

ONE BMA Contractor Management System (CMS)

KLAUDIO FIDUCIOSO - BMA Commercial Department **JANE MOSS -** BMA HSEC Department

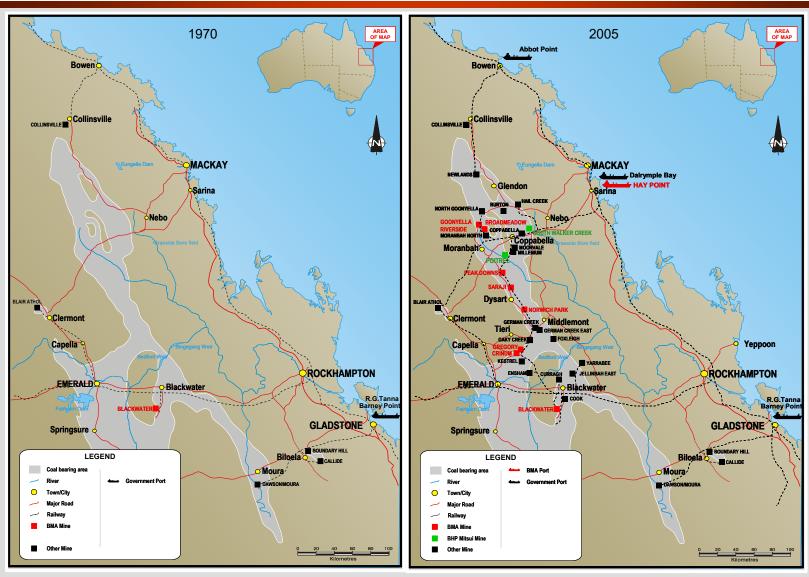
Who is BMA?



- BHP Billiton Mitsubishi Alliance (BMA)
- Australia's largest coal miner and exporter
- World's largest supplier to the seaborne coking coal market
- BMA is a 50/50 joint venture between
 - BHP Billiton the world's largest diversified resources company and;
 - Mitsubishi Ltd the world's largest general trading company

Bowen Basin Operating Mines 1970 - 2005

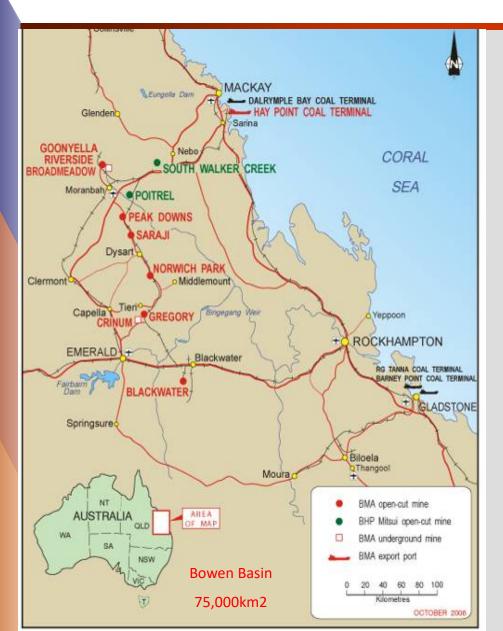




Source: BMA Planning

BMA – Our Operations





- Goonyella Riverside
- Broadmeadow
- Peak Downs
- Saraji
- Norwich Park
- Gregory Crinum
- Blackwater
- South Walker Creek
- Poitrel
- Hay Point Coal Terminal
- Gladstone Shipping Operations (including Barney Point Coal Lab)
- Townships Offices Dysart, Moranbah, Blackwater and Emerald
- Central Queensland Office
- Brisbane Office
- Mackay Supply Department

CMS - Vision Statement



To Achieve Zero Harm and Commercial Excellence through a standardised and simplified One BMA Contractor Management System.

