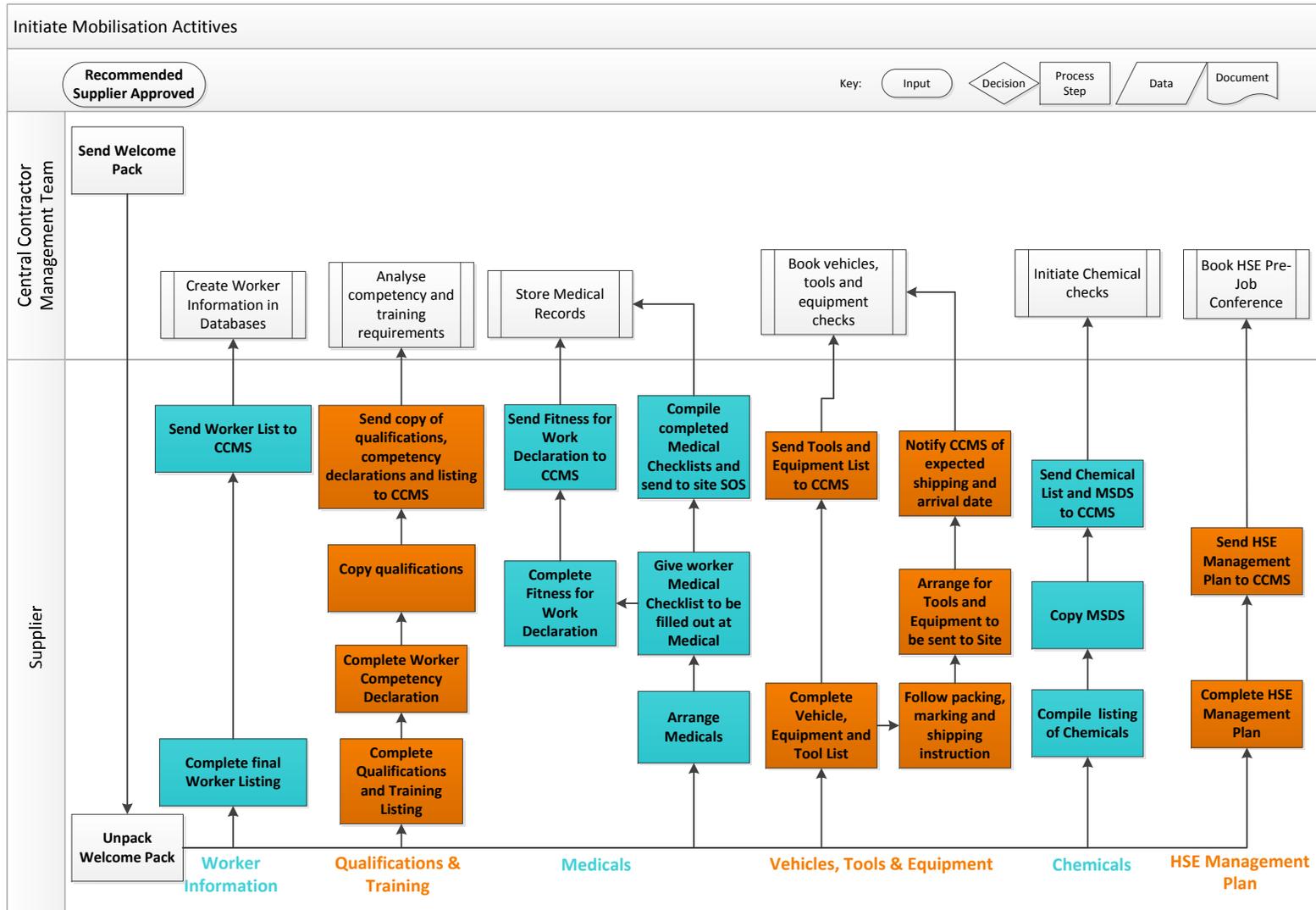


Contractor Engagement Handbook

Effective Date: September 1, 2012

Doc ID: E2E-D01

Rev: 0



C.1. Welcome Letter and Pack



Relevant to successful Contractor

The following sections are only applicable to the successful contractor. The Contractor is not required to action any of the below items **until after** Central Contractor Engagement Team has sent the **Welcome Letter and Pack**.

