

After Range Resources Switches to Avetta, TRIR Declines and Number of Flagged Contractors Is Cut in Half

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Bill Burket

EHS Compliance Coordinator Range Resources

COUNTRY

\$900M

REVENUE

787

EMPLOYEES

2012

AVETTA CLIENT SINCE

5400

AUDITS PERFORMED

960+

CONTRACTORS

Range Resources Corporation (NYSE: RRC) is a leading independent oil and natural gas producer with oper-**RANGE** RESOURCES ations focused in Appalachia and the Midcontinent region of the United States. The Company pursues an organic growth strategy targeting high return, low-cost projects within its large inventory of low risk, development drilling opportunities. The Company is headquartered in Fort Worth, Texas.

Key Solutions

- After switching to Avetta, TRIR declines and number of flagged contractors is cut in half
- Established single point-of-contact
- Improved rapid response time
- Created system to deliver safe contractors
- Simplified contractor evaluation with customizable interface



THE CHALLENGE

It's safe to say that every enterprise is concerned about maintaining a healthy, safe, and sustainable work environment—for everyone connected to the company. Large businesses rely on their suppliers, vendors and contractors to provide needed materials and perform critical jobs. This is especially true for Range Resources, a leading independent producer of oil and natural gas.

According to Bill Burket, EHS Compliance Coordinator at Range Resources, contractors perform 90% of the at-risk work within the industry.

Range takes the health and safety of its contractors very seriously and understands the consequences of an accident—for both the contractor and Range as an organization. Safety is of the utmost importance at the jobsite, and the burden of ensuring safety is shared across the enterprise.

Companies like Range understand that contractors represent them out in the field, and they see the value of sourcing contractors who have the experience and qualifications to perform a given job. Range works tirelessly to ensure standards are met and regulations are followed—recognizing that health and safety are in everyone's best interest.

Needless to say, qualifying, monitoring, and managing hundreds or thousands of contractors is a complex task—one that few companies are prepared to handle on their own. Range, like many global organizations, uses Avetta to help manage the entire process, from establishing contractor criteria, to tracking performance on the jobsite and taking corrective action in the event of an incident.

Before Avetta

Prior to partnering with Avetta, however, Range had been working with another vendor whose products and service were not meeting Range's expectations. "The software system was difficult to work with and customer service was poor," Burket recalls. For example, when a contractor was flagged by the system, it was difficult to determine what the issues were, making it challenging to evaluate the risk or remediate the situation. He says contractors expressed similar frustrations. Furthermore, the system was expensive, and Burket felt he could find better performance and ease of use at a lower cost.

In 2012 Burket decided to make a change and investigated a number of vendors before selecting Avetta. According to Jesse Cota, VP of Operations at Avetta, "Range Resources approached Avetta to handle contractor management services for the company because of our high level of safety expertise."

THE SOLUTION

When Burket was considering vendors for contractor prequalification and management, he was impressed by Avetta's level of service. "They are very, very customer driven," Burket says. Because response time had been a concern with the previous vendor, he wanted to be sure the next vendor would reply to questions and concerns quickly.

Single Point of Contact, Rapid Response Time

Avetta meets this requirement by assigning a single client representative to Burket, ensuring that his one point of contact knows him well and can respond quickly in the event of a question or problem. As a result, Burket says customer service with Avetta



has been stellar: "Our rep has been very, very good in responding back to me—within an hour or two if not immediately." Burket recalls that, before switching to Avetta, the typical response time for a question or request was 24 to 48 hours. Today Avetta will reply to an email from Burket right away, sometimes in the morning before the rep has even left for the office.

130 Internal Users

But great customer service is a small part of the value Avetta delivers to Burket and his team. Ultimately, the benefit for Range is its ability to reduce risk across the enterprise. Burket says he offers the Avetta solution to his Range colleagues, and so far 130 Range users have done so to easily qualify, monitor and manage contractors; track environment, health, and safety concerns; and ensure compliance among contractors.

Asked how internal Range employees like working with Avetta,
Burket says they indicate their approval by actually using the tool,
which was not always the case with the previous vendor.

Qualifying and Auditing 850 Contractors

For Range, using Avetta means immediate access to a database of prequalified contractors that work in the oil and gas industry, which represents a significant time savings for Burket and coworkers. Range currently works with approximately 850 contractors. To reduce liability, a hiring company like Range needs to understand which qualifications need to be met, and then verify compliance with each and every contractor. Clearly, vetting all contractors would be a laborious and time-consuming process.

Avetta Delivers Safe Contractors

Avetta manages that prequalification process with each contractor in its database. Range personnel simply log into the Avetta platform, find contractors within the approved vendor list, and review each contractor's profile. There, they can see a continuously updated performance history and note any incidents or violations, such as an OSHA citation. "This information is available within one or two clicks," says Burket, noting that the easy-to-use features in Avetta software were a big improvement over the previous system. Moreover, he says, Avetta enables Range personnel to view two contractors, side by side, and compare their qualifications and track records.

In addition to prequalification, Avetta provides ongoing auditing, both manually and in the field, eliminating the need for Range to reach out individually to each contractor for paperwork and verification. If a contractor-caused incident occurs, it triggers a flag in the Avetta system and sends an automated notification to the appropriate hiring manager. These messages allow Burket and other Range personnel to immediately follow up with the contractor or look into the notification for more information.

Simplifying Contractor Evaluation with a Customizable Interface

Burket says that his ability to customize the application helps streamline contractor evaluation. Avetta uses a set of criteria, such as total recordable incident rate (TRIR), for evaluating contractors, and sets flags accordingly—red, yellow or green. Burket says he appreciates the ability to set flags according to Range's criteria. "If our people find a problem in the field, we can note it and change the flag ourselves," he says.



Conversely, if Range personnel have met with the contractor and created a remediation plan, they may also reduce the rating and change the flag from red to yellow in accordance with Range's policies and criteria. As Burket describes it: "Our job is to minimize risk while allowing our people to use existing contractors."

Number of Flagged Contractors Cut in Half

In addition to saving time and effort for the hiring company, the Avetta platform offers another important benefit for companies like Range: reducing incidents and their costs. According to OSHA, a rigorous contractor auditing program can decrease the likelihood of incidents by up to 94%—and in the event an incident does occur, the costs involved are drastically lower.

"Since we've started using Avetta, we've seen a lower TRIR for our contractors," says Burket, referring to the incidents that contractors report to OSHA. Range contractors whose TRIR is above 3.5 are flagged, which represented some 200 of their contractors at one point—a number Range urgently wanted to reduce. After switching to Avetta, safety procedures were improved and the number of flagged contractors was cut in half.

THE RESULTS

Avetta provides hiring companies with three-year averages for all of their suppliers and contractors, which Burket finds particularly helpful, both for reporting to executives and for spotting trends among contractors. "If safety performance is below what we consider acceptable," he says, "we can have one of our folks meet with the contractor to determine a plan for improvement." This is an important advantage of using Avetta, as it would be difficult and time-intensive to spot those trends without a contractor-management system in place. This strategy benefits the hiring company as well as the contractor by reducing the cost and risk of incidents. "It reduces our liability and keeps us away from regulatory problems, which also makes our operations folks happy," reports Burket.

Avetta has enabled Range to achieve year-over-year reduction in incidents and risk within the contractor base. Avetta reporting gave Burket the ability to highlight these gains for the executive team.

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