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Contractor Engagement: Engaging through safety to deliver better project outcomes

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- An aerial photograph of an industrial facility, likely an oil or gas processing plant, featuring several large cylindrical storage tanks and complex piping. The facility is situated near a body of water, with a pier or dock extending into the water. The background shows a hilly landscape under a clear blue sky.
- > Oil & Gas Project Learnings
 - > Piloting solutions in Mining
 - > Optimised in Oil & Gas
 - > Leadership 'hold the line' on Safety

Safety is your passport to closer contractor relations and better project results

Major Projects Mid 2010

Major issues included:

- > Relationship challenges
- > Safety performance
- > Threat to future work



An aerial photograph of an industrial facility, likely an oil or gas processing plant, situated in a coastal or offshore environment. The facility features several large cylindrical storage tanks, a complex network of pipes and structural steel, and a large offshore platform visible in the distance. The foreground shows a paved area with some vehicles and equipment. The background consists of a blue body of water and a clear sky.

Stage 1: Development of Good to Go, Hold the Line Program

Seeking to learn from issue resolution
on previous projects

T155 Port Expansion Project Fortescue Metals Group

- > AU\$2.5billion investment
- > Increase shipping capacity
 - > 55 million tonnes per annum to 155 million tonnes per annum
 - > <36 months
- > Construction peaked with 1100 people on site 6 million man-hours including very high risk marine activities



Contracting Strategy

Fortescue Metals Group


- > Empowered contractors
- > Appropriate re-use of suppliers and contractors from Foundation project
- > Phase 1 contested packages, rolled on to Phase 2 and 3 subject to performance
- > Various scopes and compensations strategies from T&M to EPC Lump Sum



Contractor Engagement Strategy

The background of the slide is a photograph of an offshore oil rig in the water. The rig is a large, complex structure with various cranes and equipment. It is surrounded by a red and white safety barrier. The water is blue, and the sky is clear. The rig is positioned in the center of the frame, with other smaller structures visible in the distance.

- > EPCM success dependent on Contractors success
- > Early Contractor involvement – Executive alignment session within 2 weeks on Notice of Award
- > Monthly Sponsors Meeting
- > Contractor sponsor participation engagement in IRB
- > Minimum Operator/EPCM directives, but adjusted to contractor maturity
- > Develop & promote a culture with maximizes cross site co-operation between all participating organisations.
- > Sponsors meetings
- > Project Managers Meetings
- > Safety Meetings
- > Daily Interface meetings – supervisors – in field



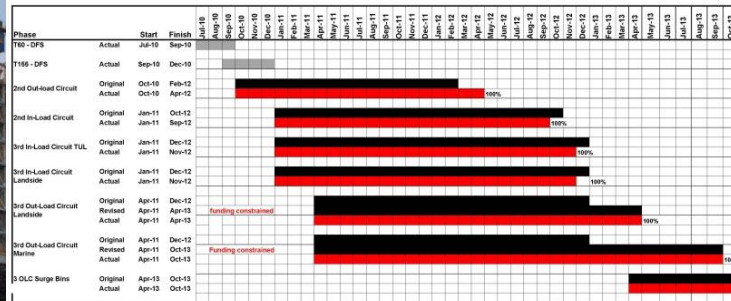
Stage 2:
*Pilot the Good to Go,
Hold the Line Program
on T155*

Commitment to work toward a shared safety charter from all contractors affects the success a team has in improving project cost and schedule outcomes.

Project Outcomes

- > Improved contractor relationships
- > Better safety outcomes
- > Schedule acceleration