If you are successful and the contract is awarded to you, the Central Contractor Engagement Team will contact you after formal notification from OT Procurement...

You will receive a Welcome Letter summarising the next steps along with the Welcome Pack.

Unpack the Welcome Pack



Welcome Pack.zip

The Way we Work –The way we work is our code of business conduct. It contains principles and standards of conduct which reaffirm our commitment to corporate responsibility. A copy of this booklet will be provided to your workers when they attend the OT Induction. It outlines the values and standards that workers are expected to display.

Pre-Job Contractor Preparation Checklist – this checklist will help you identify the tasks that are required to be completed, and the *target date* that the information needs to be back to Central Contractor Engagement Services.

Templates to be completed-The welcome pack will also contain the below templates.



Only after all the steps in this section are complete, will you be able to send workers to site.

Make sure you complete all the forms and templates as soon as possible. You will not be able to start work until these steps are satisfactorily completed. Read the relevant sections below as it will give you further detail on the tasks and activities required to achieve satisfactory completion.

- **Chemicals Summary Sheet**
- **Worker Listing**
- **Qualifications Summary Sheet**
- **Competency Declaration**
- **Vehicle, Tools and Equipment Datasheet**
- **Medical Checklist**
- **Fitness for Work Declaration**

C.2. Worker Information



Welcome Pack

Worker Listing.xlsx

The CCES Team uses the data from the *Worker Listing* to set up the Worker in the various business systems such as OSMOTION, the travel and accommodation system.

The *Worker Listing* template is used to finalise the information related to the workers you are going to send on the job. This listing needs to be sent to CCES Team within **3 days** of contract award.

During the duration of the contract, any additional workers that the supplier wishes to mobilise will need to commence this process.

C.3. Qualifications and Training



Welcome Pack

Qualifications Summary Sheet.xlsx

Competency Declaration.docx

Oyu Tolgoi reviews the qualifications, licences and training submitted for workers and determines additional training or verification of competency that are required to make sure that the worker has the knowledge to carry out work safely.

The *Qualifications Summary Sheet* is used to list the qualifications and licences that the worker has already completed. This summary sheet needs to be **sent to CCES Team within 3 days** of contract award.

You will be requested to present evidence of providing safety and hygiene training to workers on a bi-yearly basis as a minimum, per requirement by the Law of Mongolia on safety and hygiene.

You need to copy the qualification and licences and send the copy along with the Qualifications Summary Sheet.

The *Competency Declaration* needs to be signed by a representative of your company and the worker. You will need one form per worker.

C.4. Medical Examination



Welcome Pack

Health Assessment Questionnaire.pdf

Fitness Recommendation Report.docx

Approved Medical Providers List.pdf

Medical examination is required to ensure each worker is fit for duty. The medical also provides important information about the workers so that appropriate actions can be taken if the worker needs medical attention when on site.

**Booking medical appointments**

It is your responsibility to book the medicals examinations using providers listed on *Approved Medical Providers List*. The **medical costs are your responsibility**.

If the Worker is on site more than 12 months OT will require annual and exit medical examination.

The *Heath Assessment Questionnaire* should be given to the worker and sent with the worker when attending the medical appointment as there are sections that the doctor needs to complete and sign.

If necessary the medical provider will contact the OT Occupational Physician and attempt to mitigate any issues.

The worker needs to give the completed questionnaire to OT Occupational Physician (SOS centre) at site.

The *Fitness Recommendation Report* form must be signed by the doctor. Unlike the medical checklist, it doesn't contain personal medical information. The declaration needs to be sent to CCES Team **prior to the worker being sent to site**. If the worker is declared unfit for work than he/she won't be approved for this specific job.

It is a legal requirement for OT and the Supplier to store these documents for 50 years as they form part of the personnel record.

