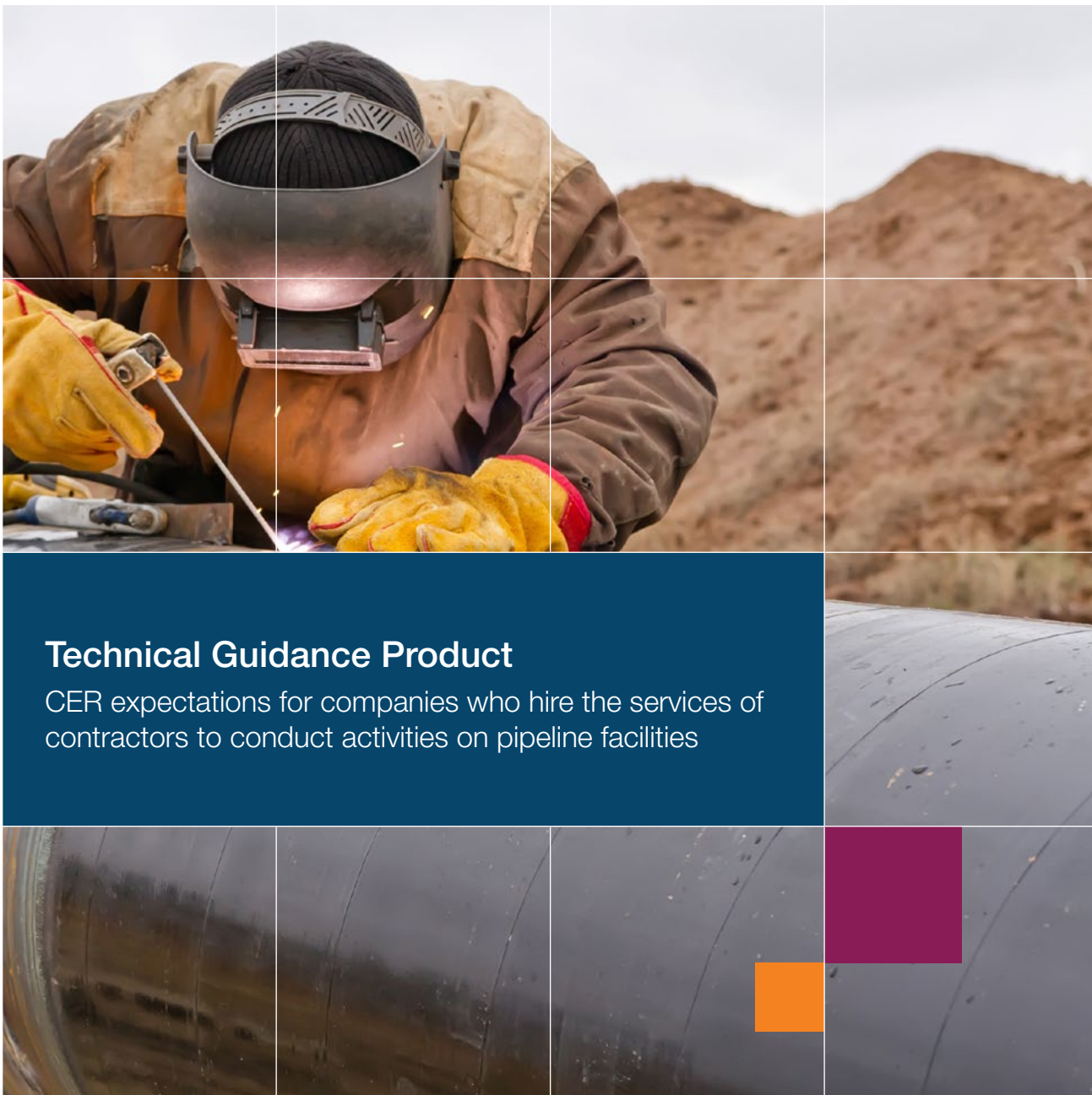




Canada Energy
Regulator

Régie de l'énergie
du Canada

Contractor Oversight Guidance



Technical Guidance Product

CER expectations for companies who hire the services of contractors to conduct activities on pipeline facilities

August 2026

Canada

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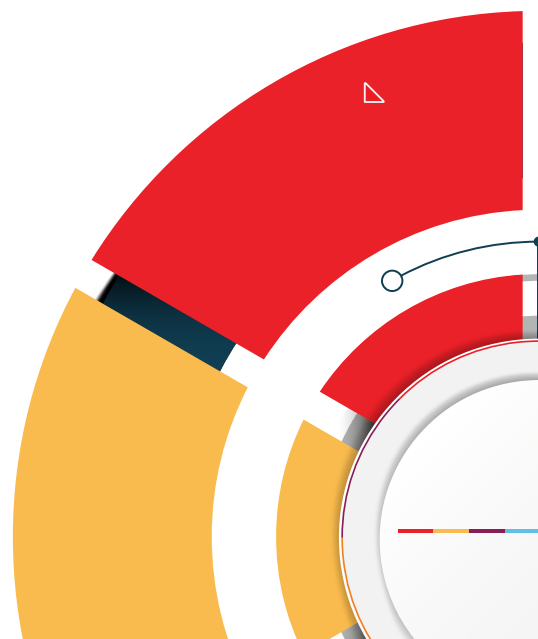
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Definitions

The definitions in this section apply to this guidance document to support readability and understanding of its content. Words that are not specifically defined should be interpreted in their entire context, as well as in their grammatical and ordinary sense.

