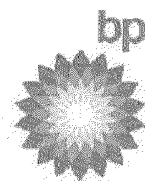


The BP Operating Management System Framework



## Part 4 – OMS Governance and Implementation

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Version 2.0 – 3 November 2008



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## The BP Operating Management System Framework

### PART 4 – OMS Governance and Implementation

**Please note:** This revised version (2.0) of OMS Part 4 has been produced for application at entities which are transitioning or have transitioned from gHSEr to OMS as its management system.

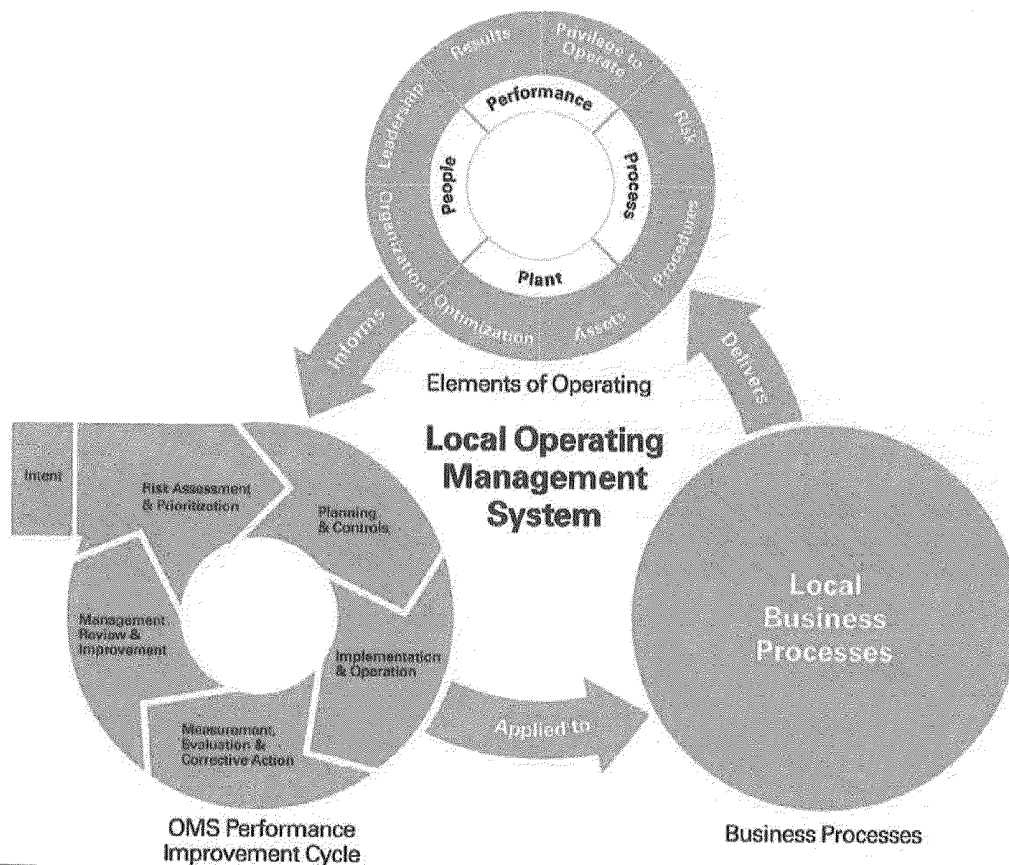
OMS Part 4 is one of the four parts comprising the OMS Framework documentation. All four parts have been revised to create Version 2.0 of the OMS documentation and are now issued together as a suite of four documents for the first time. This has enabled simplification of the documentation through the removal of common contextual detail that was needed when each document stood alone.

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# The BP Operating Management System Framework

## PART 4 – OMS Governance and Implementation



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## 1. What is this document?

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### 1.1 Where does it fit?

OMS Part 4 is one of four documents comprising the Operating Management System (OMS) Framework suite of documentation. It outlines OMS governance and defines Group requirements for entities to follow and sustain during local OMS implementation.

It is necessary to read this OMS Part 4 document in conjunction with the other parts of the OMS documentation to fully understand what is required to successfully implement and maintain OMS at an entity.

