



veriforce®

Building a Defensible Operator Qualification Program

| EBOOK



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01

Weathering the Perfect Energy Storm

Tremors in the world of Operator Qualification (OQ) have been jolting the industry for years — releasing waves of mandates that are threatening to shake up the current regulatory landscape.

For one, new FAQs recently published have effectively created a new standard for compliance teams to reach. Additionally, increasing scrutiny of pipelines, fueled by environmental groups, changing political administrations, and headline-grabbing [oil spills like Keystone's](#), have led to a tightening of regulations across the OQ terrain.

At the same time, we've seen significant changes in the industry's workforce. For a few years, major workforce challenges were attributed to the pandemic and the need to meet safety protocols. Then changing workforce motivations and demands created the Great Resignation.

Currently, the mid-20th century baby boom (1946 to 1964) is reaching their U.S. full retirement age. As these workers retire, they take with them the bulk of their institutional knowledge of specific tasks and job sites.

On top of that, a smaller number of millennials and Generation Z tradespeople with fewer qualifications and experience are entering the fields post-COVID-19. As a result, more eyes are on the industry than ever before, and training and compliance are vital as new workers are brought in to fill in the huge gaps left by these industry veterans.

Together, these forces have created the perfect storm, requiring organizations to defend the compliance measures, contractors on their sites, and training they've established.



01

Weathering the Perfect Energy Storm (continued)

When Regulations Tighten, so Must Our Processes

With each White House administration, we can expect a modified approach to federal energy policies. One of the [17 actions Joe Biden performed](#) on Day One of his presidency was to revoke the permit for the Keystone XL pipeline and to start reversing and revising other Trump administration energy rules. We're now in a time where the focus is on procedure and training, with the face-to-face audits that were missed during the pandemic taking top priority.

The U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) is seizing this opportunity to enact additional compliance guidance for businesses in the form of new [OQ FAQs released in January 2022](#). At the same time, states such as [New York](#) which are only required to comply with federal regulations as a bare minimum, are rolling out new and more stringent OQ rules that could set the precedent for others.

A major focus of each of these new rules is hands-on training requirements for all covered tasks related to pipeline operations. The only way to comply will be for businesses to button up their OQ programs. Do this by reviewing current policies and procedures, offering training, and maintaining thorough qualification records.



How Does an OQ Program Partner Help You?

The responsibilities of operator qualification and regulatory compliance are not typically captured in the corporate risk department, instead falling on the shoulders of a single compliance professional or small team. The impact of a strong OQ partner on these professionals can be significant.



“I wear many hats, and one of my most important is ensuring that our workforce processes, certifications, and qualifications meet federal and state requirements. If there’s ever an audit of our workforce practices, I’m responsible for defending our compliance and workforce decisions.

The evaluators and managers in the field rely on me to provide them with the right tools and resources to track and manage employee qualifications. Our operators have high-risk jobs, and managing workforce details needs to be simple and stress-free. The easier I can make it for them, the more accurate my records will be. How can I ensure that the people in the field are qualified and prepared for the work in front of them?”

-Regulatory Compliance Professional



02

The Building Blocks of an Effective OQ Program

Operator qualification (OQ) is not only essential to the safety and well-being of your workforce but to the success and health of your business as well. Let's start with the basics.

What Is Operator Qualification?

The U.S. Department of Transportation has established rules and regulations so that pipeline operators who execute covered tasks can not only perform the tasks assigned to them but know how to react and address any abnormal situations that may arise.

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requires each pipeline operator to develop an OQ program that follows a written plan, establishes a task list applicable to their system, and defines the training and qualification requirements for personnel.

All jurisdictions within the United States are required to follow federal regulations at a minimum but you should check your local state requirements as they are also authorized to go above and beyond.

PHMSA released new OQ FAQs in January 2022 to provide additional guidance on [meeting OQ compliance](#), including the desire for operators to demonstrate both qualification and training before pipeline operation and how to ensure the proper training is implemented.



02

The Building Blocks of an Effective OQ Program (continued)

Why Do You Need an OQ Program?

Federal regulations require pipeline operators to have an OQ program to ensure that qualified individuals are performing the work.

While third-party evaluation is not a mandatory method of evaluation under federal law, what is mandatory is the proof or defensibility that your workers — including all contractors — are qualified to perform the work on your behalf.

A common infraction is a business's inability to properly implement its OQ program, especially when contractors are involved. This leads to another common infraction: non-qualified workers performing regulated work.

The U.S. government — both federal and state — is catching up on face-to-face auditing that was missed during the pandemic. Businesses that do not meet the requirements set forth by the OQ legacy rule are more likely than ever to be written up or fined for violations.



