



Revision No.: 1
Issued By: Vice President, Environmental Safety & Regulatory
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CRESTWOOD CONTRACTOR MINIMUM REQUIREMENTS STANDARD

PURPOSE OF STANDARD

Crestwood (“Company”) seeks to manage the Environmental Safety and Regulatory (“ESR”) performance of contractors who provide work, services, or equipment (collectively known as “Work”) to Crestwood locations (hereinafter referred to collectively as “Contractors”) in a way that (1) establishes a policy for pre-qualification, evaluation and selection of Contractors, (2) reviews new Contractors’ ESR performance and systems pursuant to this Standard prior to establishing an Agreement and beginning any Work, (3) reviews current Contractors ESR performance against this standard in order to promote improvement, (4) continues to improve Crestwood’s Contractor ESR performance, and (5) establishes the adequacy of training, equipment, procedures, and supervision of Work necessary for Contractors in order to reduce risks.

Additionally Crestwood seeks assurance that Contractors are knowledgeable in Crestwood’s Operational Safety Principles (hereinafter referred to as “Principles”) and that Contractors understand, adopt and adhere to these Principles in the conduct of their Work for Crestwood.

This Standard applies to the management of all Contractors, as defined below, and addresses how these Contractors who are to be used for Work at Crestwood locations are to be pre-qualified, evaluated/selected, developed, and evaluated.

I. DEFINITIONS

“Agreement”: the Crestwood Master Service Agreement (MSA) or other form of Crestwood services agreement entered into between Crestwood and a Contractor for the provision of Work.

Consultant: Any person or entity engaged by Crestwood as an independent contractor and not as an employee of Crestwood, who performs Work without detailed supervision by Company, and who has executed an agreement with Crestwood for the performance of Work. Examples would include: auditors, trainers, data entry technicians, software developers, inspectors or design engineering services. A consultant does not typically perform services at a field location; if they do perform services at a field location they may be subject to the Contractor requirements herein.

Contractor: A third party provider of Work to or on a Crestwood owned, controlled, or managed site(s). A site includes but is not limited to above or below ground facilities, pipeline rights of way, compressor stations, meter sites, terminals, offices, etc. The term Contractor does not include:

- Consultants as defined herein.
- Vendors of equipment/materials when such suppliers’ personnel are not engaged at a Crestwood site to do anything beyond offloading equipment/materials at the warehouse or gate.
- Owner Operators as defined herein.

Contractor Management System (ISNetworld): a third party service provider for Contractor management. ISNetworld provides information regarding Contractor safety, risk and contractual statistics.

A “**Green Contractor**” must meet, at a minimum all, of the requirements of the Threshold Performance Criteria. Crestwood Contractors must provide evidence of meeting the Threshold Performance Criteria which is found in Appendix 2.

A “**Yellow Contractor**” is a Contractor whose safety performance meet the Threshold Performance Criteria, but has a score below 70% indicating that the Contractor’s programs and/or safety statistics need further development. **This Contractor must be accompanied by a designated Crestwood representative at all times while at a Crestwood site.**

A “**Red Contractor**” is a Contractor who cannot currently work for Crestwood on a Crestwood site because

- Contractor’s safety performance does not meet the Threshold Performance Criteria indicating a lack of ESR and SCM policies and programs;
- Crestwood determines that a Contractor’s work performance has not been satisfactory to Crestwood;
- Contractor fails to meet the objectives outlined in the ISNetworld Variance Request Form;
- Contractor fails to meet Crestwood’s minimum insurance requirements; or
- Contractor does not carry an approved Agreement with Crestwood.

Contractor Minimum ESR Requirements: Requirements added to each Agreement that addresses certain specific ESR requirements that are to be implemented by Contractors when working on Crestwood Sites or Crestwood Project Sites. Appendix 1, Contractor Minimum ESR Requirements, defines the requirements of all Contractors.

Contractor Representative (CR): Each Contractor shall assign a single person who will be authorized by such Contractor to act and speak on its behalf, and be responsible for the Contractor’s overall performance of its obligations under its Agreement with Crestwood.

