



# Environmental & Social Management System

Contractor Management Framework



## Contractor Management Framework

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## **1 INTRODUCTION**

### **1.1 Document Number**

This document is the Contractor Management Framework for the Öksüt Gold Project. The document reference number for this Framework is OMAS-ESMS-CM-PLN-001.

### **1.2 Purpose**

The purpose of this Management Framework is to:

- summarise the contractor engagement procedures and systems used;
- define roles and responsibilities;
- outline the applicable Project Standards relevant to this Management Framework;
- define Project commitments, operational procedures and guidance relevant to this Management Framework;
- define monitoring and reporting procedures, including Key Performance Indicators (KPIs);
- defined training requirements;
- establish, where necessary, references for supporting materials, system and operating procedures, and other information necessary or relevant to the implementation of this Management Framework.

The Management Framework has been prepared to set out the key objectives, requirements and commitments which will be implemented via Procedures and other Implementing Documents prepared by OMAS.

### **1.3 Application**

The requirements set out in this Management Framework apply to all OMAS activities throughout the lifecycle of the Öksüt Gold Project, including those carried out by contractors.

This Management Framework provides a summary of the contractor management processes implemented by OMAS, it does not supersede the conditions detailed in individual contracts. Any subsequent changes to the Contractor Engagement processes may result in changes to this Management Framework.

This Management Plan is based on the OMAS Environmental & Social Management System Framework (OMAS-ESMS-001), which is owned by the OMAS General Manager. Any subsequent changes to the OMAS Environmental & Social Management System (ESMS) Framework may result in the changes to this document.

### **1.4 Commencement**

This Framework applies from 1 April 2016.

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## 1.5 Authority and Management

The OMAS General Manager approved this Management Framework on 1 March 2016.

This Management Framework is owned by the OMAS Director, Finance and Administration. This Management Framework will be reviewed on a minimum of a six monthly basis during construction and commissioning. During steady state operations, this Framework will be reviewed on an annual basis to determine whether any changes or updates are required to the Management Framework unless a more frequent update is required to reflect changing project design or procedures.

Any requests for changes to this Management Framework must be addressed to the owner of this Management Framework and will be subject to appropriate review and approval processes as outlined in the Management of Change (MOC) procedure set out in the ESMS Framework.

## 2 SCOPE

### 2.1 Scope of this Management Framework

This Management Framework covers all OMAS operations and sets out how OMAS ensures that contractors and suppliers implement OMAS Standards and other requirements. The requirements set out in this Management Framework apply to all OMAS operations.

### 2.2 Overlaps with other Management Plans

This Management Framework is part of the overall suite of Management Plans developed for the OMAS Project and as described in the OMAS ESMS Framework.

As such the requirements of all applicable OMAS Management Plans and Procedures will be applicable to OMAS contractors. Requirements will be set out in Contractor contracts and Contractors will also be obliged to comply directly with requirements set out in Management Plans and Procedures.

Implementing details for contractor management procedures are set out in the OMAS Contractor Management Plan (OMAS-FIN-PLN-001).

## 3 ROLES AND RESPONSIBILITIES

### 3.1 Key Roles and Responsibilities for Management Framework Implementation

Principal roles and responsibilities for the implementation of this Framework are outlined below.

**Table 1: Key Roles and Responsibilities**

Role	Responsibilities
OMAS General Manager	<ul style="list-style-type: none"> <li>Approval of this Framework and resources required for implementation.</li> </ul>
OMAS Director Finance and Administration	<ul style="list-style-type: none"> <li>Ensure Project compliance with the Project Standards and other requirements set out in this Framework.</li> <li>Implementation of contractor management processes by OMAS</li> </ul>