One BMA E2E CMS (New Opportunity)



- Contractor Management is one of BMA's top risk areas. This is due to:
 - Contractor numbers (today & tomorrow)
 - Contractors providing services account for approximately 50% of hours worked in BMA Coal – (approx 40,000 engagements/year.)
 - Uncertainty in HSEC tool and lack of consistency in application
 - Dis-jointed process engagement to close out
 - Lack of standardisation / credibility
 - TRIFR trends
- There is a business need to :
 - Improve the way we manage our Contractors
 - standardise the way we manage our Contractors
 - Improve HSEC performance
 - Improve our efficiency & make it easier for people
 - Improve compliance with appropriate processes

The CMS Development Journey



Market Intelligence

- Review of other BHP Billiton Asset's Systems (and Asset visits)
- Stakeholder workshops, visits and feedback
- BHP Billiton HSEC standard
- BHP Billiton Contractor Management Guidelines
- NSW Mining Mineral Council Guidelines
- Incident records Root Cause Analyses
- Contractor Management Gap Analysis

Communication Strategies

- Site visits
- Workshops for sites
- Contractor forum/s
- Monthly project updates
- Project scorecard
- GM / EXCO Communication
- Notice to Contractors / Public Presentations

The CMS Development Journey – Lessons



Issues Identified throughout review and workshop processes:

- Complexity
- Loss of Ownership
- Too Much Grey

Stakeholder key improvement messages:

- Standardisation one BMA
- Simplification and streamlining
- Role definition and role responsibility
- Formalised and structured approach to training
- Process Clarity

Revised CMS

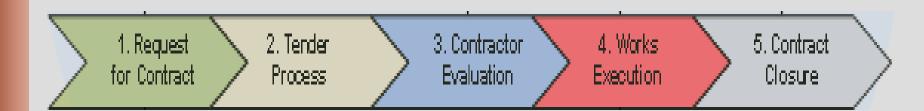


- A revised CMS was completed on 31 December 2008
- Some key contractor management changes exist in the revised CMS
- From 2 February 2009, all new Contractor service engagements are required to use the One BMA revised CMS
- Success of the CMS is dependent on key stakeholders understanding and using the CMS

Significant Changes - Five Phases



Five phases to capture the end to end process



Significant Changes - Procedures



CMS Procedure Documents and Swim lanes -

- Aim to simply present and support the CMS process
- One over-arching Plan
- Two functional Procedures