Communication process means a series of actions that enable all workers to have the information needed to safely start and complete assigned tasks. Information includes hazards, instructions, *special conditions* and special safety practices and procedures, updates, etc. The process ensures communications are reviewed and updated as conditions change.

Company (or CER-regulated company) means the authorization holder of a pipeline regulated by the CER.

Competence means the demonstrated ability of a worker or supervisor to perform assigned tasks safely, effectively, and in compliance with regulatory, company, and technical requirements. Competence is developed through a combination of training, education, and experience. It includes both technical and non-technical knowledge and experience.

Contractor means a party retained by the company to perform specified activities, operating independently of the company's internal organizational structure but subject to the company's requirements. In the OPR, contractors are generally referred to as persons working with or on behalf of the company.

Contractor management means a comprehensive system that ensures all persons working with or on behalf of the company work safely and effectively, aligned with company and regulatory requirements. Contractor management is the structured, end-to-end process of selecting, onboarding, coordinating, monitoring, and evaluating contractors who perform operational or project-based work for a regulated company. Contractor oversight is a critical part of broader contractor management.

Contractor oversight means assuring hazards are effectively identified, managed, and controlled by all persons working with or on behalf of the company through the implementation of effective policies, processes, and procedures to meet all regulatory requirements. For example, this assurance may be achieved through supervision, inspection, or monitoring.

Inspection means a point-in-time check to observe and evaluate conditions against a set of criteria. Inspections can include document and record reviews, interviews, and observations.

Monitoring means an ongoing activity that includes pre-qualification reviews, audits, work-site inspections, and observation of performance, as appropriate.

Oversight refers to the activities that a company does to ensure pipelines are designed, constructed, operated, and maintained in accordance with regulatory requirements, industry standards, and internal policies. These activities focus on assuring that work will be performed in a manner that is safe, ensures the safety and security of the pipeline and protects the environment.

Supervision is the act of overseeing design (e.g. geotechnical field studies), construction, operations, maintenance, abandonment, and field activities to ensure that work is executed in a manner that prevents harm, in accordance with regulatory instruments (e.g. CER Act, OPR), and company requirements. It is a real-time, performance focused control that provides active management of workers, which includes employees and all contractors, and work conditions. It focuses on execution and control of work.

Supervision is distinct from inspections because it involves ongoing, active performance management designed to prevent harm, maintain safe operations, and ensure work is carried out effectively and responsibly.

Technical competence means the specialized knowledge and abilities required to perform specific tasks and use specific tools and equipment in real-world situations. Technical competence includes the ability to recognize hazards and identify where work plans, procedures, and proposed actions may not mitigate known or emerging hazards.

1 Introduction

1.1 Purpose

The purpose of this guidance is to support CER regulated companies (i.e., pipeline authorization holders regulated by the CER) in meeting their responsibilities related to design, construct, operate or abandon a pipeline in a manner that ensures the safety and security of persons, the safety and security of pipelines and abandoned pipelines and the protection of property and the environment as defined in section 6 of the [Canadian Energy Regulator Onshore Pipeline Regulations](#) (OPR).

Guidance describes key contractor oversight responsibilities and requirements		
3 Areas of Concern		Canadian Energy Regulator Onshore Pipeline Regulations (OPR)
	Competency and Training	See OPR, sections 6.5(1)(j) and (k), 18(1), 18(2), 29(1), 29(2), 54(1), and 54(2)
	Supervision and Competency Verification	See OPR, sections 6.5(1) (f), (g), (k), 18(1), and 18(2)
	Communications	See OPR, sections 6.5(1) (l), (m), (n), (q), 18(1), and 18(2)

In the event of a conflict between this guidance and the OPR, the OPR prevails.

1.2 Scope

This regulatory document contains requirements and guidance applicable to pipeline authorization holders regulated by the CER.

Companies may use this document in many ways to facilitate effective, risk-informed, and compliant contractor oversight. For example, companies may use it to promote their organizational learning and continual improvement, including to:

- facilitate their self-assessments of existing contractor oversight practices and outcomes;
- educate their personnel about relevant responsibilities;
- inform their contractor selection and procurement activities; and
- inform their stated expectations for contractors (and contracted work activities).

This document does not provide an exhaustive step-by-step list of prescriptive actions to take.

1.3 Relevant Legislation

The requirements and guidance described in this regulatory document are associated with the [*Canadian Energy Regulator Act*](#) (CER Act)¹ and [*Canadian Energy Regulator Onshore Pipeline Regulations*](#)² (OPR).

