PROCEDURE FOR MANAGEMENT OF CONTRACTORS

Quality Management System (ISO 9001:2015)
Occupational Health & Safety Management System (ISO 45001:2018)
Environmental Management System (ISO 14001:2015)

FALCON MIDDLE EAST CONTRACTING AND GENERAL MAINTENANCE – SOLE PROPRIETORSHIP L.L.C.

Mussafah MW4, Plot 100 Abu Dhabi, United Arab Emirates

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Task	Author	Designation	Signature
Prepared by:	Ravinder Singh Jaswak	HSE Engineer	
Reviewed by:	Tareq Badran	Project Manager	
Approved by:	M. Al Shaer	General Manager	

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1.0 PURPOSE

This procedure is intended to develop, implement and maintain documented processes for managing and monitoring the contractor's compliance and QHSE performance to the requirements of FALCON MIDDLE EAST. This will also provide guidelines and instructions to comply with QHSE management system requirements and to help improve our contractors/sub-contractors' QHSE performance.

2.0 SCOPE

This procedure is applicable to all contractors/ subcontractors of FALCON MIDDLE EAST necessary for successfully implementing the integrated management system of FALCON MIDDLE EAST.

3.0 ROLES & RESPONSIBILITIES

FALCON MIDDLE EAST' top management shall ensure that all activities undertaken at FALCON MIDDLE EAST are in accordance with the relevant laws and regulations through the allocation of appropriate resources to Occupational Safety and Health.

The QHSE Management Representative along with the HSE Engineer/Officer is responsible for ensuring that this procedure is effectively implemented to all the contractors/ subcontractors of FALCON MIDDLE EAST; He is also responsible for communicating the IMS requirements for their strict compliance.

The HSE Engineer/Officer shall be responsible for;

- providing advice on management of contractors with respect to QHSE legislative requirements;
- assisting respective Department Heads/ Supervisor with the completion of a Risk Assessment prior to submittal of to the Procurement in-Charge;
- provide assistance in evaluating the prospective contractors' IMS upon selection;
- taking a lead in the review of the contractor's risk assessment; and
- providing assistance, where requested, with the review of contractor performance.

The Procurement In-Charge shall ensure;

- the appointment of contractors in line with the requirements of this procedure;
- the clear communication of QHSE requirements to contractors during all stages of the project (i.e. project tender to project close out); and

QHSE Committee shall provide support to the QHSE Management Representative on issues related to the implementation of Contractor Management requirements when requested.

The Contractor is responsible for complying with all the QHSE requirements of FALCON MIDDLE EAST.

4.0 TERMS & DEFINITIONS

Terms	Definition
Contractors	A person, organization, their employees or a nominated representative engaged to carry out work for and / or supply for FALCON MIDDLE EAST in any capacity under a contract or service arrangement.
Subcontractor	Is an entity engaged by the principal contractor to assist with the contracted work.

Terms	Definition
Contract	A written or spoken agreement, especially one concerning employment, sales, or tenancy that is intended to be enforceable by law.

5.0 CONTRACTOR & VENDOR EVALUATION PROCESS

- The management of FALCON MIDDLE EAST shall identify the need for acquiring the services of contractors/ subcontractors on the basis of client requirements.

- If the services of contractors/ subcontractors are required, the QHSE Management Representative in coordination with the Purchase In-charge shall source out and select suitable contractor/ subcontractor and shall require them to submit all necessary documents as part of contractor/subcontractor selection, evaluation and approval process.

- Submitted documents from the contractors/vendors shall be forwarded to the QHSE Management Representative or Purchase In-charge for their review, evaluation and approval. All approved contractors/subcontractors shall be listed in the Approved Contractor/Subcontractor/Supplier List.

- An individual file for each identified Contractor/Sub-contractor is maintained which includes at least the following:
    - QHSE Prequalification Questionnaire;
    - Documents and Certificate(s) provided by potential Contractor / Subcontractor;
    - Contractor/Subcontractor's references from other clients (if any);
    - Review / audit report of Contractor/Sub-contractor's previously completed jobs / projects;
    - Record of management's review;
    - Reason for approval or rejection.