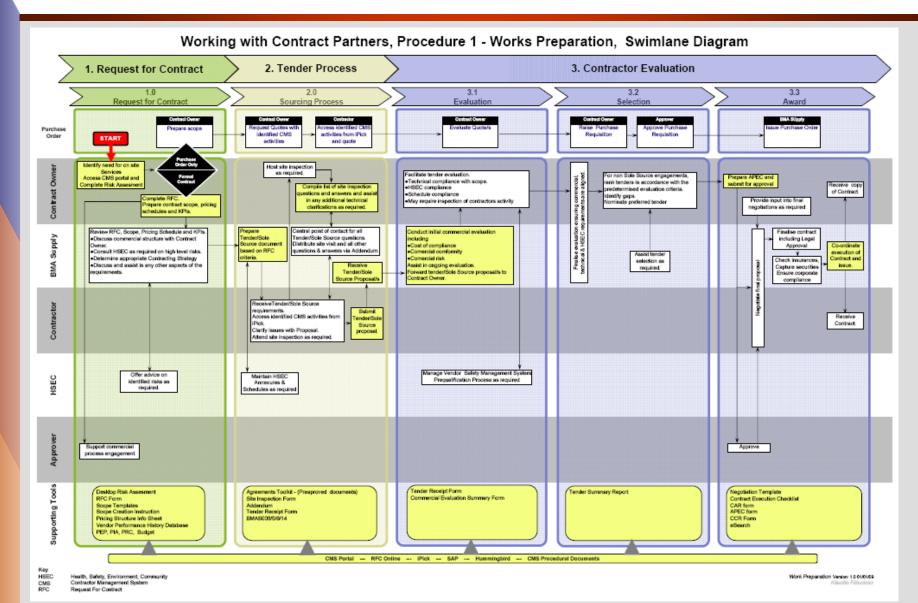






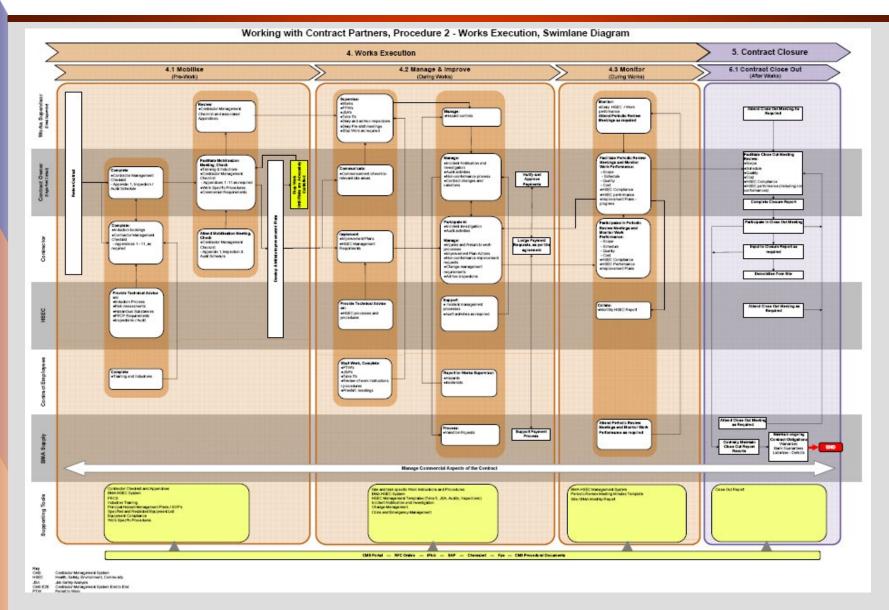
Process Flow – Procedure 1





Process Flow – Procedure 2





Significant Changes – One SHMS



- BMA Business decision to have one HSEC Management System per site
- Pending legislative changes and improved risk management key drivers
- Centrally coordinated prequalification process to exist for 'exceptions'
- Exceptions to be determined based on the specific risks of the work activity and/or the level of business impact

Significant Changes — Categorisation



Contractor Categorisation Removed:

- Selecting correct category often found to be ambiguous and confusing
- Devising a sound alternate method virtually impossible
- No significant value was identified in continuing this practice within revised CMS

Significant Changes - Contract Supervision



- All service engagements must have a Contract Owner
- The Contract Owner is a BMA representative responsible for the overall delivery of the work
- All service engagements are to have a Works Supervisor
- Works Supervisors are responsible for the supervision of day to day work activities
- The Contract Owner is to communicate all required information associated with the service engagement to the Works Supervisor

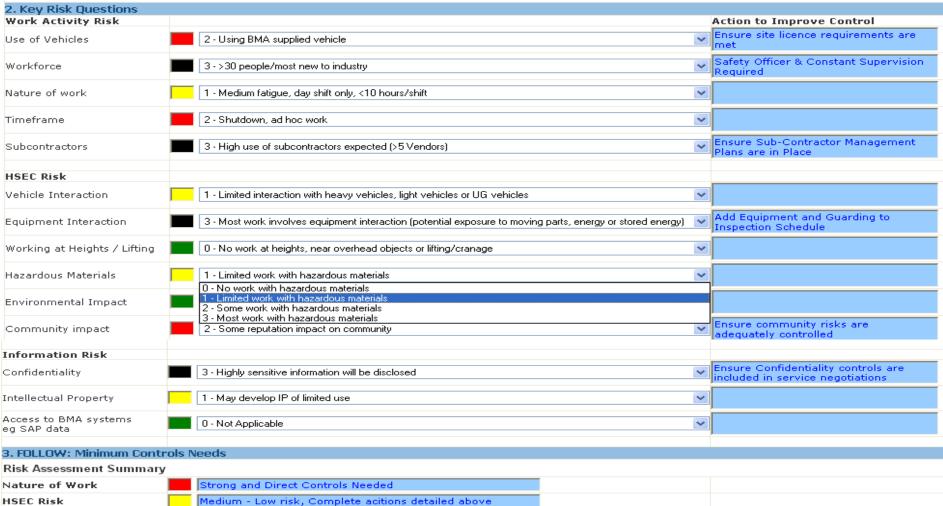
Significant Changes - DRA



- A Desktop Risk Analysis (DRA) is to be performed for all Service Engagements (formal Contracts & POs)
- DRA to be completed by the Contract Owner accessed via RFC online
- DRA is an electronic multi-choice tool that will highlight key risk management activities, whether a need for a formal contract is required or an EWRM should be conducted
- Results automatically populate Contractor Management Checklist



Reporting Contract Management Admin



3. FOLLOW: Minimum Controls Needs

Production Risk Commercial Risk

Information Risk

Result:

REC Result:

Risk Analysis Strategy

Medium - Low risk, Complete acitions detailed above

omplete EWRM

Strong and Direct Controls Needed Medium - Low risk, Complete acitions detailed above