¹ SC.2019, c.28, s.10

² SOR/99-294



2 Background

2.1 Rationale for this Guidance

Contractor oversight failures have contributed to serious injuries, fatalities, impact to property and heritage resource sites, and serious adverse environmental events. A qualitative review of these failures and compliance data identified key issues, including three broad areas of concern:

- competency and training;
- supervision and competency verification; and
- communication.

This guidance describes the areas of concern and provides corresponding OPR management system requirements. It also describes actions that promote compliance, and relevant CER observations and non-compliances to assist companies in understanding their responsibilities.

The OPR requires companies to have management system processes in place to proactively identify, evaluate, prevent, manage, and mitigate hazards and risks (OPR, subsection 6.5(1)). Contractor oversight is an important control in reducing the potential for harm.

2.2 Risk-Informed Approach to Contractor Oversight

Each company-contractor relationship and workplace context is different. The nature of the activity, hazards, and risk level will vary. This guidance focuses on key performance issues and outcomes to be achieved, rather than prescribing one single approach. Contractor oversight must match the level of risk associated with the work, service, or product being provided. Using a risk-informed approach allows companies to allocate resources appropriately. When deciding the nature and extent of the oversight, companies should consider several factors, including but not limited to:

- the complexity of tasks and activities being performed by contractors including the hazards and the potential for harm(s);
- whether multiple activities are occurring at the site, or multiple contractors are present, as this increases risk and coordination challenges;
- the physical work environment where tasks and activities are performed;
- the company's familiarity with the contractor;
- internal or external prequalification assessment results;
- the contractor's experience doing the same or similar tasks and activities; and
- the contractor's past performance, including observations and results from previous work. A risk informed approach is dynamic; companies must monitor and adapt their oversight to changing risk levels.

2.3 Breadth of Company Responsibilities

Contractor oversight is a critical part of broader contractor management. A company's responsibilities to oversee contractors apply to all CER-regulated pipelines and associated worksites:

- during all activities;
- throughout the entire lifecycle of the pipeline, which includes:
 - design (e.g., geotechnical and environmental assessment activities);
 - construction activities;
 - operations and maintenance (O&M) activities (e.g., integrity digs, inspections); and
 - abandonment and decommissioning activities;
- across all programs listed in section 55 of the OPR and programs developed by the company;³
- across all management system policies, processes, and procedures (e.g., incident reviews and investigations); and
- as set out in any applicable CER direction, Certificate, or Order.

2.4 Provincial Contractor Models

Some provincial occupational health and safety regulations allow or require the assignment of a “prime contractor,” “principal contractor” or “constructor.” **While, in some cases, there is overlap between federal and provincial legislation, the company always remains responsible for meeting all CER Act and OPR requirements when it uses contractors (i.e. contracts for the provision of services).**

2.5 Company Responsibilities for Employees and Contractors

A company may use contractors to carry out work on its behalf. A company can assign some responsibilities in a contract, but **not** its responsibilities under the OPR. A company is ultimately responsible for managing the combined risk of multiple parties and activities with respect to a project. A company must meet its OPR responsibilities:

- whether the work is carried out by its employees or “other persons working with or on behalf of the company” (OPR, subsection 6.5(1)); and
- whether the persons carrying out the work are called employees, contractors, subcontractors or any other term.

³ Other programs include, as applicable, quality assurance programs (section 15), joining program (section 16), pressure testing program (section 23), training program (section 46) as well as company procedures developed in furtherance of its management system.



What does this mean in practice?

Contractors typically have *operational control* over their workforce and activities. For example, they have direct responsibility and authority with respect to hiring, terminating and disciplining their employees, setting compensation, conducting employee performance evaluations, directing employees' work, giving employees step-by-step instructions, having an on-site, actively engaged presence, and having authority to control their operations, including to stop work where necessary. Contractors also have accountability to the company (and/or other general contractors) to fulfill their specific contractual obligations.

A company has *ultimate accountability* for its pipeline to be designed, constructed, operated and abandoned in accordance with the CER Act, OPR and other applicable legislation. This requires developing and implementing its own systems, programs, manuals, procedures, measures and plans to oversee the activities of its own employees and all other persons working with or on behalf of the company (including contractors' employees). This means verifying all workers are trained and competent and supervising activities as appropriate. In some circumstances this requires having an on-site actively engaged presence - not to duplicate a contractor's role in its employment-related capacity, and not to take on the contractors' obligations, but to carry out its own responsibility and accountability for the safety, security and protection of persons, property and the environment with respect to its pipeline. To this end, the company also retains responsibility and authority to stop work where necessary and ensure hazards are controlled before approving restart of the work.

Measures to meet obligations include, but are not limited to:

- be aware of and approve planned activities and any subsequent changes;
- be aware of and approve all parties on site (e.g., authorization and permitting);
- ensure all controls are in place to reduce risk to acceptable levels;
- continually look for and follow-up with contractors to correct any issues and require improvement where appropriate; and
- supervise contractors.