- In some cases, a potential Contractor/Subcontractor may be declared as preapproved if they fulfill the requirements listed below:
    - Approved by either the client or Sector Regulatory Authority or Department of Urban Planning and Municipalities (DUPM) for the relevant services.
    - Approved by another Company having similar scope of work as of FALCON MIDDLE EAST. However, evaluation reports and recommendation from the other company are required.
    - Holding a certificate of approval and/or conformity to OSHAD, ISO45001, ISO14001, ISO9001 or any technical standard, for the relevant services.

6.0 ESTABLISHING QHSE REQUIREMENTS

- Before commencement to tender process, the management team of FALCON MIDDLE EAST comprising of the General Manager, QHSE Management Representative and/or HSE Engineer/Officer shall identify and discuss the QHSE requirements of the project. These requirements are documented for record and the same are shared with selected Contractors/Subcontractors working on/for the project. Basic purpose of this activity is to ensure that all the risks associated with the project are readily identified and communicated to all contractors / sub-contractors participating in bidding / tender process. This ensures that contractors / sub-contractors are aware of QHSE requirements and are made aware of the minimum QHSE requirements for the project.

- QHSE Management Representative and/or HSE Engineer/Officer reviews the existing QHSE system of the contractor/sub-contractor (if any) and advises suitable actions / improvements need to be implemented to match minimum requirements as well as those required by the FALCON MIDDLE EAST's QHSEMS. Minimum requirements are listed below:
  - Adequate QHSE resources;
  - Legal compliance;
  - Risk management programs;
  - QHSE performance monitoring;
  - QHSE training and competency;
  - QHSE reporting;
  - Incident reporting and investigation;
  - Emergency management;
  - QHSE inspection and auditing requirements; and
  - Noncompliance and enforcement procedures.

7.0 TENDER

- Before awarding any contract or placing any order, the management of FALCON MIDDLE EAST shall prepare the tender package for the contractor/subcontractor.

- As part of the tender package, QHSE Management Representative prepares Contractor/Subcontractor Contractor/Subcontractor/Supplier Prequalification Checklist to evaluate the QHSE competency of the contractors. The checklist contains the below at least, but not limited to:
  - Scope of work to be carried out;
  - Identified risk associated with project;
  - QHSE policy of FALCON MIDDLE EAST;
  - QHSE organization of FALCON MIDDLE EAST;
  - QHSE procedures / work instructions;
  - Certification from international bodies etc.

- QHSE Management Representative or his assigned person shall request for supporting documents along with the submission of checklist.

- Preferences are always given to contractors/subcontractors who have obtained a certificate of conformity with ADOSH SF 4.0 and/or ISO.

- In case the contractor/ subcontractor does not have an existing Occupational Health and Safety Management System, the QHSE Management Representative provides them the related QHSE document requirements; and shall requests them to implement and comply.

8.0EVALUATION AND RE-EVALUATION

- At least on a yearly basis, the QHSE performance of the contractors/subcontractors shall be evaluated through Contractor/Subcontractor/Supplier Performance Evaluation. The form is filled by the QHSE Management Representative based on the performance during the period being reported. (For task with a duration of a year or longer, an evaluation must be performed periodically, at intervals ranging from quarterly (recommended), to annually at a minimum. For short term tasks once after completion is enough).

- QHSE Management Representative and/or concerned Department initially rate the contractor/subcontractor's operational performance by assigning a score on the Contractor/Subcontractor/Supplier Performance Evaluation form to each evaluation criterion

specified in the column that most accurately represents the contractor/subcontractor's performance for that evaluation criterion.

- The circumstances that are beyond the control of the contractor/ subcontractor must be taken into account when evaluating their performance; however, these circumstances require timely communication by the contractor/subcontractor for appropriate management action.

- QHSE Management Representative provides a brief written explanation for each performance rating unless it is received a "10" as the highest performance rate.
- Contractor/subcontractor is informed of any shortfalls in the required performance. Unsuitable contractors/subcontractors are highlighted as "Not Approved" or "Provisional" on the Approved Contractor/Subcontractor/Supplier List. This information should be communicated to all concerned parties.

- The re-evaluation contractor/subcontractor's performance is carried out by the QHSE Management Representative and/or Purchase In-charge, in the same way as described above. The records are sent to the QHSE Management for keeping in contractor file.