Owner Operator: A self-employed commercial truck driver who operates a **single** tractor-trailer for Crestwood. A self-employed commercial truck driver who operates multiple tractor-trailers with other commercial drivers working for him/her will be considered by Crestwood as a “Contractor” and as such will be required to meet the requirements herein applicable to a Contractor.

ISNetworld Variance Request form: A written plan that may be put into place to address the Contractor’s deficiencies noted in ISNetworld. If the Crestwood Sponsor requests to utilize the services of a Red Contractor, the Contractor Representative and Crestwood Sponsor will work together to complete the required ISNetworld Variance Request form and mitigation plan that addresses the deficiencies in the Contractor’s ESR Program. The ISNetworld Variance Request form must include a timeframe of no more than one (1) year, which can be changed at the discretion of Crestwood. All variance forms and mitigation plans must be approved and agreed upon by Crestwood’s Supply Chain Management (“SCM”) team, the Regional ESR Director and the Vice President of the applicable region.

Crestwood Sponsor: A Crestwood employee who requests a new Vendor set-up, is accountable for facilitating a Vendor in the set-up process, and ensures Contractors meet their obligations as stipulated in a Master Service Agreement or other agreements with Crestwood, and where applicable, a ISNetworld Variance Request Form

Threshold Performance Criteria: Initial minimum criteria that all Contractors must meet to be considered for performance of Work for Crestwood. The Threshold Performance Criteria are set out in Appendix 2.

Supplier: a person or organization that undertakes a contract provided by Crestwood to provide materials, goods, and/or equipment collective (Materials).

Vendor: Company's approved Contractors and/or Suppliers.

II. CRESTWOOD PROCEDURES FOR EVALUATION OF CONTRACTORS

A. Crestwood Procedures for Internal Pre-Qualification of New Contractors

1. A Crestwood Sponsor notifies Supply Chain Management ("SCM") of the need for Work by a new Contractor.
2. SCM will consult with the Contractor Management System (ISNetworld) to assess the ESR status of the proposed Contractor. In the event that any proposed Contractor details are not known or not up-to-date, SCM will notify those potential Contractors and will not progress further until Contractor shows good faith attempts to update the system.
3. All new potential Contractors will be pre-qualified using a combination of data obtained from the Contractor Management System (ISNetworld) and the Contractor Threshold Performance Criteria. In order to be included in the invitation to respond to a RFQ/bid, a Contractor's ESR performance must be pre-qualified by meeting or exceeding the Threshold Performance Criteria and scoring above a 70% on the current safety grading in ISNetworld.
4. The ESR data provided by a Contractor, as submitted in ISNetworld will be used for all pre-qualification reviews. If ESR data is not available from, a request will be made to a Contractor to obtain the required information.
5. Pre-qualification results will be communicated to the Crestwood Sponsor and the potential Contractor by SCM.

B. Request for Quotation ("RFQ")

1. SCM will finalize the RFQ for issue and delivery to the list of qualified bidders.
2. The RFQ package must include the Contractor Minimum ESR Requirements, attached hereto as Appendix 1.

C. ESR Evaluation Criteria to Select Contractor

1. All Contractors will initially be designated as "Green", "Yellow", or "Red" according to the Threshold Performance Criteria, ISNetworld Data, and any other criteria determined by Crestwood.
2. All Contractors that have a "Green" or "Yellow" ESR status are to be managed in accordance with this Standard.
3. Any Contractor that has a "Red" ESR status will not be used on any Crestwood site, unless the Contractor sponsor develops a Variance Plan to address deficiencies noted and it is reviewed and approved by SCM, the Regional ESR Director and the Vice President of the applicable region.
4. Any Contractor that fails to meet the Threshold Performance Criteria will be assigned a "Red" status, and cannot be used on a Crestwood site. However, with the development and implementation of an agreed Variance Plan and the approval of the appropriate Operations Vice President of the applicable region, a "Red" Contractor may be utilized based on the requirement of the Variance. Once the Variance has been completed to the satisfaction of

SCM, and agreed to by the ESR Systems and Data Team, the status may be changed to “Conditionally Approved”.