C.5. Vehicles, Tools & Equipment

Welcome Pack.zip

Tools & Equipment Listing.xlsx

Tools & Equipment Safety Verification Checklist.docx

Light Vehicle & Heavy Equipment Listing.xlsx

It is the joint responsibility of you and Oyu Tolgoi to ensure that all vehicles, tools and equipment are inspected and evaluated to be in a safe condition and conform to Oyu Tolgoi standards and site procedures.

Make sure you complete the *Light Vehicle & Heavy Equipment Listing.xlsx*, and the *Tools and Equipment Listing* are send it back to CCES **within 5 days** of award of contract, **or at least 5 days** prior to required on site date.

Prior to sending vehicles, tools and equipment to site, make sure you have inspected the vehicles, tools and equipment and they are in a safe condition.

When your Vehicles, tools and equipment arrive on site, they will be inspected by an Oyu Tolgoi representative. This includes *hand tools*.

Inspection must be carried out **prior to your workers being sent to site**.

CCES arrange the vehicles, tools and equipment inspections. The inspections are carried out by operational personnel. A signed copy of the *Tools & Equipment Safety Verification Checklist* is sent by the OT Representative to CCES Team.

This is held on record for 50 years.

Getting Tools & Equipment to Site

Unless otherwise stated in the Contract, it is your responsibility to transport tools and equipment to site. If, by arrangement with Oyu Tolgoi representative, you are to send tools and equipment via Oyu Tolgoi carriers, then you must comply with the *Packing, Marking and Shipping Instruction* to make sure the transportation of tools and equipment are not rejected from the warehouse.

Make sure you contact the OT warehouse as soon as you know you are using this transportation method, as you will need to negotiate a date for the tools and equipment to be sent to the warehouse so that it arrives at Oyu Tolgoi site in time for inspection.

C.6. Chemicals



Welcome Pack

Chemical Listing.xlsx

It is a legal requirement to assess the risk to the health of workers and the risk to environment when chemicals are being used at Oyu Tolgoi.

You must, therefore, detail the chemicals you are taking to site and provide a material safety data sheet (MSDS) for each chemical. This should be available through the supplier you purchased the chemicals from. This will help Oyu Tolgoi carry out a risk assessment and to also gain the appropriate governmental permits required.

You need to fill out the *Chemical Listing* as soon as possible as it may take **up to 4 weeks** to gain the necessary permits to allow the chemicals on site.

C.7. HSE Management Plan



General HSE Pack

HSE Management Plan Guideline.pdf

HSE Management Plan Checklist.pdf

You need to complete a HSE Management Plan to detail how your company will manage health, safety and the environment requirements while on site at Oyu Tolgoi.

It needs to detail information such as the 24x7 emergency contact numbers for the Company, your plan for safety meetings and to also detail how you plan to control the hazards identified in the Hazard Identification form sent with the *Additional Scope of Work Documents*. The *HSE Management Plan Guideline* will guide you through the topics that need to be covered.

The *HSE Management Plan Checklist* is used by the OT Designated Manager to determine if you have covered all the relevant information.

You are required to complete the HSE Management Plan **prior to sending workers to site**. The HSE Management Plan needs to be approved by the OT Designated Manager. It will be discussed at the pre-job conference and any improvements or changes to the HSE Management Plan will be negotiated.

C.8. Pre-Job Conference



You will be notified of the date for the Pre-Job Conference. This is a review of activities and documentation provided prior to workers being sent to site and an opportunity for the Supplier to ask questions and clarify requirements.

The **HSE Pre-Job Contractor Preparation Checklist** has been provided to you in the Welcome Pack. This is an outline of what will be discussed at the pre-job conference.

C.9. Travel & Accommodation

The CCES Team will work with you to book the travel and accommodation for your workers. Travel and accommodation will not be booked until confirmation that training, vehicle inspections and tools and equipment inspections have been booked.