02

The Building Blocks of an Effective OQ Program (continued)

3 Best Practices for Ensuring Defensibility

During a regulatory audit, could you defend your onsite workforce, proving they are skilled in their job tasks and meet business compliance requirements?

If you can, what does this defense look like? Is it loose paperwork, cobbled-together spreadsheets, or an efficient online database?

Defensibility is one of the most important aspects of an effective OQ program, and it is established by the accessibility of proof. Proof in this case exists as historical records on the regulatory compliance and qualification of your workforce. This proof can be used internally when choosing the right contractors for the work and providing transparency of who is qualified, as well as externally to demonstrate compliance.

The defensibility of your program also stands on the shoulders of your evaluators who ascertain an individual's ability to perform a covered task and recognize and react to abnormal operating conditions.



02

The Building Blocks of an Effective OQ Program (continued)

Here are three best practices for establishing high-quality evaluators:

1

Train your evaluators.

There are no set requirements to become an OQ evaluator, but a strong OQ program includes trust in the skill, expertise, and ethics of its evaluators. Training could include OQ Rule comprehension, evaluation methods, how to conduct a proper evaluation, and use of the OQ program application.

2

Document all decisions.

Careless evaluations could lead to dangerous outcomes. Records should be kept on every decision made regarding OQ, and evaluators who do not meet the ethical standards of the process should be removed from the position.

3

Audit your evaluators.

Quality assurance should not only exist in qualifying individuals but also in maintaining the integrity of the evaluators. For example, Veriforce audits 5% of its active evaluator population at all times, providing information on identified issues that may affect operators and contractors. You must be able to go back and determine how the evaluator was trained and that they submitted all required documentation.



02

The Building Blocks of an Effective OQ Program (continued)

The following are the four key elements of an effective OQ program. While each of these elements can be unique and customized to your business, they must also meet the requirements established by federal and state laws.

The 4 Components of an Effective OQ Program



Task List

The task list is the catalog of tasks or duties each operator will need to perform as part of regular operations and maintenance. Ideally, your pipeline could rely on one central operations manual and task list; however, pipelines that operate in various geographical areas will need to abide by different regulations and requirements at each facility.



Evaluators

PHMSA does not define credentials for those responsible for conducting operator performance evaluations, but these individuals should have a deep understanding of OQ requirements and the ability to discern whether an individual can perform the program's covered tasks as well as effectively react to abnormal operating conditions. Your OQ program's evaluation process should be objective and consistent.



Training

The goal of your training program is to help ensure the proper performance of tasks in your facility in accordance with your specific operational considerations and requirements. Training is a means to an end goal of preparing for qualification. Training is a separate event from the qualification process.



Software

Software brings everything together into one administrative platform that enables your business to keep track of and manage workforce training, qualifications, and onsite activity. Intelligent mobile evaluation software can even tie together the qualification and procedure review processes for specific tasks.



03

The Role of Your OQ Partner

An effective OQ program involves a great deal of administrative work, document storage, and constant engagement with your workforce, both full-time and contracted, to obtain the required information, verify and audit that data, and keep it up to date. For this reason, most businesses choose to partner with third parties for their OQ program. The partner you choose is vital to your program's success.

Your business's compliance with federal and state laws depends on your OQ program's partner management of the details and maintenance of defensibility.

A full-service program managed through a third-party expert, delivers quality and consistency. Just as your customers rely on you and your workforce to bring expertise and attention to your work, a third-party partner can not only help streamline your qualification and training processes but also engage your workforce and evaluators in the process. With customized technology and hands-on service, your third-party partner minimizes your stress and risk.

The Signs of a Best-in-Class OQ Partner

The right OQ program offers solutions to each of these four building blocks. When done right, you see better outcomes with less strain on your organization and more confidence onsite.



Everyone Wins with a Strong OQ Program

"I'm no longer a one-man team — with the support and expertise of our OQ partner, I feel more confident in our records and ability to maintain accurate and defensible workforce data."

-Regulatory Compliance Professional



03

The Role of Your OQ Partner (continued)

Task List

According to industry standard task lists, released by organizations such as the American Society of Mechanical Engineers (ASME) B31Q and the American Petroleum Institute (API), there are over 150 covered tasks in pipeline safety and operations. There is nothing wrong with using these industry-standard task lists as a guide when building the foundation for your OQ program; however, as regulations and technology evolve, so must the task list in order to stay current with industry best practices.

The Four-Part Test to Determine a Task

A task should be included in your OQ program task list only if:

1. It is performed on a pipeline facility
2. Is an operations or maintenance task
3. Is performed as a requirement of 49 CFR § 192 & 195
4. Affects the operation or integrity of the pipeline



03

The Role of Your OQ Partner (continued)

When it comes to the covered task list, look for a partner who:



Offers customization to your unique operations.