D. ESR Evaluation of Current Contractors

1. All current Contractors are responsible for ensuring that ISNetwork is up to date with an acceptable score for Crestwood.
2. All Contractors will be actively managed by Crestwood’s SCM group.
3. All current Contractors working on Crestwood Sites will be subject to periodic site evaluations and audits against the Crestwood Minimum Requirements and will be required to address any deficiencies noted in a timely manner. Crestwood reserves the right to randomly audit its Contractors and their employees and subcontractors to ensure compliance with the above standards. Significant audit deficiencies will result in re-evaluation of a Contractor’s suitability to work for Crestwood and can, in extreme cases, result in loss of all further work opportunities for Crestwood. Less severe deficiencies may require a Contractor to prepare and implement a Variance Plan to address the deficiencies, and such Variance Plan shall be subject to Crestwood’s approval.
4. Subcontractors are required to maintain the same criteria as the Contractor with the exception of Insurance and Agreement requirements.

APPENDIX 1

CONTRACTOR MINIMUM ESR REQUIREMENTS

The following requirements constitute Crestwood's Environmental, Safety, and Regulatory ("ESR") Requirements for a Contractor and its subcontractors performing Works on Crestwood Sites.

ESR Requirements means compliance with:

1. All applicable federal, state, maritime, and local statutes, laws, ordinances, regulations, agency orders, permits and enforceable agreements made between Crestwood and any governmental agency.
2. Crestwood's Principles of Operational Safety. Crestwood seeks to ensure that Contractors have knowledge of these Principles, and that Contractors are actively engaged in ensuring that Contractor employees understand, adopt and adhere to these Principles in the conduct of their work.
3. Specific Crestwood requirements as set out below and any site-specific requirements not specified below. Each Contractor must ensure that any subcontractor it employs meets these ESR Requirements. Contractor must take any additional precautions necessary to prevent harm to personnel or damage to the environment, property or Crestwood's reputation.
4. Specific ESR requirements for certain Contractors may include requirements applicable to a Contractor who may be performing Works in specific facilities and/or performing activities that generate specific wastes.

Contractor's ESR Program must strive to deliver an incident and injury free work place and to achieve a total recordable incident rate (TRIR) equal to, or better than, the TRIR set by Crestwood for Works conducted on or equipment provided to Crestwood Sites.

Specific ESR Requirements for all Contractors:

Contractor Leadership: Contractor must have a written safety manual that addresses the Works that the Contractor performs, and is shared with its employees. Contractor's management shall actively participate in the Contractor's ESR Program. Contractor will ensure that its employees understand and comply with Crestwood Principles of Operational Safety, and upon request of Crestwood, will provide Crestwood of documentation of such employee understanding and compliance.

Chemicals Brought to Company Site: Contractor will ensure Safety Data Sheets ("SDSs") are available for all chemicals Contractor brings to a Crestwood Site, that Contractor's employees are trained in the use of these chemicals, and that the SDSs are reviewed as part of the pre-job hazards analysis.

ESR Meetings: Contractor shall hold regularly scheduled meetings with its employees to discuss a variety of ESR topics, including job hazards, incidents, near-misses, Specific ESR Requirements, and site-specific procedures.

Incident Reporting: Contractor must have an Incident Reporting process that clearly sets out manager/supervisor/employee responsibilities for immediately reporting incidents to Crestwood for incidents occurring on Crestwood Sites, and requires that incidents be investigated for causal factors. In the event of an incident, Contractor shall notify its Crestwood Sponsor and Crestwood's 24 Hour ESR Hotline (817-339-5555).

Operational Safety: Contractor and Contractor's employees shall be required to understand and adhere to the following Crestwood Principles of Operational Safety in the conduct of the Works and each employee's individual job responsibilities:

- Assemble the people with the right skills for the task,
- Utilize safe work practices and behaviors,
- Ensure conformance with all policies and procedures,
- Ensure full compliance with all applicable regulations,
- Promote safe operational control of facilities, vehicles, and assets,
- Provide engineering designs in conformance with applicable industry codes and standards and contractual requirements,
- Ensure all safety devices are in place and properly functioning,
- Immediately address and correct any unsafe condition,
- Seek timely assistance from technical and subject matter experts as necessary, and
- Ensure that the maintenance of vehicles, equipment, safety devices, and facilities is regularly performed, follows known standards, corrects identified failures, and is documented in a consistent manner across the company.

