



BRIGHT HOLDER

TRANSPORTATION POLICY



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1.0 What Is Logistics?

Over time, the profession of supply chain management has evolved to meet the changing needs of the global supply chain.

Logistics management can be defined as

“[The] part of supply chain management that plans, implements, and controls the efficient, effective forward and reverses flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers’ requirement... Logistics management is an integrating function, which coordinates and optimizes all logistics activities, as well as integrates logistics activities with other functions including marketing, sales manufacturing, finance, and information technology.”

In other words, you can consider logistics activities as the operational component of supply chain management, including quantification, procurement, inventory management, transportation and fleet management, and data collection and reporting.

2.0 Why Logistics Matters

In the past, logistics was considered a custodial activity. Storekeepers were the custodians of supplies stored in small storerooms and large warehouses. Fortunately, as time passed, more and more program managers have come to understand how important logistics is to a program’s success.

The goal of logistics system is much larger than simply making sure a product gets where it needs to go. Well-functioning logistics department benefit effective implementation of delivery schedules and impacts the operations in important ways by:

- increasing operations impact
- enhancing quality of service
- improving cost effectiveness and efficiency.

3.0 Logistics Cycle: Organizing Logistics System Activities

Logistics management includes a number of activities that support the operations. Over the years, logisticians have developed a model to illustrate the relationship between the activities in a logistics system; they call it the logistics cycle (see figure 1-2).

Major activities in the logistics cycle

Let’s briefly review the major activities in the logistics cycle:

1. **Serving customers:** Everyone who works in logistics must remember that they select, procure, store, or distribute products to meet customer needs. In addition to serving the needs of the end customer
2. **Quantification:** Quantification is the process of securing delivering the quantity of the products required for a specific location, and, to ensure an uninterrupted supply for the deliveries, determining when the products should be procured and delivered.
3. **Procurement:** After a supply plan has been developed as part of the quantification process, quantities of products must be procured.
4. **Inventory management- storage and distribution.** After an item has been procured and received by the storage/warehouse, it must be transported to the delivery location where the client will receive the products.

4.0 Heart of the logistics system

Information is the engine that drives the logistics cycle; without information, the logistics system would not run smoothly.

4.1 Logistics management information systems

In the beginning of the cycle, managers gather information about each activity in the system and analyze that information to make decisions and coordinate future actions.

4.2 Activities at the heart of the logistics cycle

Other activities help drive or support the logistics cycle; they are the heart of a well-functioning logistics system. These activities include:

1. **Organization and staffing:** A logistics system can only work if well-trained, efficient staff monitor stock levels, place orders, and provide products to client, operations assign the appropriate resources to staff (for example, supervision authority and technical knowledge) to complete logistics activities
2. **Budget:** Allocation and management of finances directly affect all parts of the logistics cycle, including the quantities of products that can be procured, the amount of storage space that may be available, the number of vehicles that can be maintained, and the number of staff working in Logistics.
3. **Supervision:** Supervising the staff who work within the logistics system keeps it running smoothly and helps to anticipate needed changes. Routine, effective supervision, coupled with on-the-job training in logistics, helps to both prevent and resolve supply problems and human resource constraints.
4. **Monitoring and evaluation:** Routine monitoring and periodic evaluation of the pipeline and logistics system activities help demonstrate how well the system is performing, the areas that can be improved, as well as the system's impact on service provision.

5.0 PURPOSE

As transportation companies are required to satisfy certain regulatory elements and operate within standards established locally and federally. These standards are a minimum guideline and will serve as the benchmark of basic compliance. Sholnas will always strive to exceed the minimum standards set out by law, wherever possible. To this end, the Transportation Compliance Policy is a living document and will be subject to review and updates on an annual basis.

6.0 SCOPE AND APPLICATION

The Transportation Policy applies to all Sholnas business activities that would involve commercially registered and regulated vehicles and equipment.

7.0 ROLES AND RESPONSIBILITIES

7.1 GM / Executives are responsible for:

- Providing the necessary resources and leadership to ensure the requirements of this policy are adequately established, communicated and enforced.
- Providing directives and holding accountable direct reports, such as Logistics Managers / Assistant Logistic Managers for compliance with this policy in their departments.