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	Managers.
OMAS Procurement Department	<ul style="list-style-type: none"> <li>• Initiating and management of procurement processes.</li> <li>• Undertake Bid evaluation.</li> <li>• Award of Contract.</li> </ul>
OMAS Contract Managers	<ul style="list-style-type: none"> <li>• Support Procurement Department in the development of the Scope of Work for contracts.</li> <li>• Provide the administrative support for the contract execution and payments.</li> <li>• Participate in Bid evaluation (including verification that HSE and communities hazard identification responses from bidders are completed).</li> <li>• Keep OMAS Managers informed of the progress of mobilisation and engagement.</li> <li>• Provide any Contractor Material Safety Data Sheets to the HSE Department to ensure that chemicals are registered and permitted for use by the Turkish authorities.</li> <li>• Organise OMAS Induction and Site Induction for the Contractor.</li> </ul>
HSE and Training Manager	<ul style="list-style-type: none"> <li>• Oversee contractors HSE compliance with OMAS requirements as detailed in the OMAS ESMS Management Plans.</li> <li>• Support the development of the Scope of Work as required.</li> <li>• Confirm that any Contractor chemicals are registered and permitted for use by the Turkish authorities.</li> </ul>
Community Relations Manager	<ul style="list-style-type: none"> <li>• Support the development of the Scope of Work as required.</li> </ul>
Project Manager (Construction)	<ul style="list-style-type: none"> <li>• Develop the Scope of Work for each Contractor in consultation with the HSE and Community Relations Departments as appropriate.</li> <li>• Assist Procurement with the selection of suppliers.</li> <li>• Approval of Contractor HSE, Quality, Project Execution, Construction, and other Management Plans.</li> <li>• Supervise the contract works to ensure compliance with the contract and OMAS requirements, budgets and schedules.</li> <li>• Develop any additional controls required if the Contractor does not have sufficient skills and experience to address the issues identified in the Scope of Work.</li> <li>• Provide resources to verify that Contractor tools and equipment are adequate.</li> <li>• Provide advice to the Contractor to meet OMAS Standards and requirements.</li> <li>• Facilitate the pre-job conference to ensure that all pre-job activities have</li> </ul>

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Role	Responsibilities
	<p>been completed satisfactorily.</p> <ul style="list-style-type: none"> <li>• Provide resources to give workers any necessary are-specific inductions.</li> <li>• Oversee Contractor activities; including ensuring that actions listed in HSE, Quality, Project Execution, Construction, and other Management Plans are implemented.</li> <li>• Complete the Contractor Performance Scorecard on a periodic basis.</li> <li>• Manage work close-out.</li> </ul>
Contractors	<ul style="list-style-type: none"> <li>• Execute the works in accordance with the contract.</li> <li>• Prepare HSE Management Plan.</li> <li>• Complete OMAS awareness and competency training prior to commencement of work.</li> <li>• Complete medical assessment (“fit for work”) prior to commencement of work if required.</li> <li>• Provide necessary vehicles and equipment in good working order and in compliance with the Contract requirements.</li> <li>• Provide listing of any chemicals and accompanying Material Safety Data Sheets prior to bringing any such materials onto OMAS work sites.</li> </ul>

#### 4 PROJECT STANDARDS

Applicable Standards must be complied with for all Project activities (the “Project Standards”). Project Standards are defined in each Environmental and Social Management Plan and the responsible OMAS Manager will identify applicable Project Standards and associated requirements for Contractors as part of the Scope of Work development process. Project Standards relating to Contractors and Health and Safety will be aligned with the Centerra Contractor Safety Management Standard.

The OMAS ESMS details legal and other requirements which provide background and contextual information to the Project Standards.

#### 5 MANAGEMENT CONTROLS

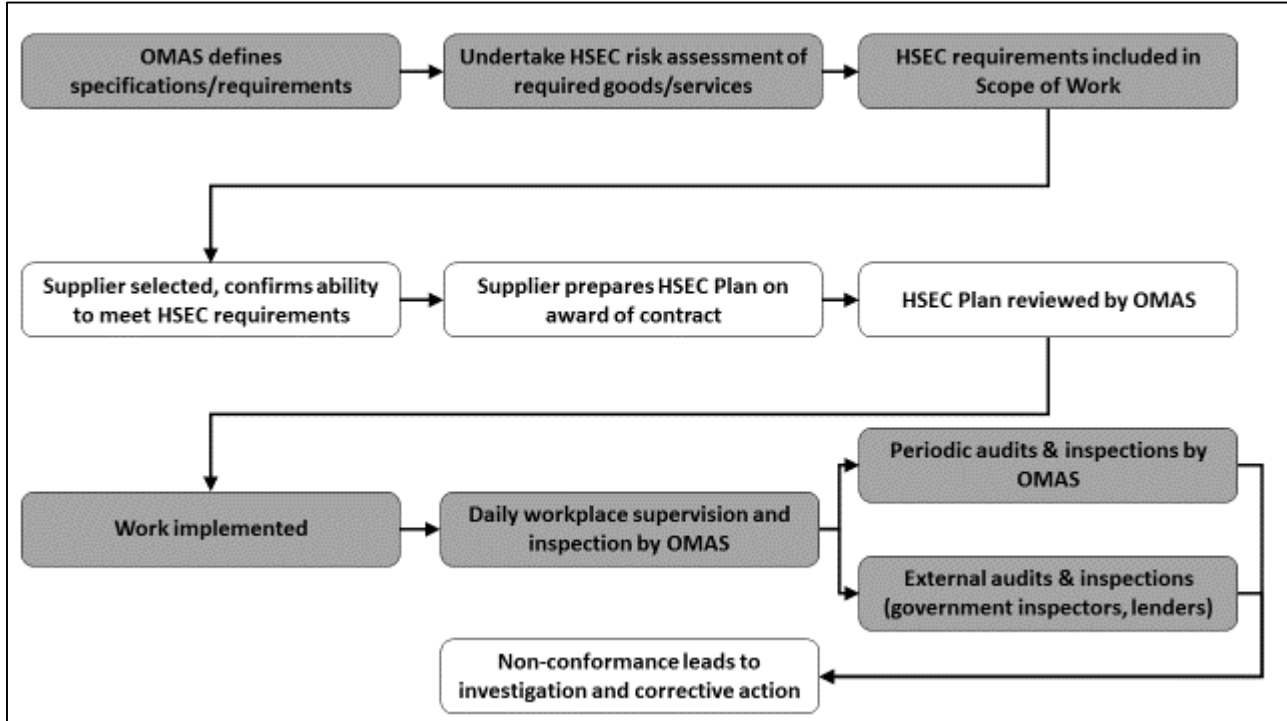
Component 10 (Supplier and Contractor Management) of the OMAS ESMS defines the approach to supplier and contractor management. The key stages of the Contractor engagement and management process as implemented by OMAS are as follows:

- qualification and sourcing;
- planning and preparation;
- mobilisation;
- manage the work;
- review and close out.

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An overview of the contractor management process is set out below

**Figure 1: Contractor Management Process**



The table below presents the key management control requirements that OMAS will implement to manage contractors and ensure alignment and compliance with OMAS requirements and Project Standards.

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**Table 2: Key OMAS Contractor Management Requirements**

ID	Requirement	Implementation	Means of verification
CM01	There must be a process to identify and evaluate risks associated with the planned procurement of materials, equipment, services and labour, including an assessment of the risks of non-compliance or conformance with Project Standards. This must include an analysis of any downstream implications which may be impacted by the selection.	Scope of Work Development using SOW checklist.  A Risk Assessment will be carried out if required	Scope of Work and Risk Assessment (if required)
CM02	There must be a process for evaluating a supplier's ability to provide material, equipment and/or services which meet defined specifications, design criteria and Project Standards.  Evaluations and any related actions must be documented.  This process must be supported by a procedure that specifies the criteria for supplier selection, evaluation and re-evaluation and the rejection of product(s) or material(s).	Bid evaluation  Assessment against Project Standards	Bid evaluation
CM03	All materials, equipment, services and labour procured or supplied must meet the required specifications for the control of HSE, community and compliance risks associated with their intended use or activity, as identified in the risk assessment process.	Bid evaluation  Assessment against Project Standards  Assessment against Risk Assessment	Verification of HSE Hazard Identification responses by bidders
CM04	There must be a register of hazardous materials (preferably with a link to an inventory system) that are approved for use onsite. This register must be available, referred to, and maintained to control the purchase and introduction of new materials. All hazardous materials introduced by contractors or visitors must also be included on or evaluated against this register.	Provision of MSDS to HSE Department for verification	Register of hazardous materials



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ID	Requirement	Implementation	Means of verification
CM05	<p>The properties of all materials (including their process intermediates, by-products and wastes) must be adequately understood, documented and integrated into operating procedures where exposure to their properties presents a significant risk to HSE performance.</p> <p>Legally compliant Material Safety Data Sheets (MSDS) must be available prior to the delivery and use of such materials (including products).</p>	Provision of MSDS to HSE Department for verification	MSDS
CM06	<p>The Contractor must have a procedure, commensurate with the evaluated risk, for receiving, storing, dispatching and transporting of all equipment and materials, consistent with Project Standards.</p> <p><i>Information Note:</i></p> <p>(i) risk assessments are undertaken as part of the procurement process on a case-by-case basis.</p> <p>(ii) Contractors develop HSE Management Plans (which may include an ERP) which are reviewed by OMAS (HSE Superintendent and the designated manager) before Contractors come onto site.</p>	Approval of Contractor HSE Plan	Contractor HSE Plans
CM07	<p>The Contractor must have a procedure controlling the safe and approved disposal of surplus/used materials, chemicals, hazardous waste and equipment consistent with Project Standards. It must specify actions required to minimise any future liability.</p>	<p>Approval of Contractor HSE Plan</p> <p>Hazardous Materials Management Plan</p> <p>Non-Mineral Waste Management Plan</p>	<p>Review of records</p> <p>Contractor HSE Plan</p>
CM08	<p>The process for the management of contractors includes the following phases:</p> <p>a) contractor selection</p>	Labour Management Plan	Review of records