C.10. Inductions

The OT Induction and Site Induction is booked as part of the training process. Your workers will also need to do an area specific induction to make sure the workers are familiar with the area and familiar with using site specific equipment. The area specific induction is carried out by the Designated Manager on the first day of work.

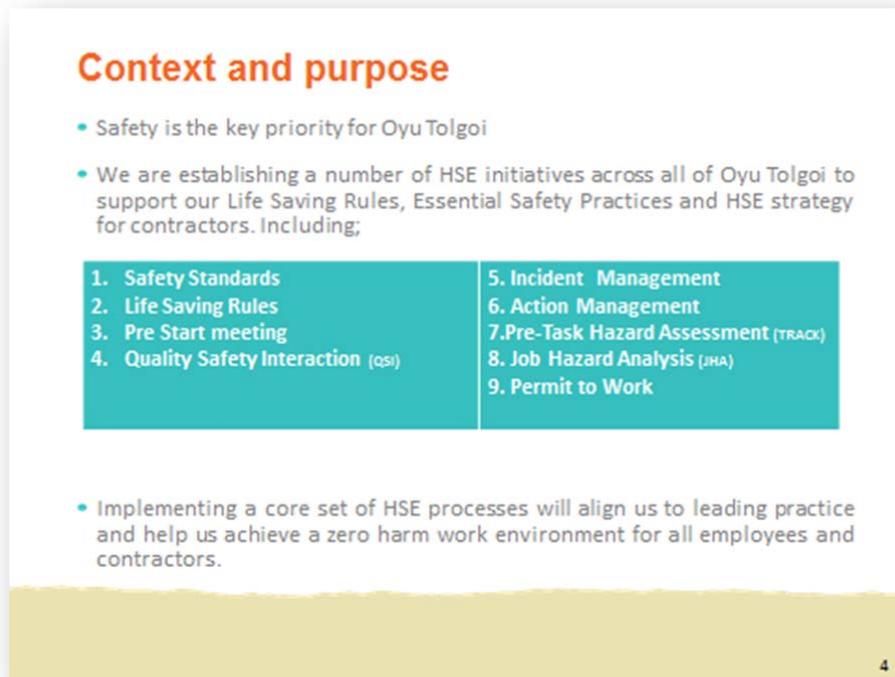
D. Manage the Work

The Manage the Work process includes activities to support our objectives of Contractor Engagement at OT including increasing safety performance and delivering good commercial outcomes.

Once your workers have been mobilised to site and have completed all the necessary training, you are set to carry out the work. This section details the actions you will need to carry out regularly while working with Oyu Tolgoi:

- HSE Toolkit
- HSE Action Plan
- Performance Management and Performance Scorecard
- Timesheet and Invoicing
- Yearly or bi-yearly medicals
- New employees and terminations

D.1. HSE Action Plan



Context and purpose

- Safety is the key priority for Oyu Tolgoi
- We are establishing a number of HSE initiatives across all of Oyu Tolgoi to support our Life Saving Rules, Essential Safety Practices and HSE strategy for contractors. Including;

1. Safety Standards	5. Incident Management
2. Life Saving Rules	6. Action Management
3. Pre Start meeting	7. Pre-Task Hazard Assessment (TRACK)
4. Quality Safety Interaction (OSI)	8. Job Hazard Analysis (JHA)
	9. Permit to Work

- Implementing a core set of HSE processes will align us to leading practice and help us achieve a zero harm work environment for all employees and contractors.

4

The HSE Action Plan outlines how you are going to implement the above initiatives.

Your leadership and support is essential to embedding these HSE initiatives and shaping the behaviours of the people in your team.



Leader responsibilities include:

- Promote and support Oyu Tolgoi's Vision Mission Values
- Implement the Safety Standards, TRACK, Incident & Action Management and other required HSE processes in your area
- Ensure that all people in your area of accountability *understand* the safety standards, TRACK, Quality Safety Interaction (QSI) and the Incident & Action Management and other required processes
- Educate your team on why these standards, tools and processes are important and to *embed lifesaving behaviours* in your team to keep everyone safe
- *Conduct QSI's* with your team on a regular basis, and ensuring your employees are *completing their TRACK* before starting a job.