Supervision includes verifying that contractors are performing their work safely and in compliance with legislated requirements and conditions in authorizations by providing effective oversight through:

- inspection;
- regular monitoring;
- conducting quality assurance activities; and
- other forms of observations, data collection, analysis, and follow-up.

Under the OPR, the company retains responsibility and authority to stop work accordingly. Before approving the restart of work, the company is responsible for ensuring the hazard has been controlled.

2.6 Processes for Contractor Oversight

A company must establish and implement effective processes as part of its management system (described in the OPR, sections 6.1 through 6.6). The management system must include the processes described in subsection 6.5(1), many of which have implications for contractor oversight. Well-designed and implemented processes produce predictable and repeatable outputs or results.

The guidance below describes key requirements for a company developing processes for contractor oversight.

3 Areas of Concern

3.1 Competency and Training

All companies must demonstrate that employees, contractors, and subcontractors have sufficient expertise, knowledge, and training to carry out a job duty safely, effectively, and in compliance with legislative and regulatory requirements (See OPR, sections 6.5, 18, 29, and 54 provided to the right). A risk-informed approach should be applied so that resources are allocated proportionately (i.e. higher-risk work requires more oversight). Companies must monitor and adapt their oversight approach and level of effort to changing risk.

3.1.1 Key concepts

Competence is the demonstrated ability of a worker or supervisor to perform assigned tasks safely, effectively, and in compliance with regulatory, company, and technical requirements. Competence is developed through a combination of training, education, and experience. It includes both technical and non-technical knowledge and experience.

Technical competence is the specialized knowledge and abilities required to perform specific tasks and use specific tools and equipment in real-world situations. Technical competence includes the ability to recognize hazards and identify where work plans, procedures, and proposed actions may not mitigate known or emerging hazards.

Examples include:

- A company coating inspector must know about all hazards posed by chemicals used (i.e., Globally Harmonized System of Classification and Labeling of Chemicals classification) and ensure workers effectively mitigate the hazards. This includes knowing what kind of respiratory protection is needed, how to wear it, and when to use it. It also includes knowledge of mitigations for flammable vapours and actions needed to ensure these mitigations are effective.
- A company inspector providing oversight of watercourse-crossing installations must be aware of potential environmental impacts, sensitive timing windows, and other requirements associated with this activity and take action to protect the watercourse and riparian areas.

OPR Requirements

6.5 (1) A company shall, as part of its management system and the programs referred to in section 55,

(j) establish and implement a process for developing competency requirements and training programs that provide employees and other persons working with or on behalf of the company with the training that will enable them to perform their duties in a manner that is safe, ensures the safety and security of the pipeline and protects the environment.

(k) establish and implement a process for verifying that employees and other persons working with or on behalf of the Company are trained and competent and for supervising them to ensure that they perform their duties in a manner that is safe, ensures the safety and security of the pipeline and protects the environment.

18 (1) If a company contracts for the provision of services in respect of the construction of a pipeline, the company shall

(a) inform the contractor of all special conditions associated with the construction;

(b) inform the contractor of all special safety practices and procedures necessitated by the conditions or features specific to the construction;

(b.1) inform the contractor of the contractor's responsibilities referred to in paragraph 6.5(1)(i);

(c) take all reasonable steps to ensure that construction activities are conducted in accordance with the manual developed under section 20; and

(d) authorize a person to halt a construction activity in circumstances where, in the person's judgement, the construction activity is not being conducted in accordance with the manual developed under section 20 or is creating a hazard to anyone at the construction site.

18 (2) The person referred to in paragraph (1)(d) must have sufficient expertise, knowledge and training to competently carry out the obligations set out in that paragraph.

Non-technical competence (sometimes called soft skills or professional competence) is a demonstrated ability to apply a set of cognitive, social, and personal resource skills that complement technical abilities to enhance safety and efficiency in complex systems. These skills are essential for reducing human error and improving performance. Non-technical competence includes the ability to maintain situational awareness, supervise tasks, manage performance, communicate orally (e.g., inquire, assert, advocate) to effectively deliver and receive information, and write reports detailing information and observations.

For example:

A company environmental inspector uses open-ended questions to understand why repeated non-compliances around erosion and sediment control are occurring at different worksites along the same construction spread. The inspector applies systems thinking (i.e., understanding how interconnected components of a system interact to produce outcomes) to evaluate why work is being performed differently than how it was originally planned.

The inspector:

- provides feedback and direction to workers installing and maintaining the sediment fencing and other control measures;
- escalates the concern and corrective actions to make necessary improvements across the spread; and
- advocates for workplace system improvements to address the systemic issues contributing to the non-compliances.

The inspector asserts their authority to stop construction work during a period of high rainfall to prevent harm while erosion and sediment mitigations are being improved.