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ID	Requirement	Implementation	Means of verification
	b) contractor preparation c) contractor award d) orientation and training e) managing contractors f) post-evaluation  Individuals engaged on a temporary or casual basis to work within existing businesses/managed sites are to be inducted and managed in the same way as employees.		
CM09	For all contracted labour or service agreements, there must be an agreed scope of work, which will include an analysis of the risks associated with the activities to be performed by the Contractor, including an assessment of the risks of non-compliance or conformance with Project Standards. The extent of the risk assessment required will be determined during the scope of work development process, but will include, as a minimum, a hazard identification of HSE, community and compliance risks as set out in the SOW Template.	Scope of Work Development using SOW Template.  A Risk Assessment will be carried out if required	Scope of Work and Level 2 Risk Assessment (if required)
CM10	The ESMS applies to Contractors and includes processes to ensure all contractor tools and equipment are inspected and evaluated to be in a safe condition and conform to OMAS standards and site procedures.	Mobilisation includes a tools and equipment check	Review of records

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Table 3 below provides a summary of the key actions at each stage. These are actions undertaken by OMAS to ensure that activities are properly specified, resourced, managed and supervised to ensure compliance with OMAS requirements and Project Standards.

**Table 3: Key Procurement and Contractor Management Stages and Actions**

	<b>Qualification &amp; Sourcing</b>	<b>Supplier Preparation</b>	<b>Mobilisation</b>	<b>Work Management</b>	<b>Review and Close Out</b>
<b>Actions</b>	<p><b>Sole Source</b></p> <ul style="list-style-type: none"> <li>• Purchase Requisition</li> <li>• Purchase Order</li> </ul> <p><b>Competitive</b></p> <ul style="list-style-type: none"> <li>• Create Scope of Work (SOW)</li> <li>• Risk assessment and creation of relevant OMAS contractual requirements</li> <li>• Pre-qualification</li> <li>• SOW issued to bidders</li> <li>• Tender clarifications</li> <li>• Tender evaluation</li> <li>• Contracting</li> <li>• Purchase Order</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare tender</li> <li>• On award, prepare HSE and Social Management Plan</li> <li>• Pre-Job Conference to confirm requirements, supervision and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Send vehicles, tools and equipment to site for inspection</li> <li>• Workers to attend training</li> <li>• Provide details of Supervisors and Company emergency contacts</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor work permits</li> <li>• Supervise activities</li> <li>• Track time and exposure hours</li> <li>• Run pre-start meetings</li> <li>• Ensure work is carried out safely</li> <li>• Check and audit activities</li> <li>• Communicate regularly</li> </ul>	<ul style="list-style-type: none"> <li>• Provide feedback on performance</li> </ul>
<b>Process Tools</b>	<ul style="list-style-type: none"> <li>• Purchase Requisition form</li> <li>• SOW template</li> <li>• HSE and Social risk assessment</li> <li>• OMAS HSE and Social Management Plans</li> </ul>	<ul style="list-style-type: none"> <li>• SOW</li> <li>• OMAS Standard HSE and Social Requirements</li> <li>• OMAS HSE and Social Management Plan checklist</li> <li>• Template for worker, equipment &amp; tools listings</li> </ul>	<ul style="list-style-type: none"> <li>• Equipment and tools listing</li> <li>• Equipment and tools checklist</li> <li>• HSE and Social Management Plan checklist</li> </ul>	<ul style="list-style-type: none"> <li>• Standard Work Procedures</li> <li>• Job Hazard Assessment</li> <li>• Work permits system</li> <li>• Regular inspection checklist</li> </ul>	<ul style="list-style-type: none"> <li>• Demobilisation checklist (for long-term contractors and suppliers)</li> </ul>

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## **6 IMPLEMENTATION SCHEDULE**

### **6.1 Review and Revision of this Management Framework**

This Management Framework will be reviewed on a bi-annual basis and any necessary revisions made to reflect the changing circumstances or operational needs of OMAS.

If material changes to operating procedures are required (as identified through the Management of Change Procedure contained within the OMAS ESMS Framework), this Management Framework may also be updated on an “as required” basis.

## **7 MONITORING**

### **7.1 Overview of Monitoring Requirements**

The Monitoring measures that are to be implemented during the operations phase to assess compliance with Project Standards (see *Section 4: Project Standards*) are described in the section.