### 1.2. Why do we need Part 4 – OMS Governance and Implementation?

Entities need clarity on the requirements defined at Group, Segment and SPU level to enable them to successfully implement their local OMS, so they can drive continuous risk reduction and performance improvement. This Part 4 document explains the OMS Governance process to control the Group requirements and sets out the Group requirements for entities during local OMS implementation.

## 2. OMS Governance

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The BP Group Chief Executive has determined that OMS shall be a control process relevant to all projects, facilities, sites and operations. The Chief Executive has delegated authority to the Group Head of S&O to develop the OMS Framework and create an integrated and simplified management system encompassing Marine and all the technical disciplines (i.e. Engineering, HSSE, Operating and Projects) that form the S&O function. To discharge this accountability the Group Head of S&O has put in place a governance process comprising working groups made up of function and segment representatives. These working groups advise on the detailed Group OMS structure and requirements.

Details of these working groups (e.g. terms of reference and membership) can be found on the OMS intranet site.

### 3. Group OMS implementation requirements

The line is accountable for the consistency and quality of OMS implementation within and across their organization(s).

#### 3.1. MOC process from gHSEr to OMS

Before transitioning from gHSEr to OMS all **entities** shall complete the MOC process described in [appendix 1](#).

#### 3.2. OMS Group Essentials gap assessment

As part of the MOC process to transition from gHSEr to OMS, **entities** shall complete a full OMS **Group Essentials** gap assessment using the Group Gap Assessment Tool as described in [appendix 2](#). This assessment shall be facilitated by a person external to the **entity** who has been trained by Group S&O or approved by the Segment/SPU Operating Authority (detailed in [appendix 4](#)). This full OMS **Group Essentials** gap assessment shall then be repeated at least every three years.

#### 3.3. LOMS Handbook

Every **entity** shall develop a **LOMS Handbook** that complies with the requirements described in [appendix 3](#).

#### 3.4 OMS roles and accountabilities

Group and Segments shall follow the relevant requirements detailed in [appendix 4](#) for establishing clear roles, accountabilities, and specific activities for the sustained and consistent implementation of OMS.

Specifically, each Segment shall:

- Deliver consistent interpretation and implementation of OMS.
- Explicitly target OMS/Continuous Improvement embedment in its core performance management processes and provide mechanisms for monitoring usage.
- Specify how deviations from OMS requirements are managed.
- Provide sufficient insights for the GORC to confirm the ongoing health of OMS implementations across BP operating entities.

Segments shall appoint Segment and/or SPU Operating Authorities, and the Group Head of Safety and Operations shall appoint a Group Head of Operations. The role and accountabilities for these positions are detailed in [appendix 4](#).

#### 3.5 Group Heads of Discipline (GHODs)

Group Heads of Discipline have a role to play in assuring the overall pace and quality of OMS implementation and assuring that risks have been recognized. Each GHOD shall verify that OMS pragmatically reflects the material Group requirements related to their discipline and will access outputs from the line assurance processes to reinforce common interpretation and consistent application of those requirements. Specific requirements of the role of the Group Head of Operations are detailed in [appendix 4](#).

#### 3.6 OMS conformance timetable

It is important in transitioning to OMS that entities complete what they have started, i.e. the implementation of the existing Integrity Management, Control of Work and Marine standards, and then build on this foundation through gap assessment and the application of the Performance Improvement Cycle. Every entity shall comply with the OMS conformance timetable requirements described in [appendix 5](#).

## 4. Applicability and deviation requirements

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The OMS Framework is relevant to all projects as well as facilities, sites, operations. Details on the relationship of OMS to projects, together with requirements for the application of OMS to projects are described in [appendix 6](#).

OMS applicability requirements, including its application to Joint Ventures, acquisitions and contractors, are described in [appendix 7](#).

The processes for a BP entity to obtain authorization and approval to deviate from the complete application of the BP OMS Framework Parts 1 to 4, or a specific requirement detailed in OMS Parts 1 to 4 are described in [appendix 8](#).

