

**2009 Central Valley Chemical Safety Day**

***Monitoring Contractors***  
***(Budget, Schedule, & Quality)***

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# Overview

- Why do we use Contractors?
- Typical CalARP/RMP/PSM Contractor Site Activities
- Monitoring Contractor Proposals
- CalARP/RMP/PSM Proposals
- Who Will Do What?
- Scheduling
- Working Towards A Site-Specific, User Friendly CalARP/RMP/PSM Program

# *Why Do We Use Contractors?*

- Specialized Services
  - CalARP/RMP/PSM Consultants
  - Repairs & Preventive Maintenance
  - Delivery of Hazardous Materials (e.g., Ammonia)
- Manpower – the Plant Manager can only do so much in one day.

# *Typical CalARP/RMP/PSM Contractor Activities*

- Site Activities
  - Process Safety Information (PSI) Compiling
    - > Piping & Instrumentation Diagrams (P&IDs)
    - > Obtaining safe upper and lower operating parameters
  - Process Hazard Analysis (PHA)
  - Roll-out Training
  - Three Year Compliance Audits (this is not the CUPA's Audit)
- Program Development Activities
  - Full CalARP/RMP/PSM development
  - CalARP/RMP/PSM 5 year update
  - CalARP/RMP/PSM prevention program update

# Monitoring Proposals

- Multiple bids
- Make sure contractors are bidding for the same work
  - Five Year Update includes Executive Summary, RMP Submit, Hazard Assessment, and maybe the Process Hazard Analysis
  - Program Update may include any or all of the thirteen Prevention Program/PSM elements such as Operating Procedures and Mechanical Integrity
  - Is a Seismic Assessment Included?
  - Are Piping & Instrumentation Diagrams up-to-date and being addressed? The PHA is not valid without a current set of P&IDS.
- Clarity of the scope of work is essential
- Ask Questions!
- Make sure payment options suit your needs

# CalARP/RMP/PSM Proposals

- Ensure proposed work is adequate for your Program needs
  - Is your Three Year Compliance Audit past due? It is less expensive to fold it in with other site visits.
- Re-work and additional site visits increases costs
- Variables that will affect cost
  - Program type
  - For updates, existing program in place
  - Availability of electronic files
  - Major equipment changes

# *Who Will Do What? Specify in the Bid or Contract.*

- If updating the CalARP/RMP/PSM: Bidding process should delineate roles and responsibilities for program development
  - What will the facility, contractors, and consultants be responsible for?
  - The facility is ultimately responsible for the final product including the adequacy of the Maintenance being performed and its consistency with manufacture recommendations and industry standards

# *Who Will Do What? Specify in the Bid or Contract.*

- New Facility, Major Process Change, and/or Expansion Project: What needs to be covered in the bid and contract?
  - New Process or Process Changes are compliant with the latest fire and mechanical codes and industry standards.
  - Who is obtaining permits? The facility is oftentimes and unknowingly responsible for obtaining permits
  - Who is in charge of ensuring a compliant CalARP/RMP/PSM is in place before the regulated substance (e.g. ammonia, chlorine, etc) can be introduced – THIS CAN DELAY STARTUP



# *Areas Of Caution*

- Standard Operating Procedures
  - Facility needs to work with Consultant to develop/incorporate site specific Procedures
  - Contractor - if they are responsible for most or all of the operations, how do they start, stop, pump down, etc – needs to be written down step-by-step

# *Areas Of Caution*

- Process Safety Information
  - Facility needs to work with Consultant to document accurate information such as equipment lists, operating limits, relief valve information, etc.
  - Contractor – Do they have the equipment manuals, original design specifications, or P&ID files
  - Who is going to climb the ladder to get the relief valve data or face plate information to put in the Process Safety Information?

# *Areas Of Caution*

- Mechanical Integrity/ Maintenance
  - Facility/Contractor – What Preventive Maintenance schedule have you agreed to follow through with? It can not be a fix at failure program (we inspect once a week and if something is broken then we fix it).
  - What records/completed work orders will be provided to show that the Preventive Maintenance program is being followed?

# CalARP/RMP/PSM Scheduling

- Setting up milestones
  - key to staying in compliance
- Ensure you have enough time to review drafts – know what you are being committed to
- Coordination with CUPA
  - PHA
  - Seismic safety

# *Working Towards A Site Specific, User Friendly Program*

- CalARP, RMP, and PSM Programs have significant overlap
- Your CalARP/RMP/PSM is a living document
- Electronic files are not only useful but a requirement. If you only have paper then how is the facility going to justify that they are managing, using, and updating the program?

# References

1. [www.RMPCorp.com/LinkedFiles/RegulatoryOverviewAndRMPAndBestPractices.pdf](http://www.RMPCorp.com/LinkedFiles/RegulatoryOverviewAndRMPAndBestPractices.pdf) - “Process Safety Regulations and Prevention Program Overview”.
2. [www.RMPCorp.com/LinkedFiles/ComplianceAuditsMadeEasy.pdf](http://www.RMPCorp.com/LinkedFiles/ComplianceAuditsMadeEasy.pdf) - “Compliance Audits Made Easy”.