9.0MONITORING DURING PROJECT EXECUTION

- The QHSE Management Representative and/or HSE Engineer/Officer shall continuously monitor the performance of contractors/sub-contractors to ensure their compliance with all QHSE and applicable legal requirements related to the project. The QHSE Management Representative and/or HSE Engineer/Officer monitors the performance with the help of following management tools:
    - QHSE inspections;
    - QHSE audits;
    - QHSE system reviews;
    - Analysis and investigation of incidents; and
    - Corrective/preventive actions taken by contractor/sub-contractor against identified issues.

- Contractors'/sub-contractors' performance can be evaluated during the project period and may also be degraded if found unsatisfactory. In this case, the contractor/sub-contractor is required to fill the gap before carrying out the work further.

10.0 COMMUNICATION AND COORDINATION

- The QHSE Management Representative and/or HSE Engineer/Officer is the single contact point for all contractors/sub-contractors. Similarly, a single contact person is identified by the contractor/sub-contractor and all communication, coordination, and consultation shall be between these two contact persons for both entities.

- Periodically, scheduled meetings are held to communicate, discuss and plan the activities. QHSE performance issues & KPIs, contractual requirements, reports of audits (external and internal) and inspections, incidents/accidents, trainings and procedural requirements are reviewed and identified opportunities for improvements are with contractor during these meetings. An action plan with target dates is also agreed upon.

11.0 CONTRACT CLOSE OUT

- At the end of work or project (as agreed upon), the QHSE Management Representative and/or HSE Engineer/Officer arranges a close out meeting with contractor/sub-contractor to:

- Discuss the work carried out as per the scope defined earlier;
- All QHSE requirements have been met in satisfactory manner;
- The area of work has been restored to its original state.

12.0 CRITERIA FOR REMOVAL

- A supplier or subcontractor may be removed or suspended from the Approved List for any of the following reasons:

Quality-Related:

- Failure to meet product/service specifications or quality requirements.
- Non-conformance not corrected within the agreed time frame.
- Repeated customer complaints or non-performance.

Safety-Related (ADOSH/ISO 45001):

- Violation of site safety rules or ADOSH requirements.
- Major safety incident, accident, or repeated near-misses.
- Lack of valid safety documentation (e.g., OSHAD registration, EHSMS certificates).
- Failure to comply with corrective actions issued by EHS or QA/QC.

Environmental/Legal:

- Breach of environmental laws or ISO 14001 obligations.
- Use of prohibited materials or improper waste disposal.
- Expired trade license, permits, or insurance.

Procedure for Removal

Step	Action	Responsibility
1	**Issue Identification** – Nonconformity, incident, or poor performance detected.	Project Manager / QA-QC / EHS
2	**Evaluation and Investigation** – Review records, NCRs, safety performance, and audit findings.	QA/QC Manager & EHS Officer
3	**Notification to Supplier/Subcontractor** – Written notice describing deficiencies and time frame for corrective action.	Procurement / QA-QC
4	**Review of Corrective Action** – Verify the implementation and effectiveness of corrective actions.	QA-QC / EHS
5	**Decision for Removal** – If corrective actions are unsatisfactory or noncompliance continues, prepare a removal recommendation.	Management Review Committee
6	**Approval and Update** – Remove from Approved Vendor List (AVL) and notify all relevant departments.	Procurement / QA-QC
7	**Record Keeping** – Maintain records of evaluation, correspondence, and approval in accordance with ISO requirements.	Document Control

13.0 REFERENCE DOCUMENTS

- FALCON-PRO-09.27-FRM 01 Contractor/Subcontractor/Supplier Registration Form
- FALCON-PRO-09.27-FRM 02 Contractor/Subcontractor/Supplier Prequalification Checklist
- FALCON-PRO-09.27-FRM 03 Approved Contractor/Subcontractor/Supplier List
- FALCON-PRO-09.27-FRM 04 Contractor/Subcontractor/Supplier Performance Evaluation
- OSHAD-SF – Mechanism 5.0: Procurement and Contractor Management
- OSHAD-SF – Mechanism 7.0: Performance Monitoring and Management Review

- ISO 9001:2015 – Clause 8.4: Control of externally provided processes, products, and services
- ISO 14001:2015 – Clause 8.1: Operational planning and control
- ISO 45001:2018 – Clause 8.1.4: Procurement and contractor control