

جمعية الشرق الاوسط
للغازات الصناعية

MEGA

TRANSPORT OF GASES- CONTRACTOR MANAGEMENT TD 25/17/E

MIDDLE EAST GASES ASSOCIATION (MEGA)

Dubai World Trade Centre, Sheikh Rashid Tower,

Office No. ESO 20,7th Floor,

PO Box: 9204, Dubai-UAE

Tel: +971-4-3097037 E-mail: info@megases.org, www.megases.org

TRANSPORT OF GASES- CONTRACTOR MANAGEMENT TD 25/17/E

This document has been developed from the European Industrial Gases Association, (EIGA),] Safety Info TS 03, *Training: Induction and Refresher Training of Drivers, Management & Other Transport Function Personnel*. European Industrial Gases Association AISBL. and MEGA thanks EIGA for permission to reproduce parts of Document Info TS 03 in this publication.

Disclaimer

All technical publications of MEGA, including codes of practice, safety procedures and any other technical information contained in such publications were obtained from sources believed to be reliable and are based on technical information and experience currently available to MEGA and others at the date of their issuance.

Where MEGA recommends reference to use of its publications by its members, such reference to or use MEGA's publications by its members or third parties are purely voluntary and not binding.

MEGA or its members make no guarantee of the results and assume no liability or responsibility in connection with the reference to or use of information or suggestions contained in MEGA's publications.

MEGA has no control whatsoever on, performance or non-performance, misinterpretation, proper or improper use of any information or suggestions contained in MEGA's publications by any person or entity (including MEGA members), and MEGA expressly disclaims any liability in connection obtain the latest edition.

© MEGA 2017 – MEGA grants permission to reproduce this publication provided that MEGA is acknowledged as the source.

Table of Contents

1. Introduction.....	4
2. Scope.....	4
3. Learning more about Contractor Management.....	4
3.1 Minimum requirements for contractors concerning their capability to transport.....	4
3.2 Minimum Standards for Contract.....	4
3.3 Key Performance Indicators.....	5
3.4 Assessments/ Audits.....	5
3.5 Measures.....	6
4 Reference.....	6

1. Introduction

In the industrial and medical gases industries the transport of gases to the customers is often carried out by contractors acting as transporters or carriers. In most cases the contractor provides personnel (e.g. driver) and certain transport equipment (e.g. truck, semi-trailer tractor, chassis for swap bodies and containers, driver's equipment). Hence, the contractors' personnel are directly responsible for transport safety. The employees of the contractors also act as representatives of the Gas Companies towards the customers.

For these reasons it is critical for the Gas Companies to choose their contractors diligently, train them for the transport of industrial and medical gases,, monitor their performance closely and take action if they perform poorly.

2. Scope

This safety information provides guidance on the minimum requirements for the selection, qualification, and performance monitoring of contractors that provide equipment, personnel, and services for the transport of industrial and medical gases.

3. Learning more about contractor management:

1. Do you have processes and selection criteria in place for choosing contractors?
2. Do you have a training program implemented for your contractor personnel?
3. Do you monitor the performance of the employees of your contractors?
4. Do you monitor the condition of the equipment of your contractors?
5. Do you maintain a good and fair business relationship with your contractor?
6. Do you follow Transport safety KPI's with Contractor on Quarterly basis ?

If the answer to any of the above questions is 'no', then you should consider taking action!

THIS TRANSPORT SAFETY INFORMATION SHEET DESCRIBES THE MINIMUM REQUIREMENTS FOR THE SELECTION, QUALIFICATION AND PERFORMANCE MONITORING OF CONTRACTORS. NATIONAL REGULATIONS SHALL BE FOLLOWED.

3.1 Minimum requirements for contractors concerning their capability to transport industrial and medical gases

- Experience with the transport of industrial and medical gases in the designated mode of transport (e.g. tank-vehicles, battery-vehicles, cylinder transport). If a contractor does not have prior experience then an induction / start up programme should be agreed to ensure that the contractor is capable of acquiring experience.
- Knowledge concerning regulations.
- Qualified personnel for the scope of work or the means to acquire it.