We will be asking your Supervisors to implement the action plan when on-site.

CCES Team will be sending your Supervisors and Managers an invite to a HSE Action Plan Meeting where the OT Designated Manager and HSE will help you form the HSE Action Plan.

There is a **HSE Toolkit** available, which will be sent to you with the meeting invite. Please have your Managers and Supervision review the HSE Toolkit prior to the meeting.

D.2. Performance Scorecard and Performance Management

To support our objectives of Contractor Engagement at OT including increasing safety performance and delivering good commercial outcomes, the OT Designated Manager will periodically review a Performance Scorecard with the Supplier. . You will also have the opportunity to review and comment on the scorecard performance and provide feedback to OT.

The scorecard includes the safety initiatives outlined in your HSE Action Plan and provides a useful way of celebrating the successes and providing opportunity for improvement.

D.3. Timesheets & Invoicing

To make invoice and payment smoother, it is suggested that you put the **Purchase Order Number** on the workers timesheet, and also the Workers **SAP ID**.

CCES Team will provide you the SAP ID for each worker.

On occasion **CCES Team** will ask for a copy of the timesheets for your workers and the relevant invoices for a particular period. This is a monitoring activity to make sure processes and procedures are working well and that OT is being charged for the time according to the Statement of Work.

The OT Designated Manager may also have some additional reporting requirements regarding timesheets. Please discuss this at the pre-conference meeting.

D.4. Yearly or Bi-yearly Medicals



If your workers work at Oyu Tolgoi for more than one year, you are required to carry out additional medicals. Depending on the job-role of the worker a medical may be required yearly or once every two years (bi-yearly).

When an employee has been on-site for more than one year, contact **CCES Team** to determine if yearly or bi-yearly medicals are required.

Refer to section **C.4 Medicals** for further information on the procedure and checklists that apply.

D.5. New Employees and Terminations

From time to time you may need to send new employee to site due to termination of an existing employee working at Oyu Tolgoi or due to scope change.

New employees must be mobilised through the CCES Team. Send an email to otce@ot.mn notifying CCES that a new employee needs to be mobilised to site.

Information will need to be gathered about the new employee and section C.2 Worker Information through to section C.10 Inductions will need to be followed.

Terminated employees need to be closed out in Oyu Tolgoi's various systems and access to site needs to be removed. Send an email to otce@ot.mn detailing the SAP ID, Birth Date, First Name and Last Name for identification purposes. This is an important step, as Oyu Tolgoi reports the number of workers on site regularly to various stakeholders. If the worker is not closed out in the system it will alter the statistics.



E. Review and Contractor Close Out

When the work has been completed, a final review of performance and contract close out is required. This section details the actions that need to be carried out on work completion:

- Performance Review
- Close out work
- Exit Medicals

E.1. Performance Review

A final performance review is carried out prior to contract end. You will also have the opportunity to provide feedback to Oyu Tогоi.

E.2. Close out Work

CCES will book a close out meeting with your Supervision and the Designated Manager. The purpose of this meeting is to complete the Contract Practical Completion Document.

The return of any Oyu Tolgoi **tools and equipment** will be verified at this meeting and all **identification badges** will be collected.

E.3. Exit Medicals

Exit Medicals may also be required. CCES Team will notify you if an exit medical is required for your workers and they will provide you with the forms. The forms are different to the medical forms used at the beginning of the contract.



2. Terms and Definitions



3. Document Control

File Name	Contractor Engagement Handbook
Description	Guideline
Original Author(s)	Sue-Anne Higgins
Creation Date	2012.11.28
Approved By	Andrew McLean, Senior Manager Strategy and Business Readiness
Approval Date	2012.11.28
Change Record Number	##

Revision	Revision Date	Author(s)	Approved By	Revision Notes
1	2012.11.28	Sue-Anne Higgins	Andrew McLean, Senior Manager Strategy and Business Readiness	First publication of document.