7.2 HSE responsibility:

- Maintaining and implementing the safety program, and ensuring compliance with safety laws.
- Produce reports regarding achievements of compliance objectives.
- Various aspects regarding the program may be delegated.

7.3 Logistics Manager:

- Ensuring the resources provided to develop and implement this policy are being utilized in the most effective manner possible.
- Ensuring that those within their respective reporting chains have been determined competent prior to being expected to utilize this policy and be held responsible for noncompliance.
- Communicating expectations and providing the necessary leadership to all levels of the organization, to allow for success in the development and implementation of this policy.
- Monitoring those aspects of this policy that apply to their branch.
- Holding accountable, any direct report that fails to meet the requirements set forth within this policy.

7.4 Facility Supervisors are responsible for:

- Communicating the expectations of this policy to all levels of field staff as well as applicable facility staff, under their direct supervision.
- Monitoring those aspects of this policy that apply to their position.
- Providing the necessary leadership to all staff under their direct supervision to ensure that they are capable of executing the requirements within this policy.
- Assisting Field Supervisors and Field Employees with the implementation of this policy in their daily activities.
- Holding accountable, any direct report that fails to meet the requirements set out within this policy.

7.5 Field Level Supervisors / Dispatchers are responsible for:

- Monitoring those aspects of this policy that apply to their position.
- Actively utilizing and enforcing the requirements of this policy throughout daily business activities.
- Encouraging those whom they supervise, through means of effective leadership and communication, to perform within the bounds of this policy at all times.
- Reporting issues of non-compliance with this policy to the respective manager.
- Participating in any training required within this policy.
- Not requesting or requiring an individual, held accountable to this policy, to commit to work in a manner that would place them in a situation of non-compliance.

7.6 Drivers are responsible for:

- Consistently operating within the bounds of this policy.
- Providing a positive example to their peers and encouraging compliance.
- Ensuring that all documentation requirements are met as a function of their continuing employment with the Company.
- Participating in all required training.

8.0 POLICY

The Company will ensure that the administration and execution of our transportation activities are compliant with the requirements set out by prevailing local and Iraq's federal legislation. The Company will ensure the provision of all necessary training and support to any affected worker to ensure that they are given the best opportunity for success in compliance on our behalf. Where violations are identified, The Company will actively encourage effective performance management, up to and including termination, based on the requirements of The Company's other Policies where applicable.

9.0 GUIDELINES

The following guidelines are in place to assist in the effective development and execution of the Transportation Compliance Policy.

9.1 Field Level Processes

The term "field level processes" is used to define any document or control that is generated by a driver or field level supervisor. Within this scope is Driver Authorization, Daily Log and DVIR.

9.1.1 Process Detail

- Document is completed
- Document is submitted
- Document is reviewed
- Variances are documented
- Variances reports are completed
- Variance reports are reviewed
- Variances are investigated
- Corrective actions are implemented and recorded
- Further monitoring to ensure corrective actions effective
- Summary non-compliance reports are generated for senior management
- Documents are filed

10.0 Driver Authorization

Employees have been hired through the appropriate operations department. An employee may or may not have been authorized as a driver upon hire. It is essential that only persons who have been authorized as a NSC driver ever drive a NSC vehicle.

10.1 Driver Designation

Once a person is designated as a NSC driver they must comply with all of the defined requirements for each day. This includes drivers that would only drive occasionally, such as mechanics or supervisors.

Before a person can be authorized as a NSC driver, the proper documentation must have been completed.

10.2 Workers who have been:

- Hired as a non-NSC driver and are re-classified as a NSC driver
- Laid off and re-hired.
- Un-authorized as a NSC driver.
- Must complete the "Current Driver Status" form.

11.0 Drivers Daily Log

The content and application of this log report are governed by the Federal Commercial Vehicle Drivers Hours of Service Regulation SOR/2005-313.

Detailed instructions for completing Log Books are provided through initial as well as ongoing training. Questions can be directed to supervisors, managers and the HS&E Department representative for your area.

11.1 Drivers Responsibility

11.1.1 Every Day

Every driver must have a completed driver's log for every day commencing the day they became classified as a NSC driver.

- Multiple, sequential days, occurring within the same month, of Off-Duty may be recorded on one log page.