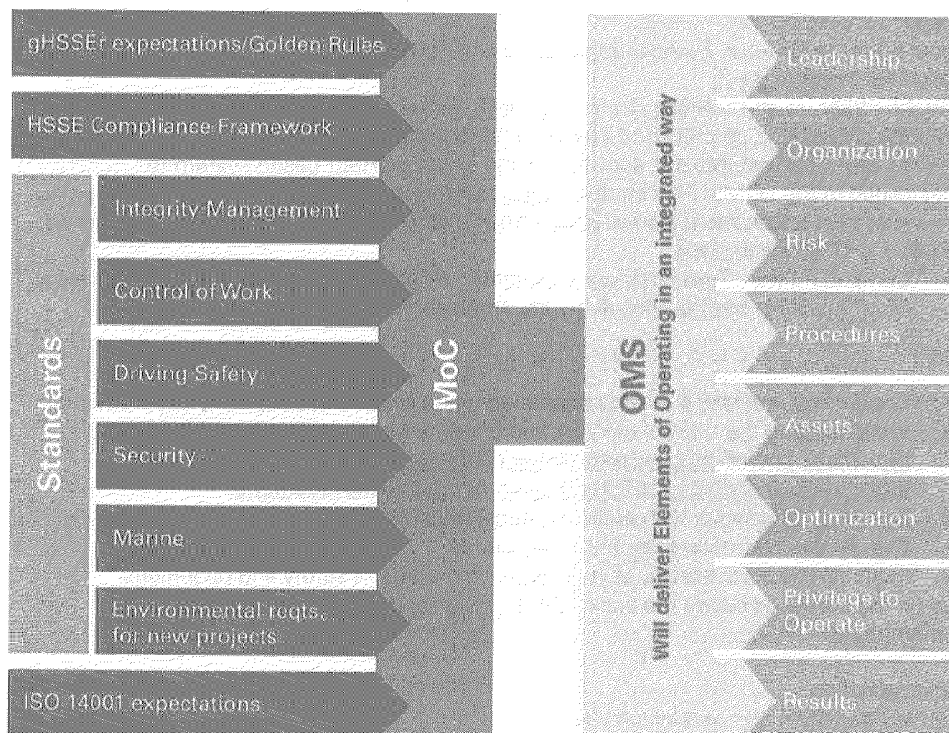


## 5. Appendices

### 5.1 Appendix 1 – MOC process requirements for transition from gHSEr to OMS

**Intent:** The transition from gHSEr to OMS will serve as a formal declaration of progress and a visible sign that change is underway. Existing BP standards, other Group requirements, and ISO 14001 expectations, as detailed in the diagram below, have been incorporated into the OMS Group Essentials. The development and content of OMS has also been informed by the recommendations of the Independent Panel (Baker) report. The Local OMS, built on the twin concepts of risk management and continuous improvement, is the way of delivering the Group Essentials. A thorough Management of Change process is needed to oversee the transition to assure that the LOMS design and implementation is robust and that improvements made through application of the six-point plan are maintained.

**Group requirements for the MOC process to transition from gHSEr to OMS:**



#### Transition Risks:

Each entity's MOC process shall include a thorough identification and assessment of potential risks to a successful transition to OMS. As a minimum the MOC process shall take into consideration the possibility that, if the transition process is not effectively handled:

#### 1. LOMS design

- The LOMS could unintentionally fail to include procedures for complying with some applicable legal and regulatory requirements.
- The LOMS could unintentionally fail to include procedures for complying with some applicable BP requirements.

## 2. OMS implementation

- The entity leader could unintentionally misjudge the level of resource needed to manage the change and implement OMS.
- The changeover to a new management system might confuse staff and lead to gaps in implementation and/or a fall off in performance.

By anticipating risks of this kind, the entity leader can manage them in a smooth and effective transition to OMS.

### **MOC process:**

Each entity's MOC shall be designed to include the following:

#### 1. General process

- The transition MOC procedure shall meet the requirements of OMS Part 2 sub element 4.2 "Management of Change".

#### 2. Local OMS design

- Conduct a full OMS Group Essentials gap assessment using the Group Gap Assessment Tool as described in [appendix 2](#).
- Define the structure and content of the local OMS, including the management information and reports that should be produced following OMS implementation.
- Define the essential features and activities of the existing gHSEr based system to be maintained in the LOMS. This shall include all elements of the six-point plan listed below. Entities shall check that these are included in the OMS design and will be maintained when the switch to OMS takes place.
  - Completing the "Texas City commitments" relating to temporary buildings and blow down stacks in heavier-than-air hydrocarbon service.
  - Conducting and taking action consequent upon Major Accident Risks assessments.
  - Implementing the Control of Work and Integrity Management Group Standards. <http://hsse.bpweb.bp.com/controlofworkstandard/>  
<http://safetyandoperations.bpweb.bp.com/Integrity-management/>
  - Ensuring compliance with applicable legal requirements.
  - Rapidly closing out findings from past audits.
  - Ensuring the competence of your teams in matters of safety and operations.
- Based on the above complete the initial LOMS design and develop the necessary documentation.