29 (1) If a company contracts for the provision of services in respect of the maintenance of a pipeline, the company shall

(a) inform the contractor of all special conditions associated with the maintenance;

(b) inform the contractor of all special safety practices and procedures necessitated by the conditions or features specific to the maintenance;

(b.1) inform the contractor of the contractor's responsibilities referred to in paragraph 6.5(1)(l);

(c) take all reasonable steps to ensure that maintenance activities are conducted in accordance with the manual developed under section 31; and

(d) authorize a person to halt a maintenance activity in circumstances where, in the person's judgement, the maintenance activity is not being conducted in accordance with the manual developed under section 31 or is creating a hazard to anyone at the maintenance site.

29 (2) The person referred to in paragraph (1)(d) must have sufficient expertise, knowledge and training to competently carry out the obligations set out in that paragraph.

54 (1) When a company constructs a pipeline, the Company or an agent independent of any construction contractor retained by the Company shall inspect the construction to ensure that it meets the requirements of these Regulations and complies with the terms and conditions of any certificate or order issued by the Commission.

(2) An inspection shall be performed by a person who has sufficient expertise, knowledge and training to competently carry out the inspection.

3.1.2 CER observations and previous non-compliances

CER Inspection Officers have observed or issued notices of non-compliance and inspection officer orders where company representatives had inadequate technical and non-technical competence to oversee contractors. Examples include:

Welding fumes

- Risk: Workers being exposed to welding fumes due to lack of adequate protection.
- Requirement: A welding inspector must know whether workers are wearing appropriate personal protective equipment (PPE), including respiratory protective equipment, in accordance with the established procedures, and stop work if PPE is missing or inadequate.

Coating chemicals

- Risk: Workers being exposed to hazardous vapors due to inadequate knowledge of hazards and controls.
- Requirement: A company representative overseeing or inspecting coating activities must know the established safe work procedures for the work activity, including the hazards associated with coating chemicals.

Lifting, hoisting, and pipe handling

- Risk: Workers being pinned by a suspended load.
- Requirement: A company representative overseeing pipe-handling operations, including stringing, stockpiling, and lowering-in must have knowledge of the established procedures and critical information such as lifting capacity for equipment in use and weight of material being lifted.

Brush clearing: Migratory birds' nests were destroyed.

- Risk: Further harm to sensitive habitat.
- Requirement: company representatives must have knowledge of the established environmental management plans and procedures, and roles associated with ensuring compliance, when clearing activities are conducted.



What does this mean for you?

To have effective and compliant contractor oversight, ensure:

- systems (including processes and procedures) are in place, so that only competent people conduct construction, operations, maintenance, and abandonment activities on your pipelines;
- training includes at a minimum:
 - technical courses and certificates identified in the selection criteria for the role, which ensure adequate knowledge, abilities, and adherence to industry best practices; and
 - project-specific educational content, such as:
 - how to implement local requirements, permits, conditions, and commitments (e.g., chance find procedures),
 - how to use equipment with new or modified designs, operating instructions, etc.,
 - hazard identification and reporting processes and procedures, and
 - emergency response duties and responsibilities;
- employees, contractors, and subcontractors are adequately trained and competent to undertake construction, operations, maintenance, and abandonment activities by:
 - verifying contractor training records;
 - verifying contractor understanding of task-specific requirements prior to work starting; and
 - monitoring to assess contractor competence while they carry out tasks; and
- people conducting inspections (whether employees, contractors, or subcontractors) are competent, and able to demonstrate their competence, to conduct inspections of the activities they are monitoring. Inspections are necessary throughout the lifecycle of the pipeline.

For example, a company representative overseeing the breakdown of a side boom may:

- inspect copies of appropriate training records;
- ask questions to test the workers' knowledge of the hazards; and
- review approved controls and associated procedures for the task.

3.2 Supervision and Competency Verification

Supervision which includes monitoring and inspection activities, is essential to effective contractor oversight and must be in compliance with legislative and regulatory requirements (See OPR, sections 6.5 and 18, provided to the right). Supervision provides timely direction, communication, and reinforcement of a company's requirements on contractors and assigned activities. Establishing and implementing processes for verifying that contractors are competent to perform work is equally essential. A company must demonstrate effective contractor supervision and competency verification. A risk-informed approach should be applied so that resources are allocated proportionately (i.e. higher-risk work requires more oversight). Companies must monitor and adapt their oversight approach and level of effort to changing risk.

3.2.1 Key concepts

Supervision is the act of overseeing design (e.g., geotechnical field studies), construction, operations, maintenance, abandonment, and field activities to ensure that work is executed in a manner that prevents harm, in accordance with regulatory instruments (e.g., CER Act, OPR), and company requirements. It is a real time, performance focused control that provides active management of workers, which includes employees and all contractors, and work conditions. It focuses on **execution and control of work**.