11.1.2 Previous 14 Days

Drivers that are driving a NSC vehicle for the first time must have a record of on duty and off duty hours for the past 14 days.

- This includes new employees as well as those becoming an "Authorized Driver", whether for the first time or when returning from being "Un-authorized"
- Logs accounting for the previous 14 days from a previous employer are acceptable. Copies must be also be submitted to the Company
- Record in the "Remarks" section of the current daily log, the number of hours of off-duty time and on-duty time that were accumulated by the driver each day during the 14 days immediately before the beginning driving for the first time.

11.1.3 Company Issued Log Books

The driver will use the log sheets provided by the company. It is not acceptable to use logs other than company logs.

- Drivers will complete the documents as indicated in the applicable section.

11.1.4 Submitting Documents

- Records are to be submitted at the end of each day or trip as the driver returns to their respective area office.
- In situations where the driver is not able to return in a timely manner to submit the documents a suitable solution will have to be made with the supervisor to arrange for transfer of information, with no more than 20 days of back log.
- Log/Timesheet forms are to be submitted to the driver's assigned home terminal. In the case there was no home terminal assigned, this would normally be the dispatch office they have been dispatched from, or where they would submit their time records for payroll.
- Drivers who are unable to submit a record every day are to phone in to their dispatcher every day they work and report the required information.

- Submitting proper records as requested is a condition of employment.
- Payroll may not be able to be processed until all the required documents are submitted.

11.1.5 Supporting Documents

Any supporting documents the driver received during the trip are to be submitted with the record.

Examples of supporting documents include:

- Fuel Receipts
- Motel Receipts
- Weigh Slips
- Enforcement Documents

Additional Training and/or Disciplinary actions may/will be taken for deviation from any requirement.

11.2 Dispatcher or Other Designated Person Responsibility

Dispatchers are to record the information on the provided spreadsheet.

- The spreadsheet to be used will be housed on the “S Drive”.
- Dispatchers are not to maintain a spreadsheet other than the one on the “S Drive”
- The purpose for this is to ensure that there is only one information source for each driver.
- When a driver is dispatched from more than one dispatch area the information is always current.
- Information on the spreadsheet will include:
 - ✓ Drivers name
 - ✓ Date
 - ✓ Number of hours on duty today.
 - ✓ If any prior days information is not completed on the spreadsheet the dispatcher is to obtain that information also.
 - ✓ Was there any driving time today?
 - ✓ Did the driver have 8 consecutive hours off duty immediately prior to working today?
 - ✓ Has the driver had 36 consecutive hours off duty prior to driving today?
- The spreadsheet will indicate to the dispatcher how many hours the driver has available.
- Dispatchers are not to dispatch drivers that do not have enough hours available to complete the trip.
- When the record(s) has been submitted the dispatcher is to review the document to ensure all the required fields have been completed properly.
- Dispatchers are to compare the submitted fuel receipts to the spreadsheet.
 - ✓ Check the box to indicate if a fuel receipt is attached and verifies the information on the log book.
- Dispatchers are to compare the submitted logs to the spreadsheet.
 - ✓ Check the box to indicate whether or not the hours on the spreadsheet match the log.
 - ✓ Check the box to indicate whether or not the hours on the log match the timesheet.
 - ✓ Check the box to indicate whether or not the hours on the log match the supporting documents.
 - ✓ Make comments on any discrepancy in the provided information.

11.3 ADMINISTRATIVE PROCESSES

11.3.1 All logs are to be forwarded to the primary location of business, as indicated on the Safety Fitness Certificate, at the end of each week.

- Log information to be updated on the spreadsheet prior to sending.
- Log book portion may be photocopied, scanned or otherwise duplicated and stored at the Home Terminal
- Logs and supporting documents sent to Acheson Office “Attention: HS&E Administrator NC Services Group”.

11.3.2 Fuel report information gathered by designated administration clerk.

11.3.3 HS&E Administrator selects logs to be audited.

11.3.4 Logs not audited, or returned from audit, are filed in a chronological order by driver.

- Logs are to be maintained at the Acheson location for a period of at least 6 months from the date generated. (See 6.2.1 bullet 5)

- Logs over 6 months old are to be disposed of in a secure manner.