#### 3. Local OMS implementation

Define the detailed transition plan and include within this:

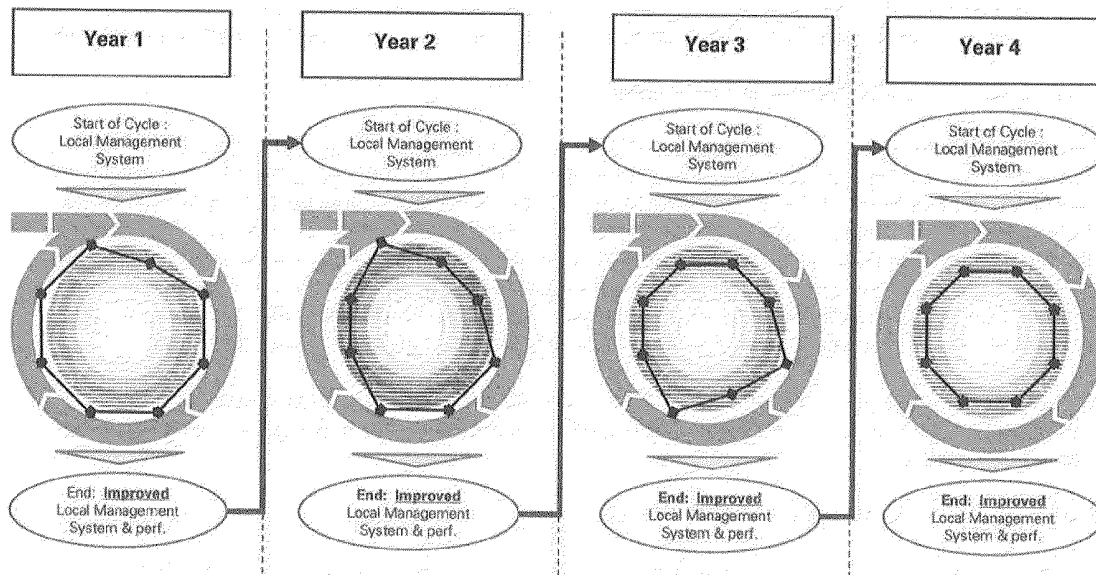
- A review of learnings and experience from previous OMS implementation in other entities.
- An assessment of the resource requirements and definition of how it shall be provided.
- The development of a training and communication plan.
- Definition of the control measures that check whether OMS implementation is on track.

#### 4. Approval

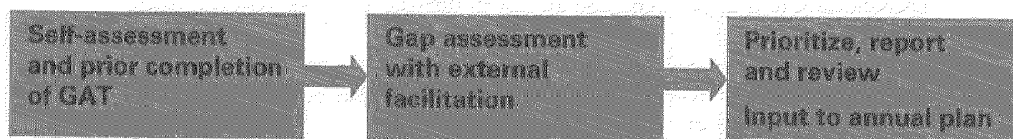
- The MOC approval shall be as per the existing entity MOC procedure with the addition of approval by the SPU leader (or their designate), and by the Segment/SPU Operating Authority (detailed in [appendix 4](#)).

## 5.2 Appendix 2 – OMS Group Essentials gap assessment requirements

**Intent:** A gap assessment against the Group Essentials (GEs) is necessary as part of the risk assessment and prioritization step of the Performance Improvement Cycle (PIC). The output of the gap assessment is used to aid prioritization of gaps and to provide input to the annual business planning process to obtain funding and resource for gap closure. Multi-year application of the PIC and a gap assessment against the GEs drives performance improvement and delivers the GEs as shown below:



**Recommended gap assessment process:** The OMS gap assessment process should commence with the entity leadership completing a self-assessment against the GE requirement statements using the Gap Assessment Tool (GAT), prior to the externally facilitated gap assessment. The leadership team should involve any necessary employees to get a true assessment of the level of conformance against the GEs. This is followed by the formal gap assessment event with external facilitation from outside the entity, where the entity leadership presents their self-assessment and the facilitators engage in a conversation to confirm the entity's results. The self-assessment and externally facilitated events may be combined into a single event. The overall ownership for the results and resultant gap closure plan is with the entity.