T155 Port Project
EPC Schedule Overview





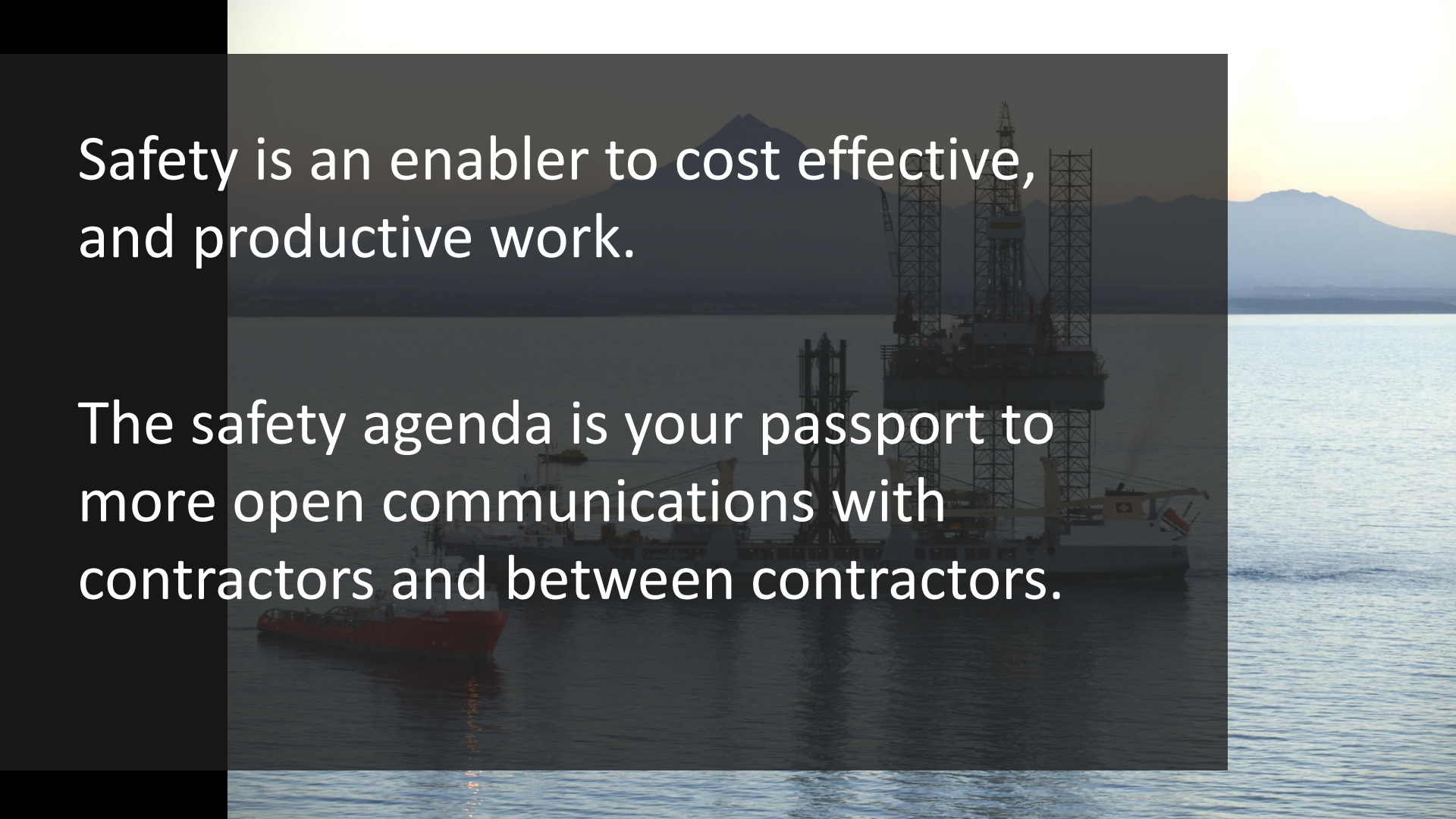
Stage 3: Transferring the learnings back into Hydrocarbons

- > Gaining business leadership sponsorship
- > Development of training materials
- > Applying to projects across Mining and Hydrocarbons portfolios
- > Refining the Good to Go processes
- > Application to self-perform construction

Keys to success

The background of the slide is a photograph of an offshore oil rig at sea. The rig is a complex of steel structures, including a tall derrick and various platforms, situated in the middle of a dark blue ocean. The lighting is somewhat dim, suggesting an overcast day or a specific time of day. The rig's structure is intricate, with many levels and beams. The water is a deep, dark blue, and the overall scene is industrial and maritime.

- > An engaged leadership who are driven to share experiences
- > Aligned and clear business drivers for all project stakeholders
- > Use of peer-to-peer learning gained during Project Management forums
- > Open communication...

An offshore oil rig is positioned in the middle ground, with its complex metal structure and derrick silhouetted against a hazy sky. The rig is surrounded by calm, blue water. In the background, a range of mountains is visible under a soft, golden light, suggesting a sunrise or sunset. A small red boat is visible in the lower-left foreground, and another larger vessel is partially visible to the right of the rig. The overall scene is serene and industrial.

Safety is an enabler to cost effective,
and productive work.

The safety agenda is your passport to
more open communications with
contractors and between contractors.



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