In the event that monitoring identified non-conformance with Project Standards, these will be investigated and appropriate corrective actions identified (see Component 12 Non-conformance incident and action management of the OMAS ESMS).

#### **Inspection of OMAS and Contractor Activities**

OMAS will supervise all activities undertaken by contractors. OMAS will undertake daily workplace inspections by operational area superintendents / supervisors covering a broad range of operational aspects, including community health safety and security issues as appropriate to activities outside the fence line.

#### **Contractor Responsibilities**

Contractor responsibilities will be defined in individual contracts, but will include:

- Preparing (as appropriate) health and safety, environmental management and/or community relations plans as outlined in contract documentation;
- Implementing plans in coordination with OMAS Management Plans and procedures;
- Meeting training and competence requirements as defined by OMAS;
- Ensuring all workers are fit for work and are provided with appropriate personal protective equipment;
- Complying with all Turkish regulatory requirements and OMAS Project Standards;
- Ensuring that all work is carried out safely, in compliance with OMAS instructions;
- Undertaking regular internal inspections and audits as required by Turkish regulatory requirements and OMAS requirements;
- Establishing incident management procedures, including reporting and notification, in conformance with OMAS requirements;
- Undertaking non-conformance and incident investigations in conjunction with OMAS.

All regulatory requirements and other commitments and obligations are identified and recorded in an internal Commitments Register, developed and maintained by OMAS. This provides the definitive reference for compliance requirements and Project Standards.

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## 7.2 Key Performance Indicators

The table below summarises the key performance indicators and associated key monitoring actions that can be used to assess the progress and effectiveness of proposed management strategies.

**Table 4: Key Performance Indicators and monitoring actions**

ID	KPI	Target	Monitoring measure
CM-KPI 01	Number of reported contractor HSE incidents	Minimise and continued improvement in number of reported incidents	Number of reported contractor incidents per year
CM-KPI 02	Number of recorded community grievances related to contractors	Minimise and achieve continuous improvement in number of reported grievances	Number of reported grievances related to contractors per year (liaise with OMAS Community Relations who manage the complaints and grievance procedure)

## 7.3 Key Monitoring Activities

Key monitoring activities will focus on ensuring compliance with the Project Standards (*Section 4*) using the key performance indicators established in *Section 7.2*. Contractor monitoring activities are undertaken both by OMAS and contractor supervisory and management personnel and include:

- monitoring compliance against the Contractor HSE Management Plans, and Contract conditions;
- preparing a Performance Scorecard/Report on a monthly or other agreed basis;
- medical examinations as required.

Contractor performance monitoring is set out in individual contracts on the basis of a risk based approach.

## 8 TRAINING

All necessary training is provided as part of induction training (to provide general awareness) and job-specific training as necessary.

### 8.1 Induction Training

All employees of OMAS and Contractors working at OMAS will be provided with general induction, site specific induction and a broad range of health, safety and environmental awareness training.

### 8.2 Job-Specific Training

All employees of OMAS and Contractors working at OMAS shall attend routine toolbox safety briefings.

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Procurement staff will be provided with contract management training and other job-specific training that may be required.

As part of the Contractor Engagement process, worker qualifications and training records will be gathered from the Contractor to verify competency and manage staff competency.

### 8.3 Other Training Requirements

When appropriate, competencies in emergency response scenarios will be mandated for contractors.

## 9 AUDIT AND REPORTING

### 9.1 Assurance and Governance

All contractor activities are subject to supervision, inspection and audit by OMAS at any time. This may include third party assessments and audits undertaken on behalf of OMAS, Centerra, Turkish regulatory authorities or Project Lenders.

Oversight of OMAS activities to manage and supervise contractors rests with the OMAS General Manager, supported by the OMAS Director of Finance and Administration.

### 9.2 Contractor Auditing

Daily inspections will be carried out by operational area superintendents / supervisors covering a broad range of operational aspects, including community health safety and security issues as appropriate to activities outside the fence line.

Any incidents identified during these inspections will be reported to the incident management system (Component 10 of the ESMS).

Conformance will be monitored in accordance with Component 11 of the ESMS (Monitoring and Evaluation).

All incidents and non-conformances identified will be reported as per the requirements of the OMAS ESMS as described in the ESMS Framework Document (OMAS-ESMS-001).

### 9.3 External Auditing

Conformance with this Framework will be subject to periodic assessment as part of the Centerra audit programme and separately by Project Lenders.

### 9.4 Record Keeping

Records of audits, inspections and incidents will be managed in accordance with OMAS procedures.

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### 10 DOCUMENT CONTROL

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