The Group [GAT](#) is contained within the OMS website and users need to request permission from the GAT Administrator to gain access to carry out an online assessment.

Group S&O provide training for external facilitators to be able to help the entity use the gap assessment process and web enabled tool as intended, provide an external perspective, consistency of application and a common understanding of the GEs and associated indicators.

### Group requirements for an OMS Group Essentials gap assessment

Each BP entity shall:

- Complete a full Group Essentials statement gap assessment using the Group Gap Assessment Tool before converting to OMS. This assessment shall be facilitated by a person external to the entity who has been trained by Group S&O or approved by the Segment/SPU Operating Authority. (Appendix 4 refers.)
- Repeat this externally facilitated gap assessment at least every three years.
- Annually update their Group Essentials gap assessment and update their entity plans accordingly.

### 5.3 Appendix 3 – LOMS Handbook requirements

**Intent:** The OMS Framework requires each entity to put in place and keep current a Local OMS (LOMS) Handbook, summarizing how the entity operates with references and/or links to specific practices and procedures. Development of the local OMS and the LOMS Handbook should be led and owned by each entity's leadership to demonstrate a clear commitment to OMS. It is written at a relatively high level, with sufficient detail to enable employees to understand how the entity meets the requirements of the OMS Framework, and how they access local procedures and practices to safely carry out their work activities. While it is expected handbooks will be web based with access to these procedures and practices, the Handbook should be in a format that enables it to be printed out as an uncontrolled document.

The requirements detailed below should create a common look and feel to OMS implementation across the organization, more readily facilitate the sharing of good practices and learnings, and accelerate the induction of transferees.

#### Group Requirements for the LOMS Handbook

Each BP entity shall put in place a LOMS Handbook structured around the six steps of the OMS Performance Improvement Cycle and it shall contain the following items:

1. Intent
  - Scope of LOMS
  - Mission/Vision/Key strategies
  - Operating Policy including management commitment to OMS
  - How the LOMS works including governance, key roles and responsibilities
2. Risk Assessment and Prioritization
  - Overview of risk identification and prioritization procedures
  - Overview of use of the Group Essentials Gap Assessment Tool
  - Mechanisms to provide controlled access to the results of such assessments
3. Planning and Controls
  - Relationship to the annual plan (resources, budget)
  - Control mechanisms to assess progress against plan (e.g. QPR, dashboards)
4. Implementation and Operation
  - Overview of processes and procedures to deliver the annual plan and operate the entity versus the eight Elements of Operating
5. Measurement, Evaluation and Corrective Action
  - Overview of processes used to develop / measure / evaluate progress (KPIs, audits, self assessment), and track corrective actions
6. Management Review and Improvement
  - Management review of what has been done and how this sustains and drives improvement in the local OMS

## 5.4 Appendix 4 – OMS roles and accountabilities

**Intent:** The OMS Framework and operating practices (GDPs and GRPs) describe the Group OMS requirements and recommendations for their delivery. A common understanding and consistent application of these Group requirements is required to achieve the benefits of OMS – safe, responsible and reliable operating by every BP entity.

Implementing OMS is a multi-year transformational effort requiring the ongoing attention and guidance from BP's most senior accountable executives. Sustaining and continuously improving the application of OMS, once implemented, requires clear accountabilities and robust performance management processes. The remainder of this appendix outlines the essential roles and accountabilities required for the pragmatic and sustained implementation of OMS.

### Segment requirements

Establishing clear roles and accountabilities is an essential consideration for implementing and sustaining OMS. Segments shall clarify specific accountabilities for performing each of the following activities:

1. Verifying rigorous entity use of the annual Performance Improvement Cycle including the quality of gap assessments, prioritization, annual planning and management review processes.
2. Verifying that the entity LOMS Handbook, including operating procedures, are fit for purpose and skilfully used to meet the intent of OMS.
3. Approving, amending and deviating from Segment, SPU and local practices and procedures.
4. Verifying entity progress in risk identification, sustainable risk reduction, legal compliance and performance improvement.
5. Maintaining specific competence and qualifications in OMS as needed to:
  - o Deliver quality, consistency and content adoption of OMS at the entity level.
  - o Deliver a robust CI process at the entity level.
  - o Deliver measurable risk reduction over time at the entity level.
  - o Assess and manage risks associated with approved deviations from OMS at the entity level.
6. Approving entity MOCs, in collaboration with the Segment/SPU Operating Authority, before transition to OMS.
7. Holding Entity Leaders accountable for the robust implementation of OMS.