Contractor Engagement Requires Formal Contract - Complete RFC

Submit Create Checklist

Return

Significant Changes - Process Forms



- A Contractor Management Checklist and associated appendices are to be completed for all service engagements (formal Contracts and POs)
- These forms record key service engagement information and are to be reviewed and finalised during the mobilisation meeting
- Periodic reviews are required to ensure this information is maintained and current (this includes times of major variations to existing contracts)

Significant Changes - Information Sharing



- CMS Portals
 - Contractor internet access to BMA's CMS (includes key BMA documentation, access to tools, systems)

BMA Intranet access to all CMS related information and links to key internal systems

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Jointly owned with Mitsubishi Development Pty Ltd, BHP Billiton Mitsubishi Alliance (BMA) is Australia's largest coal miner and exporter, and the world's largest supplier to the seaborne coking coal market. Learn more about BMA Coal (PDF, 373kb)

Operations

BMA's mines are located in the coal rich Bowen Basin of Central Queensland.

Find out more.



Employment

BMA is Central Queensland's largest private employer.

Find out more.



Asset Details

Ownership: 50 per cent Products: Coal Location: Queensland, Australia |

BMA CONTRACTOR MANAGEMENT SYSTEM



Significant Changes — Training & Support



- E-learning modules available for the CMS Plan and each procedure
- Training modules available on both CMS Portals
- Each site has two CMS Champions to provide ongoing coaching and support
- Centralised support also available

Significant Changes — Site Champions



- Each Site has CMS support from nominated CMS Site Champions.
- In general, each site has a Commercial (Contracts Advisors) and a HSEC (Safety Advisors) CMS Site Champion.
- CMS Site Champions assist in CMS implementation/compliance/coaching/auditing activities for their designated site and
- Assist with communicating improvement opportunities and involvement in future development and improvement workshops and activities.

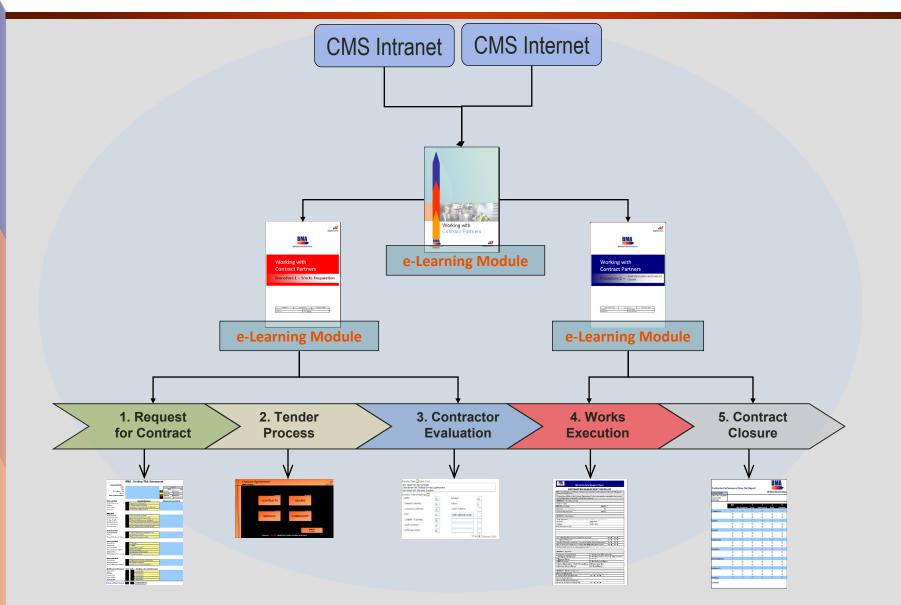
Significant Changes - Close Out Reporting



- Close Out reports to be completed for each formal Contract
- Information stored and shared with Contract Partners
- Collated information centrally maintained
- Close Out report data used to monitor Contractor performance for future consideration

BMA's CMS





Implementation and Transitioning Timetable



- All new vendors engaged to provide services from February 2, 2009 follow the One BMA CMS process
- Transition Implementation is vital existing service engagements are being transitioned to reflect the requirements of the revised CMS. The most significant component being the use of one SHMS
- Activities continue in the business to ensure continuous improvement and assimilation with BMA Coal business 'touch points'



One BMA Contractor Management System



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