Supervision includes responsibilities such as:

- maintaining control over the work being performed and the conditions under which it occurs;
- ensuring the safety of all persons who may be exposed to hazards or potential hazards;
- ensuring permits and regulations are followed;
- verifying worker qualifications, competency, and readiness to safely operate equipment or complete assigned tasks;
- ensuring compliance with regulations, specific project conditions, agreements, and conformance to company policies, processes, and procedures; and
- correcting issues promptly and preventing recurrence.

Supervision is distinct from inspection because it involves ongoing management of task performance and outcomes designed to prevent harm, maintain safe operations and ensure work is carried out effectively and responsibly.

Monitoring is an ongoing activity that includes pre-qualification reviews, audits, work-site inspections, and observation of performance, as appropriate.

OPR Requirements

6.5 (1) A company shall, as part of its management system and the programs referred to in section 55,

(f) establish and implement a process for developing and implementing controls to prevent, manage and mitigate the identified hazards, potential hazards and risks and for communicating those controls to anyone who is exposed to the risks;

(g) establish and implement a process for identifying, and monitoring compliance with, all legal requirements that are applicable to the company in matters of safety, security and protection of the environment;

(k) establish and implement a process for verifying that employees and other persons working with or on behalf of the company are trained and competent and for supervising them to ensure that they perform their duties in a manner that is safe, ensures the safety and security of the pipeline and protects the environment.

18 (1) If a company contracts for the provision of services in respect of the construction of a pipeline, the company shall

(a) inform the contractor of all special conditions associated with the construction;

(b) inform the contractor of all special safety practices and procedures necessitated by the conditions or features specific to the construction;

(b.1) inform the contractor of the contractor's responsibilities referred to in paragraph 6.5(1)(l);

(c) take all reasonable steps to ensure that construction activities are conducted in accordance with the manual developed under section 20; and

(d) authorize a person to halt a construction activity in circumstances where, in the person's judgement, the construction activity is not being conducted in accordance with the manual developed under section 20 or is creating a hazard to anyone at the construction site.

Inspection is the act of observing and evaluating the conditions (at a given time) against a set of criteria. Inspections can include document and record reviews, interviews, and observations.

A **competency verification process** is a means to ensure that all persons working for or on behalf of a company are competent in their roles before assigning them duties or allowing them to start work.

3.2.2 CER observations and previous non-compliances

CER Inspection Officers have observed or issued several notices of non-compliance and Inspection Officer Orders where company representatives failed to adequately supervise and verify the competency of contractors. Examples include:

- **Verification of competent workers:** A contractor disassembled a trench box in an unsafe manner.
 - Risk: Workers being seriously or fatally injured because they were assigned tasks that they lacked the competence to complete safely.
 - Requirement: company representatives, as a part of their supervisory responsibilities, must verify that competent workers are assigned.
- **Effective aerial patrol – grading over the live pipe:** An aerial patrol contractor did not detect the presence of heavy equipment and construction activities carried out by a third-party contractor near a pipeline. Gaps that contributed to ineffective oversight included the company's failure to assess patrol effectiveness for about two years and its inadequate processes for verifying aerial-patrol training and competency.
 - Risk: Damage to pipe and pipeline rupture due to grading over live pipe.
 - Requirement: Companies must have established competency verification processes to ensure contractors are able to effectively perform their tasks.
- **Records of supervision:** Noting "no issues" without also providing supporting details in the daily report is not an adequate record.
 - Risk: Critical controls are not implemented.
 - Requirement: company representatives must ensure necessary controls are in place and are clearly documented. For example, the company representatives supervising must document the scope and results of the monitoring activities.

18 (2) The person referred to in paragraph (1)(d) must have sufficient expertise, knowledge and training to competently carry out the obligations set out in that paragraph.

- **Construction work site preparation – emergency access:** A contractor misunderstood the regulatory requirements for access (e.g., two appropriately spaced ladders in trench to provide alternate evacuation routes).
 - Risk: Workers being trapped in trench due to insufficient exit points.
 - Requirement: company representatives supervising this activity must ensure contractors have appropriate knowledge and training and are conducting work safely.
- **Authorization to work in area – reclamation:** A contractor used heavy equipment to remove debris from mats to prepare for reclamation 40 meters from an active Red-Tailed Hawk nest without company authorization.
 - Risk: Disturbing nesting birds and destroying nests.
 - Requirement: Company representatives supervising must ensure that all workers involved in reclamation activities are aware of and adhere to established environmental management plans and procedures.
- **Authorization to start activity – watercourse crossing:** A contractor isolated a watercourse crossing prior to receiving notification that the concrete coated pipe passed all required testing. The isolation had to be removed, and banks restored.
 - Risk: Disturbing environmental receptors outside of approved windows.
 - Requirement: Company representatives supervising must be aware of all work activities and ensure that all workers involved in watercourse crossing activities are aware of and adhere to established environmental management plans and procedures.
- **Authorization to start work - spawning deterrents:** Contractors installed spawning deterrent mats before the company received regulatory approval to commence work.
 - Risk: Disturbing environmental receptors outside of approved construction windows.
 - Requirement: Company representatives supervising must be aware of all work activities and ensure that all contractors adhere to work authorization requirements, are aware of their legal obligations, and adhere to established environmental management plans and procedures.
- **Corrective action log:**
 - Risk: Environmental damage due to lack of timely remedy of environmental issues noted within the corrective action log.
 - Requirement: Company representatives supervising must ensure corrective actions are implemented in a timely manner to adhere to project mitigation measures, recommendations, and procedures for the protection of the environment.
- **Authorization to work in area – heritage resources:** A contractor inadvertently trespassed into a portion of a registered archaeological site with grading equipment causing ground disturbance without the proper archaeological authorization in place.
 - Risk: Impacting a protected archaeological site without authorization.
 - Requirement: Company representatives supervising must ensure that all workers involved in construction activities around an archaeological site are aware of and adhere to archaeological permit requirements and any applicable site management plans.