11.3.5 Logs and audit report returned from auditor to HS&E Administrator NC Services Group

- Administrator identifies drivers with deviations based on audit report.
- Audit report and photocopy of logs with violations sent to appropriate Branch Manager.

11.3.6 Branch Manager reviews violations with driver.

- Both parties sign audit report.
- Audit report returned to Acheson.
- Signed report placed in driver file

11.3.7 HSE Admin tracks log violations by driver and identifies opportunity for additional training or disciplinary/corrective actions.

11.3.8 HSE Admin tracks disciplinary/corrective action compliance.

HSE Admin generates Violation reports by Branch and forwards reports to appropriate Branch Manager and Regional Team Lead HS&E.

11.3.9 8.1.10 HSE Admin tracks disciplinary action compliance.

HSE Admin generates Monthly Violation and Disciplinary Action summary reports and submits to VP HSE.

11.4 AUDIT

All logs should be audited for correct information. As the logs are submitted they are to be reviewed against the dispatcher's spreadsheet to confirm accurate information was relayed.

12.0 Reviewing Hours of Service Logs

12.1A 4-step process is recommended for reviewing an Hours of Service log to determine if it is in compliance. All steps must be in compliance:

1. Check the Day;

- Graph is completed for all 24 hours
- No driving after 13 hours driving
- No driving after 14 hours on-duty
- At least 10 hours off-duty
- before the driver can drive, at least 8 hours of this time must be consecutive
- must be 2 additional hours off-duty in no less than 30 minute periods that do not form part of the 8 consecutive hours
- Deferred Time:
- Deferred time must be indicated in the log book as either day 1 or day 2
- Day 2 must follow day 1
- Driver has option of moving 2 hours of required off-duty time to second day;
- Not part of the 8 consecutive
- Total driving time in 2 days not more than 26 hours;
- Total off-duty time in 2 days not less than 20 hours;
- At least 8 consecutive hour's off-duty in Day 1 and 10 consecutive hours plus 2 additional hours off-duty in Day 2.
- Note: All required off-duty hours for each day must be taken wholly within that day.
- Note: This exemption can not be used with split sleeper exemption or an hours permit.

2. Check the Work Shift (period between end of one period of 8-hours or more off-duty and start of next period of 8 hours or more off-duty):

- No sleeper berth used:
- No driving after 13 hours driving;
- No driving after 14 hours on-duty;
- No driving after 16 hours elapsed time.
- Note: Elapsed time includes all time in work shift.
- Single driver using sleeper berth:

- No driving after 13 hours driving on either side of eligible sleeper period;
- No driving after 14 hours on-duty on either side of eligible sleeper period;
- No driving after 16 hours elapsed time on either side of eligible sleeper period
- Excluding eligible time in sleeper.
- Note: Eligible sleeper period is no less than 2 hours long and 2 consecutive sleeper periods total no less than 10 hours.

3. Check the Cumulative Cycles (Cycle 1 is selected by default – Cycle 2 by exception):

- Cycle 1 (*default cycle for NCSG*):
 - Verify cumulative on-duty time is not more than 70 hours in 7 consecutive days;
 - Verify cycle properly “reset” by taking at least 36 consecutive hours off-duty (if needed).
- Cycle 2:
 - Verify cumulative on-duty time is not more than 120 hours in any 14 consecutive days;
 - Verify driver did not accumulate more than 70 hours at any time during the cycle without taking 24 consecutive hours off-duty;
 - Verify cycle properly “reset” by taking at least 72 consecutive hours off-duty (if needed).
- Day Off: Verify that driver did not drive without taking at least 24 consecutive hours off-duty in the preceding 14 days
- Regardless of day or cycle they are working.