PPE: A Contractor shall have a detailed PPE Hazard Assessment that outlines the typical tasks conducted by its personnel and the corresponding PPE required.

Job Safety Environmental Analysis (JSEA): A Contractor shall have a clear understanding of the job hazards associated with each task to be performed on Crestwood's Sites and prior to commencement of Works shall develop and implement a written risk mitigation analysis which should include at a minimum sequence of job tasks, hazards identified, actions and control measures put in place to minimize the hazards and the name of the person responsible to implement the actions. All Contractor employees must be trained to perform JSEAs prior to commencing work on all Crestwood Sites.

Preventive Maintenance and Inspection Program: A Contractor shall have a maintenance and inspection system or procedure that provides for more than repair of broken equipment, and prioritizes and schedules maintenance of its equipment on some appropriate periodic basis.

Environmental, Safety, & Regulatory Compliance Programs: A Contractor must have Safety, Regulatory and Environmental programs in place to ensure compliance with all applicable laws and regulations governing health, occupational safety, process safety and the environment.

Stop Work Authority: A Contractor must have a procedure in place for communicating and ensuring that all personnel understand their obligation to stop work that is unsafe.

Subcontractor Management: A Contractor must have a process for managing and ensuring subcontractor's compliance with regulatory requirements, conformance with Company requirements, and conformance with site-specific requirements.

Substance Abuse Program: A Contractor must have a written Substance Abuse Program, which calls for initial screening, random, and post-accident drug and alcohol testing for all employees working onsite. In addition, each Contractor and its employees must comply with Crestwood's Drug and Alcohol Policy.

Training: Contractor must have a documented training matrix for all personnel that includes regulatory-required training, and defines the intervals at which retraining is required. All Contractor training must be documented with evidence of competency.

Waste Management: Contractor shall have a documented Waste Management procedure that, at a minimum, includes a list of all wastes created during Contractor's activities on a Company site, and the methods utilized to properly handle and dispose of the waste in accordance with applicable laws and regulations and any applicable Crestwood policies and procedures.

Specific ESR Requirements Selected for Certain Contractors:

PSM/RMP/PHMSA Facility Requirements: Contractors working on or in a regulated facility shall demonstrate compliance with all mandatory regulatory requirements. For example, Contractors working in a PSM and/or RMP, and/or other regulated facility, at a minimum, shall demonstrate compliance with the requirements listed below, and upon request of Crestwood, provide Crestwood with documentation evidencing:

- Assure and document that each employee is trained in the work practices necessary to safely perform their job.
- Assure that each employee is instructed in the known Abnormal Operating Conditions (AOC), potential fire, explosion, or toxic release hazards related to their job, and the applicable provisions of the emergency action plan for the Site where Works are performed.
- Document that each employee has received and understood the training in the work practices necessary to safely perform their job.
- Assure that each employee follows the safety rules of the Crestwood facility, including all safe work practices.
- Advise Crestwood of any unique hazards presented by Contractor's Works, or of any hazards found by the work of Contractor's employees.

All Contractor's performing work on regulated pipelines must comply with the PHMSA operator qualification regulation, have an approved DOT D&A program, and upon request of Crestwood, provide Crestwood with documentation evidencing compliance.