3.2 Minimum standards for the contract

All new contracts with carriers should include agreed minimum requirements such as:

- Vehicle Safety related Technology (e.g. Brake Assistance, Lane Departure Warning System), for further information see TSI Technology (vehicle and office based)
- PPE required by the risks related to the task (e.g. detectors, clothing)
- Driver selection and training

- Commitment to manage and report the agreed Key Performance Indicators (KPI, see below)
- Commitment to accident/incident reporting, including vehicle accidents, spills and/or product releases, customer-related incidents, equipment damage, regulatory penalties or suspension of operations, or any situation that could adversely affect the Gas and contractor Companies.
- Commitment to perform / participate in contractor assessments on a regular basis.
- Agreed delineation of responsibilities with regard to
 - Vehicle and Equipment Maintenance,
 - Scheduling and Dispatching,
 - Driver Training.
- Subcontractors hired by a contractor shall be held to the same level of performance as the contractor and shall provide reports required of contractors by the Gas Company

3.3 Key Performance Indicators (KPI)

Contracts should be managed by Key Performance Indicators (KPI's) that cover safety and service.

These should be clearly defined and transparent to the contractor.

These should be agreed in advance and the contractor should provide a periodic report containing measurement of performance against these KPIs to the identified operational representative of the Gas Company.

The contractor must recognise that the KPI's will be the measure of its success or failure.

The method and process for measurement should be agreed at the time of contracting and contained in the contract.

Some examples of KPI's are (these can differ according to business needs):

- Personnel injury frequency rates.
- Preventable vehicle accident frequency rates (per established contract KPI).
- Number of regulatory offences.

3.4 Assessments / Audits

Contracts should be formally reviewed on a regular basis as a minimum with the contractor to provide feedback and to improve the contractor's performance. The review meeting should cover:

- The update of documentation, e.g. insurance, licenses, permits
- Personnel injury frequency rates.
- Preventable vehicle accident frequency rates (per established contract KPI)

Conduct and evaluate reviews of contractor's performance on a regular basis on the following elements:

- Driver on-duty hours
- Accident/incident causes, frequency and handling
- Out-of-service performance for vehicles, drivers, and regulatory violations
- Effectiveness of training programmes

- Records required by applicable regulations and internal standards
- Equipment maintenance, condition and regular standard inspection
- Availability and application of the required safety measures defined in the contract

If the result of the audit is not satisfactory, especially due to safety concerns, corrective actions shall be agreed and put in place by the contractor.

3.5 Measures

Where a contractor's performance is not equivalent to the established performance matrix (KPI) and/or does not comply with this policy, improvement programmes shall be established and tracked. Contractors failing to meet established improvement targets at specific distribution facilities/locations may be subject to contract cancellation for those specific distribution facilities/location(s).

Contractors shall operate vehicles and handle receptacles in accordance with applicable regulations and internal standards so that there are no unauthorized releases of product at customer sites or during transportation (e.g., unreported hydrogen releases not controlled through a customer vent stack, or the operation of a bursting disc or pressure relief valve).

Safety, either during transport or while loading and unloading, should always be the top priority of contractors and the Gases Companies. Event investigations demonstrating violations concerning safety regulations and Gas Company critical procedures by the contractors' personnel should entail direct countermeasures on a management and/or operational level.

NOTE

It should always be kept in mind that switching to a new carrier or transporter can come with various difficulties. The employees of the old contractor will have gained a lot of experience while working with the customers (e.g. access to customers' facilities, personal relations with customers' personnel, customers' gases demand). It will take a new contractor some time to provide the same quality of service in these areas in the beginning. Furthermore, employees of a new contractor shall all be trained according to Gases Companies' policies.

Generally it is better to manage ones contractors well and establish a good and fair working relationship rather than to switch the contractor with levity.

4. References

[1] Safety Info TS 03, *Training: Induction and Refresher Training of Drivers, Management & Other Transport Function Personnel*. European Industrial Gases Association AISBL.

www.eiga.eu