A common or standard covered task list may work for some businesses but not all of them. A strong OQ partner offers operator-specific task list options or a hybrid of standard and customized to meet the necessary requirements of the region.



Use the four-part test to determine which tasks are relevant to your operations.

It's just as important to have a clean list as an accurate one, meaning only including tasks that meet the operator's four-part test (see Sidebar: The Four-Part Test to Determine a Task).



Is tapped into your industry peers.

Your partner's experience with other clients within the industry is just as important as your own. Their ability to pull these experiences together to create the gold standard of task lists, understanding what has been added or revised over the years for the greatest impact will strengthen your own program's accuracy.



03

The Role of Your OQ Partner (continued)

Evaluators

Consider the evaluators the front line of your OQ program, ensuring that the qualified individuals onsite have the knowledge, skills, and ability to complete their job tasks. The integrity and training of your evaluators is the key to your program's defensibility.

Not all OQ program partners provide third-party evaluators, instead, they rely on internal evaluators within your business who may or may not be appropriately trained for the responsibility. Third-party evaluators, who are neither an employee of your business nor an employee of the OQ partner, provide an unbiased appraisal of your operators and can be held accountable through their own auditing process. A strong OQ partner has the expertise and resources to both manage your evaluator training and authorizations as well as maintain all documentation for any internal evaluators.

Software

The right OQ software brings everything together into one administrative platform that enables your business to keep track of and manage workforce training and qualifications. Imagine being able to tie your operation and maintenance procedures together in one application. With these tasks linked, your operators won't just have to be qualified, they will have to review the company's procedures to do the work. This step of worker-level confirmation not only meets new recommendations put forth in OQ FAQs but lowers your business's risk profile.



03

The Role of Your OQ Partner (continued)

Training

While training is not always required for qualification, it is appropriate to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks. This should include knowledge of the specific operating procedures and the ability to react appropriately to abnormal operating conditions.

States like New York have implemented required training as part of OQ programs as part of qualification. Computer-based tutorials can provide a 10,000-foot view of the task, but hands-on training with the actual equipment allows operators to demonstrate knowledge, skill, and the ability to complete a task.

An effective training offering:

- Truly reflects the knowledge and skills required
- Applies to the criteria and task list in use
- Focuses on procedures and equipment the person will use
- Addresses the abnormal conditions that might occur and how to respond

Training is Not Qualification

Training is important, but it is not a qualification. A person can be trained on a task but never qualify to perform that task because they didn't pass the evaluation. Conversely, qualification can happen without training. Someone may have previous related experience performing the task by passing the evaluation without a minute of training on that specific task under their belt. Consider the differences between the two and build your training and qualification programs accordingly.



03

The Role of Your OQ Partner (continued)

What to Expect During OQ Program Onboarding

Onboarding with a new OQ partner can be a logistical headache for operators but the right OQ vendor will work diligently to make the transition as smooth as possible. Here's what to expect from your OQ partner during the program transition and onboarding.



Conversion of your records and adding employees and contractors into the new system

Your OQ partner will do the heavy lifting here. An established and credible partner will even have a large majority of your contractors already in their system as they are working with their other clients.



Sending notifications of change to contractors and internal stakeholders.

Change management during this process will be a team effort. While your new partner can send notifications on your behalf, change can be complex and is often a top-down process. Executive buy-in is crucial.



Maintenance of credibility and compliance of all people working in the field.

Your operations do not stop while you transition your program. Your partner should help you change the tires on the plane while you're in flight.



Your Contractor Qualification Program Partner Checklist

Your OQ program partner should be able to do the following:

- ✓ Maximize the effectiveness and defensibility of your employee OQ program with quality assurance and audit services
- ✓ Customize your covered task list to your business's unique operations
- ✓ Train and authorize third-party and internal evaluators to conduct proper and defensible evaluations
- ✓ Link operational and maintenance tasks with company procedures through smart software
- ✓ Centralize and streamline OQ compliance management and recordkeeping
- ✓ Provide real-time visibility into OQ
- ✓ Maintain the required historical qualification records for future reference and audits



About Veriforce

Veriforce® is a recognized leader in delivering comprehensive, integrated supply chain risk management solutions that help bring workers home safely and optimize business performance. The company's SaaS safety and compliance platform, data integrity and verification practices, and standardized safety training programs empower leading organizations to drive safety and compliance into their supply chains and down to the worker level.

As the world's largest supply chain risk management network, Veriforce partners with over 3,200 hiring companies in over 130 countries, serving more than 80,000 contractors, over 7,000 authorized instructors and evaluators, and millions of individual workers. This network makes Veriforce the preferred partner for companies that strive to ensure a safe, qualified third-party workforce. Company offices are in the U.S., Canada, South Africa, and the United Kingdom. For more information, visit veriforce.com.



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