APPENDIX 2

THRESHOLD PERFORMANCE CRITERIA FOR PRE-QUALIFICATION OF NEW CONTRACTORS AND EVALUATION OF CURRENT CONTRACTORS

- 1. OSHA Total Recordable Rate:** The Total Recordable Incident Rate (TRIR) is graded individually for the last three years but not as an average. We compared against the BLS Industry Average. The scoring range is shown below:
 - a. <100% of the previous year's BLS Industry Average
 - b. ≥ 100% of the 2016 BLS Industry Average but < 175% of the 2016 BLS Industry Average
 - c. ≥ 175% of the 2016 BLS Industry Average
- 2. OSHA Fatalities= 0:** A Contractor shall not have experienced a fatality over the last three years while working at any U.S. operations.
- 3. Experienced Modification Rate ("EMR"):** scoring range is shown below:
 - a. Equal to 1
 - b. 1.01- 2.00
 - c. ≥ 2.01.
- 4. Training Program:** A Contractor must have a documented Training Matrix for all personnel that includes regulatory required training (such as PSM/RMP/PHMSA), and defines the intervals at which re-training is required.
- 5. Substance Abuse Program:** A Contractor must have a written Substance Abuse Program which calls for initial screening, random, and post-accident drug and alcohol testing for all employees who would be working on a Crestwood site.
- 6. Environmental, Safety, & Regulatory Programs:** A Contractor must have written Safety, Regulatory and Environmental programs in place to ensure compliance with all applicable laws and regulations governing health, occupational safety, process safety, and the environment.
- 7. Incident Reporting Program:** A Contractor must have an Incident Reporting process that clearly sets out manager/supervisor/employee responsibilities for immediately reporting incidents when incidents occur, and requires that incidents be investigated for causal factors.
- 8. Job Safety Environmental Analysis:** A Contractor must have a clear understanding of the job hazards associated with each task which may be performed on Crestwood's sites, and shall have developed and implemented appropriate risk mitigation programs which should include appropriate training of all employees who may be affected by such hazards.
- 9. Stop Work Authority:** A Contractor shall have a procedure in place for communicating and ensuring that all personnel understand their obligation to stop work that is unsafe.
- 10. Subcontractor Management:** A Contractor shall have a process for managing and ensuring subcontractor's compliance with regulatory requirements, conformance with requirements of an owner/operator, and conformance with site-specific requirements.
- 11. Preventative Maintenance and Inspection Program:** A Contractor must have a maintenance and inspection system or program that provides for more than repair of broken equipment, and prioritizes and schedules maintenance of selected equipment on some appropriate periodic basis. In order to be considered to perform Works at a Crestwood Site a Contractor at a minimum, must meet the Threshold Performance Criteria, evaluated using the data supplied by a Contractor within Crestwood's SSQ.
- 12. Crestwood's Minimum Insurance Requirements:** A Contract must meet Company's minimum insurance requirements in order to provide services to Crestwood. Insurance certificates are to be uploaded in ISNetworld for review. Minimum insurance requirements can be changed at the discretion of the Company.
- 13. Contractor Management System (ISNetworld):** A Contractor performing Work for Crestwood must have a satisfactory grade in ISNetworld.
- 14. Contractor Financial review:** At Crestwood's discretion, Company can request a financial review of Contractor.
- 15. Executed Agreement:** A Contractor must have a fully executed agreement with Crestwood in order for Work to be completed.

APPENDIX 3 ISNETWORLD

1. **Standardized Safety Questionnaire (“SSQ”):** A Contractor’s ESR records must be collected and reviewed. To facilitate this process, all Contractors must complete a SSQ in ISN Safety’s database.
2. **Update SSQ Quarterly:** Once the SSQ is completed, a Contractor will be required to update the SSQ on a calendar quarter basis:
 - Enter statistical data for the previous calendar quarter
 - Update any other SSQ information that has changed (for example: training or policies/procedures)

The SSQ quarterly update for the General Safety Incident Statistics section (statistical data) will be available for updating on the following dates each year:

 - January 1st, April 1st, July 1st, and October 1st
 - Updates must be completed within 10 days following each of the above dates for the previous quarter
3. **Crestwood Specific (Quarterly) Man-Hour Section:** Crestwood is requiring each Contractor to report on a quarterly basis (on the same schedule as set forth in #2 above) all exposure hours and recordable accidents/incidents related to work/services performed on all Crestwood sites. The table for reporting this data is located in the SSQ under the section - **Crestwood Quarterly Incident Reporting**. If a Contractor did not have employees on any Crestwood site during a quarter, a Contractor is still required to complete the table by recording zeroes for those quarters.

