

## 1.0 Applicability

This practice applies to all Encana Oil & Gas (USA) Inc. (Encana) employees and contractors at all facilities owned or operated by Encana.

## 2.0 Scope

This practice conforms to Encana's policies, practices, Ethos standards, and guidance documents. It also complies with regulatory requirements.

This practice supports Encana's Ethos Contractor and Service Provider Standard.

## 3.0 Core information and requirements

The core information and requirements of this practice include the following:

- 3.1 General
- 3.2 Responsibilities
- 3.3 Supplier Self-Assessment
- 3.4 Operations
- 3.5 Risk Analysis
- 3.6 Equipment and Tooling
- 3.7 Non-Conformity (issues/failures) Management
- 3.8 Management of Change
- 3.9 Support Documentation
- 3.10 Supplier Quality and Control Plan (post contract award)
- 3.11 Self-Assessment Survey

### 3.1 General

Encana requires service providers to be committed to fulfill the quality, cost, delivery and safety requirements for all their activities and projects.

- a. Error free supplies and services provided
- b. Supplies and services on time and right the first time

- c. Increase efficiencies as per specific performance criteria once contract is awarded, reduce operations/process variability and maintain a low cycle cost/value add operation
- d. All services shall be performed by maintaining a proactive behavior based safety culture throughout the project life cycle
- e. Ensure all times Customer satisfaction, which should be a priority for the service provider

## 3.2 Responsibilities

The service provider shall be responsible for the following;

- a. Provide Encana with supplies and/or services in compliance with requirements as outlined in this document
- b. Submission of required documents described in section 9 including RFP documentation
- c. Assurance the Supplier has systems and processes in place to mitigate and reduce liability and comply with all applicable industry Standards and Regulations and to Encana Satisfaction
- d. Known goals are set that are understood by all parties and personnel involved

## 3.3 Supplier Self-assessment

It is the responsibility of the Supplier to establish an effective Quality Management System, documented processes as well as internal procedures to guarantee Encana the delivery of defect free supplies or services including:

- a. Meet or exceed requirements specified local, International, National or Oil and Gas management standards
- b. Requirements outlined in this standard
- c. Specific requirements as outlined by Encana in specific documents
- d. The policies and the procedures shall be communicated, understood and practiced at all level of the service providers organization

Encana maintains the right to perform a process/operation review or audit according to needs and specific requirements.

## 3.4 Operations

The Encana service provider equipment specifications, quality management and continuous improvement process is now fully integrated within the projects. Deployment of this process is based on formal and regular reviews carried out with the participation of the service provider and it is designed to ensure long term and consistent high quality delivery of supplies and or services.

It is the service provider's responsibility to demonstrate to Encana their capabilities and capacity to meet equipment specifications, quality expectations and continuous improvement processes to guarantee a defect free supply or service.

## 3.5 Risk Analysis

Encana expects their service providers to perform risk analysis and failure analysis of their products and services. The service provider shall control their processes by sampling and verifying their operations, performing inspections, testing and monitoring their equipment.

Encana requires the service provider to describe risk assessment and certification processes of critical equipment. The Supplier shall submit details on how their equipment, parts, component materials are certified in conformance to specified technical, quality and safety requirements, as well as national or international policies and regulations, mandatory standards and recommended practices within the Oil and Gas Industry. This requirement applies to manufactured parts that require such certification.

## 3.6 Equipment and Tooling

Encana requires service providers to move from a reactive type of Maintenance to a preventive and proactive Maintenance, aiming in the long term for a high quality and excellence achievement in its operation.

## 3.7 Non-Conformity (issues/failures) Management

The service provider is responsible for the quality of its supplies and services and shall demonstrate to Encana their capabilities and capacity to meet the quality requirements described in this document in order to guarantee a defect free supply or service. This responsibility encompasses identifying any incident, issue or failure, impacting the overall operation, productive time, the operation efficiency and the safety of the service.

## 3.8 Management of Change

The technical, process and operational changes or modifications that Encana requires on its products or services, or vice versa, shall be sent in writing to the service provider and must follow internal Management of Change process and policies through-out the entire project-process life cycle.

Before applying the change, the service provider shall assess the risks of any change in terms of impact on the operation(s) performance and the contractual requirements and submit the upgrade/modification for approval by Encana. All major modifications shall be formalized in the contractual documents after validation.

The management of the configuration of these supplies and services shall be the service provider's responsibility. The service provider shall control and monitor the modifications, and submit a description and some examples on how they manage and control any changes impacting the contractual agreements and operations with Encana.