- **Authorization to start clearing activities – heritage resources:** A contractor conducted a Danger Tree Assessment and inadvertently cut a Culturally Modified Tree without authorization.
 - Risk: Impacts to a cultural or sacred site or traditional land use site.
 - Requirement: company representatives supervising must ensure that all workers involved in construction activities are aware of and adhere to any applicable site management plans prior to authorizing work.



What does this mean for you?

To have effective and compliant contractor oversight, a company must assess the complexities of activities to determine the competency required, the supervision required, and the associated hazards and risks pursuant to the OPR, paragraph 6.5 (1)(f). Document, review, and update the assessment periodically, including whenever there is a:

- change to previously approved work scope;
- new hazard identified;
- change in risk level associated with the work; or
- change in the contracted party assigned to execute the work.

Supervision

- Determine resources needed to adequately supervise activities. Conduct an evaluation to identify appropriate resources and allocation of those assigned supervisory duties by the company and to ensure adequate staffing to meet the requisite resourcing levels.
- Provide a level of supervision that is based on an assessment of the activity being performed and its associated risks.
- Develop and document competencies required of anyone assigned supervisory duties to ensure they are competent to supervise and empowered to intervene (e.g., inspect, coach, adjust or stop work) and escalate when required.
- Develop a process for supervising contractors including reporting all findings for additional systemic analysis, trending, and resolution. Ongoing monitoring of contractor performance, through daily observations, reporting, metrics, etc. may also inform the extent of company supervision.
- Demonstrate supervision of contractors to ensure safety and protection of the environment.
- Monitor contractor performance through effective supervision. Monitoring activities include pre-qualification reviews, audits, work-site inspections, and observations, as appropriate.
- Competency Verification of Contractors
- Demonstrate that contractors are trained and competent by using an established and implemented competency verification process and related records.
- Evaluate the performance of contractors against the competencies established for the activities being performed.
- Provide timely feedback to contractors to ensure they correct deficiencies promptly. Establish clear communication process(es) to facilitate this feedback with steps for escalation when required to resolve issues.
- Monitor and evaluate whether controls are adequate and effective. This should include a means to receive feedback from anyone exposed to hazards and potential hazards or assigned implementation roles or responsibilities.

Competency Verification of Company Representatives Providing Supervision

Verify that the company representatives providing supervision have:

- technical competency to effectively monitor and recognize non-compliances, non-conformances, and any other deviations from requirements;
- non-technical competencies to effectively fulfill their duties (e.g., communication skills, conflict resolution, coaching, etc.); and
- knowledge of company policies and the ability to enforce them.

3.3 Communication

All companies must demonstrate effective communication with contractors. (See OPR, sections 6.5 and 18, provided in right side bar). Companies must have processes to make sure employees and contractors at a work site are aware of any work being done by others when one activity could impact the safety of another activity. A risk-informed approach should be applied so that resources are allocated proportionately (i.e. higher-risk work requires more oversight). Companies must monitor and adapt their oversight approach and level of effort to changing risk.

3.3.1 Key concepts

A **communication process** is a series of actions that enable all workers to have the information needed to safely start and complete assigned tasks. Information includes hazards, instructions, *special conditions* and *special safety practices and procedures*, updates, etc. The process ensures communications are effectively designed for the unique context of work, reviewed and updated as conditions change.

A company's (contractor) communication process must include:

- written and/or verbal communication tools, as appropriate (e.g. written procedures, verbal tailgate meetings);
- methods of two-way communication to ensure that everyone, including contractors and employees, specifically –
 - share information, receive information and understand it,
 - acknowledge other groups in the area (e.g. other workers, landowners, Indigenous Peoples⁴) and are aware of their activities, and
 - has the knowledge to work safely; and
- Consideration of communication methods and limitations (e.g., if digital communication is utilized, there must be a back-up method to accommodate system outages).

The communications process must accommodate all contractors, whether they are internal (e.g., inspectors hired to act as the company's representative) or external (e.g., general contractors) to the company.