### Segment and/or SPU Operating Authority

The Segment EVP shall appoint Segment and/or SPU Operating Authority (Authorities) to support and assure consistent implementation of OMS across their Segment operating entities. The scope of this role shall include accountability for:

1. Approving the entity MOC for transition to OMS, in collaboration with the SPU Leader.
2. Approving entity deviations from any of the specific requirements detailed in OMS Parts 1 to 4 and the Group Defined Practices, and informing the Group Head of Operations (GHO) of these deviations.
3. Putting a formal process in place for the approval of, amendment to and deviations from Segment/SPU defined operating practices and procedures.
4. Approving selection of OMS Gap Assessment External Facilitators.
5. Providing the GHO access to existing Segment OMS implementation and conformance information to allow an independent view.

### **Group Head of Operations (GHO)**

The Group Head of S&O shall appoint a Group Head of Operations. The GHO shall:

1. Interpret OMS parts 1 to 4 and co-ordinate the GHO interpretations of Group Defined Operating Practices when relevant to OMS implementation.
2. Approve deviations where a BP entity does not intend to implement the OMS Framework and approve proposals for alternative arrangements.
3. Co-ordinate periodic reviews with GORC on progress and quality of OMS implementation and resulting operational improvements.
4. Provide support to the Segments including:
  - a. Training for the OMS Gap Assessment External Facilitators.
  - b. Recommendations for the pragmatic and effective implementation of OMS and CI.
  - c. Consultation, as requested, in the filling of OMS related roles in Segments.

### **5.5 Appendix 5 – OMS Conformance Timetable**

**Intent:** In transitioning to OMS it is important that entities complete the implementation of the existing Integrity Management, Control of Work and Marine standards and then effectively build on this foundation through gap assessment and the application of the Performance Improvement Cycle.

#### **Group requirements for completing the implementation of the existing Group Standards**

**Each entity shall:**

- 1) By the end of 2008, be in conformance with the IM Standard or have an approved extension period and action plan for conformance.
- 2) Verify conformance with the timetable specified in Group Defined ETP GP 01-01 which defines the conformance requirements associated with the seven Group defined ETPs.
- 3) By the end of 2009, be in conformance with the COW Standard or have an approved extension period and action plan for conformance. This demonstration of conformance with the COW Standard is required even if entities transition to OMS before the end of 2009.
- 4) By the end of 2009, be in conformance with the Group Marine Standard or have an approved extension period and action plan for conformance. This demonstration of conformance with the Group Marine Standard is required even if entities transition to OMS before the end of 2009.
- 5) Complete the required MOC process before transitioning to OMS and transfer any outstanding actions associated with the CoW, IM and Marine Standards, including actions from any approved extensions, into the local OMS.

#### **Group requirements for sustaining conformance with OMS**

- 6) Focus on the annual application of the Performance Improvement Cycle to eliminate gaps and to deliver safe, responsible and reliable operating.
- 7) Within two years of transitioning to OMS develop a detailed plan for full conformance to OMS. An approved action plan shall be agreed within the Segment as part of each entity's second application of the Performance Improvement Cycle.

## 5.6 Appendix 6 – Application of OMS to projects

Projects have a particular role to play in achieving safe, responsible and reliable operations. It is through projects that the facility is created. It is during concept selection and facility design that many of the decisions are made, which will profoundly affect operation and maintenance of the facility. Projects are also the means by which major maintenance activities such as turnarounds are conducted and by which modification of the facility are carried out. And at the end of the facility's life a project will be established to decommission it.

In developing the project the project team need to understand the requirements of the LOMS under which the facility will be operated and maintained and ensure that the design is aligned with these requirements. But, in addition, the project is itself a company operating activity and shall be managed in a systematic way in accordance with the requirements identified within OMS which are supported by the "Project Principles".