## 3.9 Support Documentation

The service provider must submit to Encana, the following documents, demonstrating the control of their processes and conformity of the supplies and services:

- a. Operations
  - i. List of applicable service provider policies, procedures.
  - ii. Description on how these policies and procedures are communicated to staff and how the service provider verifies they are being followed.
  - iii. Flow chart of the Supplier standard work processes and how the company interacts with Encana (how the job is executed).
  - iv. A flow chart or documented process describing how failures or any operation related issue is identified tracked and handled. Root cause investigation and analysis, corrective actions implementation, follow-up and closure.
  - v. Details on how their critical processes are identified and certified in compliance with the Oil and Gas industry standards and regulations.

- vi. Details on how service provider equipment, parts, components materials are certified in conformance to specified technical, quality and safety requirements, as well and national or international policies and regulations, mandatory standards and recommended practices within the Oil and Gas Industry.
  - vii. Details of a performance management report (Key performance Indicators) industry.
  - viii. Control of Operations and quality records. Description on how the service provider controls and keeps track of operation quality and safety
- b. Maintenance
- i. Provide overview of current maintenance requirements, including schedules, levels, frequency, types, etc. and the equipment main components.
  - ii. Provide detailed description of the equipment maintenance system, how it is maintained, monitored and controlled, work generated and tracked.
  - iii. Provide templates for data tracking regarding equipment maintenance.
  - iv. Provide details on service provider maintenance practices with regards, recording, measuring and monitoring failures, root cause investigation and mitigation plans.
  - v. Identify critical and/or main equipment and provide list, also certification(s) as applicable.
  - vi. Description of service provider inventory of spare parts management process.
  - vii. Provide corrective maintenance process and plan on “as needed basis”.
  - viii. Describe what type of maintenance practices, measures and monitoring techniques for failure prediction as applicable are followed
- c. Risk Assessment
- i. Detailed description on how the Supplier conducts the risk assessment at all operations level, products and services and on their main or critical equipment.
  - ii. Description of how risks are managed, what controls the service provider has currently in place, including;
    - 1. Product/Supplies/Services risk
    - 2. Process risk
    - 3. Company risk
    - 4. Contractual risk

### 3.10 Supplier Quality and Control Plan (post contract award)

As a result of the assessment and once decision will be reached by the Encana, the service provider will be requested to submit a detailed “Quality” plan on how it will comply further with the contractual obligations and agreements with regards Operations management (includes testing and inspection of processes and equipment), Safety management and Continuous Improvement.

### 3.11 Self-Assessment Survey

The service provider is required to complete a self-assessment survey as per the attached document. *Supplier Self-Assessment Survey ECA.Xls*

# Service Provider Equipment Specifications & Quality Management Programs

Date last revised: 08/21/2013

## 4.0 Training requirements for staff and service providers

Role	Description
<b>Staff</b>	Training for Encana staff, required in this practice, shall be managed in Encana's TalentHub
<b>Service Provider</b>	Appropriate Encana Emergency Response training for Service Provider supervision as required to understand the management of essential and non-essential personnel in an emergency and site control situation

## 5.0 Roles and responsibilities

### USA Division EH&S

Responsible for developing, implementing, communicating, evaluating, maintaining, and improving this practice. Implementation consists of making this practice available to all staff through Encana's intranet and providing appropriate training materials and system tools for use by the business units (BUs). Evaluation consists of, at a minimum, the performance of Ethos audits within the BUs or sub-business units (SBUs) on a routine basis. Based on the results of audits and requests from staff for modifications, USA Division EH&S will make appropriate changes to the practice to maintain and improve it.

### BU EH&S

Responsible for helping implement this practice within their respective BU and SBUs.

### BU leadership

Responsible for implementation of this practice in their BU or SBU through providing adequate resources to support the practice.

### BU staff

Responsible for following this practice and incorporating its requirements into their work.

## 6.0 Goals, objectives, and performance measures

BU performance measures related to this practice, if any, are incorporated into Scorecards. Individual performance measures related to this practice are incorporated into High Performance Contracts.

## 7.0 Training

Role	Description
<b>Staff</b>	Training for Encana staff, required in this practice, shall be managed in Encana's TalentHub
<b>Service Provider</b>	Appropriate Encana Emergency Response training for Service Provider supervision as required to understand the management of essential and non-essential personnel in an emergency and site control situation



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## 8.0 Resources

BUs shall identify, allocate, and verify appropriate resources to communicate and implement this practice.

## 9.0 Associated forms, documents, and references

### 9.1 Documents/references

[Pressure and Pipe Principles Fact Sheet](#)

### 9.2 Decision Record and Implementation Plan

The Decision Record documents how this practice was developed and pertinent decisions made during the development. The Implementation Plan documents the purpose and audience of the practice as well as changes that were made either from the previous version of the practice or from standard operations. These records can be located by clicking on the links below:

- Decision Record for the Service Provider Equipment Specifications & Quality Management Programs
- Implementation Plan for the Service Provider Equipment Specifications & Quality Management Programs