4 The use of the term "Indigenous" has the meaning assigned by the definition of "aboriginal peoples of Canada" in subsection 35(2) of the Constitution Act, 1982, being Schedule B to the Canada Act 1982 (UK), 1982, c 11, which states:

In this Act, "aboriginal peoples of Canada" includes the Indian, Inuit and Métis peoples of Canada.

OPR Requirements

6.5 (1) A company shall, as part of its management system and the programs referred to in section 55,

(l) establish and implement a process for making employees and other persons working with or on behalf of the company aware of their responsibilities in relation to the processes and procedures required by this section;

(m) establish and implement a process for the internal and external communication of information related to safety, security and protection of the environment;

(n) establish and implement a process for identifying the documents required for the company to meet its obligations under section 6;

(q) establish and implement a process for coordinating and controlling the operational activities of employees and other people working with or on behalf of the company so that each person is aware of the activities of others and has the information that will enable them to perform their duties in a manner that is safe, ensures the security of the pipeline and protects environment;

18 (1) If a company contracts for the provision of services in respect of the construction of a pipeline, the company shall

(a) inform the contractor of all special conditions associated with the construction;

(b) inform the contractor of all special safety practices and procedures necessitated by the conditions or features specific to the construction;

(b.1) inform the contractor of the contractor's responsibilities referred to in paragraph 6.5(1)(l);

18 (2) The person referred to in paragraph (1)(d) must have sufficient expertise, knowledge and training to competently carry out the obligations set out in that paragraph.

3.3.2 CER observations and previous non-compliances

CER Inspection Officers have observed or issued several notices of non-compliance and inspection officer orders where company representatives had inadequate communication processes. Examples include:

- **Communication to coordinate work - live pipe:** A company issued a permit to drill a hole into a pressurized pipe. There were multiple parties working at the site and the permit issuer believed incorrectly that the segment of pipe had been blown down.
 - Risk: Release of substance and risk to personal safety.
 - Requirement: A company representative must communicate and verify isolation and zero energy prior to authorization of work.
- **Communication to implement a safe work practice – suspended pipe:** CER inspectors observed workers reaching under suspended pipes during a skid building activity despite an ongoing Safety Bulletin, an improved Safety Management Plan, and the company's project-specific Safety Orientation to mitigate the risk.
 - Risk: Workers being pinned under suspended load.
 - Requirement: Companies must ensure site personnel are aware of the safety requirements related to each task.
- **Communication of pertinent information - Programmable Logic Controller (PLC) cabinet:** A company representative authorized a contractor to perform electrical work including loosening the PLC power cable supply wire, which caused a power loss. The contractor was not aware that the backup PLC was not working at the same time. The action caused an overpressure of the system.
 - Risk: Overpressure of system and/or potential pipeline rupture.
 - Requirement: Company representatives must be aware of all pertinent information prior to authorizing work and communicate this information to workers performing tasks prior to starting work.
 - Communication of work practices – pipe handling
 - Risk: Overstressing pipe due to improper pipe handling.
 - Requirement: Companies must ensure site personnel are aware of pipe handling requirements to avoid overstressing the pipe.
- **Communication of pertinent information – heritage resources:** A contractor improperly flagged a portion of the right-of-way for avoidance and commenced clearing activities causing ground disturbance prior to completion of the required impact assessment.
 - Risk: Impacting surface or subsurface archaeological sites without approval.
 - Requirement: company representatives must be aware of all locations where required impact assessments are outstanding, ensure avoidance measures are in place and communicate this information to workers performing tasks prior to commencing work.



What does this mean for you?

To have effective and compliant contractor oversight, a company must:

- Share information with employees and contractors (and have evidence of communicating this information) to protect:
 - the safety and security of persons;
 - the safety and security of the regulated pipelines; and
 - property and the environment.
- Define and communicate expectations (e.g., based on regulatory requirements, the company's management system, industry best practices, etc.) to all employees and contractors, such that all persons working with or on behalf of the company are aware.
- Develop and document requirements for effective communication (best practices) and ensure employees and contractors are aware of them. (Note: communication includes both verbal and written forms.)
- Develop policies, procedures, and tools for continuity of work (e.g., shift or activity handover, permit to work documentation) which include approvals to proceed with activities.
- Ensure employees and contractors are informed of their roles and responsibilities for construction, operation, maintenance, or abandonment work.
- Inform employees and contractors about relevant processes, practices and procedures for the work (e.g., hazard and incident reporting, safe handling of pipe, heritage resource and archeological finds, etc.).
- Communicate with employees and contractors to ensure they are aware of, plan for, and mitigate hazards from concurrent activities at the site.
- Engage with contractors to understand hazards and potential hazards associated with their activities and develop effective controls, using subject-matter experts if needed.
- Communicate controls to anyone who may be:
 - exposed to hazards and potential hazards, or
 - assigned roles or responsibilities related to implementation.
- Have clear reporting lines, corrective action and escalation mechanisms, and decision-making authorities for taking timely, appropriate actions when controls are inadequate or ineffective.



Revision Log

Version	Revision Date	Summary of Changes	Sections Updated