ALL CRESTWOOD SPECIFIC MAN-HOUR SECTIONS MUST BE COMPLETED IN ACCORDANCE WITH DATES SPECIFIED BY CRESTWOOD

4. **Document Submittal:** Crestwood will use ISN to track and verify a Contractor's required documents specified below. Contractors desiring to provide, or providing, work, services or equipment at any Crestwood site must submit the following:
 - Last three years of OSHA 300 and 300A forms injury/illness summary forms
 - Last three years of Experience Modifier Rate (EMR) documents received from Contractor’s workers compensation insurance carrier
 - EHS Manual
 - Training plan and/or matrix
 - Drug & Alcohol Policy
 - Last completed JSEA (if JSEA program is not part of the EHS Manual, upload a copy of contractor’s JSEA program and an example of a recently completed JSEA)
 - Stop Work Authority
 - Employee Training Records and certificates of course completion (enter into ISN Safety’s Training Tracker)
 - Incident Reporting Procedure
 - PPE Hazard Assessment Policy
 - Preventative Maintenance and Inspection Program

Each Contractor will be responsible for updating their documents.

5. **Training Records Reviewed:** Contractor employees who are assigned to perform work, services, or provide equipment at any Crestwood site will have their training records periodically reviewed for compliance. To facilitate this process, a Contractor must upload Contractor employee training records, including certificates, into ISN's.
6. **ESR Program Verification/Audit:** Crestwood will perform desktop and/or face-to-face verifications/audits through I S N and/or third party resources selected by Crestwood. The goal is for Contractors to effectively implement their own ESR programs and those required by Crestwood. Verifications/Audits of Crestwood's requirements will be scheduled from time to time by Crestwood in coordination with a Contractor.

APPENDIX 4
CRESTWOOD ISNETWORLD VARIANCE FORM
 (Fillable form is available on Crestwood Internet Site)

CRESTWOOD ISNETWORLD VARIANCE REQUEST

Directions:

This document is required for Crestwood employees to request a variance for Service Contractors who have an unsatisfactory (yellow or red) safety grade in ISNetworld.

All appropriate parties listed below must complete and approve this form:

Requestor is to complete all sections in **blue**.

ESR is to complete all sections in **purple**.

SCM is to complete all sections in **orange**.

VP is to provide approve in **green** section below.

For any questions and completed forms, please email scm@crestwoodlp.com.

VARIANCES WILL NOT BE APPROVED UNLESS THIS FORM IS COMPLETED IN ITS ENTIRETY AND ALL REQUIRED DOCUMENTATION IS INCLUDED.

-----To Be Completed by Crestwood Requestor-----

CONTRACTOR INFORMATION							
Contractor Name:		Parent Company Name: (if applicable)					
ISNetworld ID #:							
Address:		City:		State:		Zip:	
Contact Name:		Title:					
Email:		Phone:					

REQUESTOR INFORMATION			
Requested By:		Responsible Party for Contractor while on site (if applicable):	
Which Crestwood Business Unit is the Requestor in?	<input type="checkbox"/> Technical Services	Location Work is being completed:	
	<input type="checkbox"/> Operations	Date Work Begins:	
	<input type="checkbox"/> Transportation	Date Work Ends:	
<input type="checkbox"/> Other			

PLEASE PROVIDE DETAILS ON THE SCOPE OF SERVICE CONTACTOR WILL BE PROVIDING:

VARIANCE DETAILS			
ISNetwork Grade:		Why is the safety grade unsatisfactory?	<input type="checkbox"/> Citations <input type="checkbox"/> Fatality <input type="checkbox"/> Incident Statistics <input type="checkbox"/> Other If so, _____
Requested Effective Date:		Requested End Date:	
Date approved by SCM:	<input type="checkbox"/> Yes <input type="checkbox"/> No, _____ <small>(Alternate date)</small>	Date approved by SCM:	<input type="checkbox"/> Yes <input type="checkbox"/> No, _____ <small>(Alternate date)</small>
PLEASE PROVIDE DETAILS ON WHAT ISSUES ARE CAUSING A NEGATIVE SAFETY GRADE? I.E. DETAILS ON CITATIONS, ETC.		JUSTIFICATION FOR UTILIZING UNSATISFACTORY SAFETY CONTRACTOR	

-----Crestwood ESR Team to Complete-----

MITIGATION PLAN

-----Crestwood Supply Chain Management Internal Notes-----

INTERNAL NOTES (IF REQUIRED)

Crestwood Approvals

VARIANCE APPROVAL			
Function / Position	Name	Signature (or attach Approver's Email)	Date
Responsible Party (if applicable)	■	■	■
ESR Representative	■	■	■
Supply Chain Manager	■	■	■
Vice President	■	■	■