Individual entities which are carrying out project activities shall ensure that the scope and provisions of their LOMS does cover those project activities. This may be achieved either by ensuring the relevant provisions are included within the individual parts of the LOMS or by requiring the application of a recognized Segment Project Process (e.g. Major Projects common process or Projects Common Process), which is compliant with the requirements of a number of specifically listed OMS Group Essentials. The Group Head of Projects shall review gap assessments of project processes compared to the requirements of the Group Essentials and agree actions required with the Segment heads of projects.

## 5.7 Appendix 7 – OMS applicability

This section defines the applicability of OMS, except to the extent that (a) there are alternative applicability provisions specifically for a part of OMS (such as a Group Defined Practice), or (b) applying an OMS requirement would conflict with applicable legal or regulatory requirements.

References in this section to "BP" are to a BP entity that is operating under the BP OMS. References to "applying OMS" relate to applying both the management system and the requirements within it (such as the Group Essentials) in accordance with OMS.

### Wholly owned and operated

OMS shall apply to each project, operation, site, marine vessel, structure and other asset that is wholly owned and operated by BP. Where this is not the case, the following applies:

### Joint Ventures – BP-operated

Where BP operates a joint venture, BP shall apply OMS except to the extent that the refusal of the other owners or participants to approve relevant elements of the work programme or related documents prepared by BP justifies an alternative course of action. Where there is such an impediment, BP shall endeavour to overcome it, for example by negotiating with the other partners or by seeking to amend relevant contracts immediately or on renewal as needed.



### **Joint Ventures – Non-BP-operated**

Where BP participates or has an interest in a joint venture that it does not operate, BP shall consider whether the management systems used by the operator provide a level of risk management and performance management that is equivalent to that of OMS

- If they do, then no further evaluation or OMS action is required, unless BP becomes aware of information that justifies such re-evaluation or action.
- If they do not, then BP shall encourage the operator to adopt measures and standards that will maintain compliance with legal and regulatory requirements applicable to the joint venture, manage risks and drive continuous improvement in HSSE performance.

### **Acquisitions**

After BP, or any subsidiary of BP p.l.c., acquires a business or assets, or an interest in a business or assets (where the BP group does not already hold an interest), a plan shall be developed and implemented to bring the business or assets into conformance with OMS or, where the interest is in a joint venture, to meet the requirements of the relevant paragraph above.

### **Contractors**

Where BP relies on a contractor to carry out work, BP shall, as needed, include and apply contract provisions such that the work is carried out in a way that supports and is consistent with BP's application of OMS to BP's Operating activities. Where such contract provisions are not included in an existing contract, BP shall endeavour to amend the contract as needed, immediately or on renewal.

### **Marine**

Where cargo or part cargo in which a BP entity has or will have an interest is to be carried by a third party carrier and BP is not itself assuring or vetting the quality of the carrier, the BP entity (or BP Shipping where this is its accountability) shall confirm that such assurance or vetting is carried out in a manner that is proportionate to the risks to BP.

Where BP bareboat charters and operates a marine vessel, BP shall apply OMS except where to do so would be inconsistent with the terms of the relevant bareboat charterparty. Where such inconsistency exists, BP shall where practicable seek to negotiate an amendment to the relevant bareboat charterparty, or, where applicable, different terms on renewal of the bareboat charterparty, so as to provide for unhindered application of OMS by BP.

### **5.8 Appendix 8 – OMS deviation process**

A decision by a BP Entity to deviate from the complete application of the BP OMS Framework Parts 1 to 4 shall be based on a risk assessment (including defining and documenting the risk reduction measures that are to be applied) and shall be formally justified, recorded and authorized by the line Executive Vice President or Group Vice President or Group Head of Function after consultation and approval from the Group Head of Operations. This record shall, if requested, be made available to the Group Head of S&O Audit.



A decision by a BP Entity to deviate from any of the specific requirements detailed in OMS Parts 1 to 4 shall be based on a risk assessment (including defining and documenting the risk reduction measures that are to be applied) and shall be formally justified, recorded and authorized by the Entity Leader after consultation and approval from the relevant Segment/SPU Operating Authority outside of the entity. The Group Head of Operations shall be informed of all such deviations. This record shall, if requested, be made available to the Group Head of S&O Audit.

Any authorization and approval for a deviation under this Appendix shall be for a maximum of five years and the deviation risk assessment, consultation and approval process shall be repeated before each renewal of the authorization and approval for the deviation (each renewal being for a further maximum of five years).

The deviation process for Group Defined Practices is as defined within those documents.