4. Check the Form and Manner

- Drivers should all be using Company issued logbooks.
- It would be a violation if a driver was not using an issued logbook.
- Date
 - Date is correct and legible.
 - Each day is accounted for.
 - Days off duty require a separate log indicating off duty
 - Multiple days off duty can be shown on one log.
- Drivers Name
 - Printed and legible
 - Actual name
 - Acceptable forms of name
 - e.g. “Bill” if name is “William”
 - Nick names not acceptable
 - “Swiftly”
- Cycle
 - Cycle 1 is default
 - Driver must indicate if working under Cycle 2
- Unit Number
 - For each vehicle operated that day
 - Odometer Reading
 - For each power unit driven that day
 - At the start of driving
 - Principal Place of Business
 - The correct company name must be checked.
 - Home Terminal
 - Check off the correct Branch
 - Another location entered if starting and stopping at the same location
 - Deferral – If used
 - Must have a Day 2 immediately following a Day 1
 - Personal Use – If used
 - Record odometer readings
 - Unit must be “bob-tailing” without trailer
 - Maximum 75 km’s per day
 - Must be personal use

- Locations identified correctly
- At every duty status change
- Full name of city or proper highway location
- LSD accepted if nearby identifiable location indicated
- Correct hour totals
- Each status
- Total for day
- Driver Signature
- Do not sign log until end of shift

12.2 Drivers Daily Logs are required to be true and accurate. An audit needs to do more than just look at the logbook page. Supporting documents are required by law to be submitted and need to be compared to the information on the log to determine accuracy.

12.3 A 50% rotating sample of logs from each company are to be reviewed using supporting documents. 100% of the log and fuel receipts would be verified in the dispatcher review, however they should still be included in the audit.

- All new drivers' logs will be audited for 3 months to ensure our Hours of Service training is producing the desired level of competency.
- Any new drivers with violations will be provided with a review of the log requirements and deficient items addressed individually as required.
- Any existing drivers with high violation rates will remain in the full audit rotation to ensure violations are addressed affectively.
- Any issues found will be discussed one on one with the driver in violation. To ensure understanding, the corrective action required will be identified.
- Subsequent logs will be scrutinized to ensure the issue is addressed.
- Continued violations will result in the driver being retrained in the application of the Hours of Service Regulations. Drivers that are retrained will have their logs subjected to a full audit to ensure the problem has been addressed.
- A monthly violation report will be generated by the HSE Department based on the audit scope. All violation instances found will be used anonymously as learning opportunities and relayed to the entire NCSG driver pool. As well, trends will be identified to allow the training program to be fine-tuned to address high occurrence issues.

8.2.4 Any document that has a time stamp should be used to verify the information.

For example:

- Fuel Receipts
- Hotel Receipts
- Enforcement documents.

13.0 ` Daily Vehicle Inspection Report (DVIR): Completion Guideline

The DVIR is required in accordance with Standard 13 or the National Safety Policy. Schedule 1 of Standard 13 is included as an appendix to this policy. Items may be added to the existing inspection schedule, or removed if not applicable. A copy of the inspection schedule is required to be kept with each unit and to be provided to a peace officer upon request.

NCSG provides DVIR books to each authorized driver upon hire. New books can be found in each branch's dispatch office or other designated location.

It is not permitted to use any other companies Driver Log or DVIR form.

13.1 Document Completion

- A separate DVIR is required for each power unit
- One DVIR is required for each power-unit and trailer configuration.
- Addition or substitution of trailer units will require completion of a new DVIR.
- DVIR's must be completed prior to departure from home terminal or starting location for the day of work.
- DVIR's must be handed into Dispatch with all relevant paperwork for the job, upon return.

13.2 Documentation Review

- Dispatch will review all submitted DVIR's for noted deficiencies.
- DVIR's with noted deficiencies/repairs are to be copied to the relevant maintenance department.



- Original DVIR's are to be forwarded to the Edmonton HS&E office, care of the HS&E Administrator, for filing.
- Maintenance department will review DVIR's received and complete repairs on a priority basis, placing the DVIR in the units file with the evidence of repair (work order, invoice, etc.)
- DVIR's are to be maintained at the Edmonton HS&E office in Acheson for a period of no less than 6 months, after which they may be disposed of securely.
- Monthly random auditing will be completed on unit files to ensure that DVIR's are being completed and stored as per the requirements of this policy and the prevailing legislation.
- Auditing will be completed using the NCSG Unit File Audit document.
- Deficiencies or areas of non-compliance will be documented and provided to the respective branch manager for corrective actions to be applied.
- Upon completion of corrective actions, the issued report is to be signed off by the respective branch manager and provided to its issuer for filing.