

Health & Safety for Contractors and Subcontractors - Policy and Procedure



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APPLICATION

This policy applies to all employees of Otago Regional Council and any contractors or subcontractors engaged to undertake work.

DEFINITIONS

“**ORC**” Otago Regional Council

“**PCBU**” Person Conducting a Business or Undertaking

“**HSR**” is an elected Health and Safety Representative for a designated work group

“**SSSP**” Site Specific Safety Action Plan

“**JSA**” Job Safety Analysis

“**SWMS**” Safe Work Method Statement

PURPOSE

The purpose of this document is to provide instruction to Otago Regional Council (ORC) employees about how to comply with their duties under the Health and Safety at Work Act 2015 and Health and Safety at Work (General Risk and Workplace Management) Regulations 2016 in relation to management of contractors and subcontractors.

Contracting is when the ORC as a PCBU (the contracting PCBU) hires someone else (the contractor – also a PCBU) to carry out work under contract. Contractors may be individuals or businesses. Contractors, their subcontractors, and their employees are classed as the workers of the lead contracting PCBU.

Contract types may include:

- projects (such as construction, installation or upgrade work);
- consulting services;
- maintenance and repair activities;
- service and cleaning contracts.

PCBUs that work together will often share health and safety duties in relation to the same matter. These are called overlapping duties. PCBUs have a duty to consult, cooperate with and coordinate activities with all other PCBUs they share overlapping duties with, so far as is reasonably practicable. Contractors and subcontractors are also expected to comply with this policy and procedures where applicable.

LOW, MEDIUM AND HIGH-RISK WORK

ORC classify work being undertaken as low, medium or high-risk. Low risk work is where there is minimal risk of harm such as office work, consultancy work or training course providers. Low risk contractors need to be approved by ORC prior to commencing any work and require an induction to the site/office where they will be working (limited to spaces under ORC control). This requires the contractor/subcontractor to complete the “**ORC Contractor and Subcontractor Pre-Qualification Questionnaire for Low Risk/Consulting Work**”. Low risk workers do not need to provide a job specific safety plan for work being undertaken.

Medium and high-risk contractors perform work which exposes them to a risk of harm, for example:

- Maintenance works
- Construction or excavation works
- Working at height
- Working in confined spaces
- Working in or around waterways/rivers
- Working around machinery
- Working with aggressive people

- Working with hazardous substances
- Working in/around aircraft or helicopters
- Any other hazardous work for example, using firearms

Contractors performing medium or high-risk work need to be approved by ORC prior to commencing work. This requires the contractor/subcontractor to complete the **“ORC Contractor and Subcontractor Pre-Qualification Questionnaire for Medium to High-Risk Work”**. They also need to complete a site/job specific induction and provide job specific safety plans/documents relevant to the work being undertaken (described in detail below).

RESPONSIBILITIES

It is important to clarify the extent of responsibilities when contractors and subcontractors are performing work for ORC, particularly in relation to health and safety. Everyone (employees, contractors and individual workers) has an important role to play in the health and safety chain of responsibility.

It is particularly important to ensure all parties understand their role in order to ensure appropriate communication, co-operation and co-ordination in respect of all work. Specific responsibilities relating to contractors and subcontractors in relation to this policy are:

Lead PCBU (ORC)
Set clear expectations on safety and incorporate these into contracts with contractors
To choose the best contractors for the job based on safety performance and not simply based on cost
To set up clear processes to communicate information during the work to ensure that safety expectations are being met. This includes ensuring that any contractors are pre-approved and that an appropriate contract is in place prior to commencing work
To identify and assess any hazards/risks associated with the work and communicate this information to the contractor/subcontractors

Lead Contractor (e.g. Project Management Company)
To oversee the site/project, to set high safety expectations of all contractors and subcontractors regarding safety, to conduct site inductions for all workers, and monitor all workers
To set up clear processes for communication with workers on site on a regular basis (e.g. toolbox talks), this includes communication about site safety requirements
To identify and assess any hazards/risks associated with the work and communicate this information to the lead PCBU and other contractor/subcontractors.
To ensure all required information is received from the lead PCBU and that key information is reported back to the lead PCBU and that any relevant safety information is reported down to other contractors and subcontractors

Contractor (e.g. Construction Company, Pest Control Business)

To set high safety expectations of all contractors and subcontractors regarding safety, to conduct site inductions for all workers, and monitor all workers

To set up clear processes for communication with workers on site on a regular basis (e.g. toolbox talks), this includes communication about site safety requirements

To identify and assess any hazards/risks associated with the work and communicate this information to the lead PCBU and other contractor/subcontractors

To ensure all required information is received from the lead PCBU and that key information is reported back to other contractors involved

Subcontractor (e.g. Self-employed Builder, Electrician)

To monitor the subcontractors they hire and make sure they have all required training and information to be able to work safely

To work closely with other contractors to manage health and safety risks and follow directions from the lead PCBU and contractor

RISK MANAGEMENT APPROACH

There are several steps involved in engaging contractors and subcontractors which are described below.

Step 1 – Approval & Pre-Qualification

All contractors and subcontractors must be pre-approved prior to commencing any work for ORC. There are two pathways to become approved:

- A) Pre-Qualification with ‘SiteWise’ – this requires a SiteWise score of 75% or higher (green certificate), with assessments and insurances updated annually. Note that additional information may still be required by the Safety & Wellbeing Team.
- B) ORC Pre-Qualification with the ‘ORC Pre-Qualification Questionnaire’ for either low risk/consultancy or medium to high risk work. Updated insurance is required, and all Pre-Qualification Questionnaires must be assessed by the Safety & Wellbeing Team prior to approval being granted.

If you are considering engaging a new contractor, please check the [ORC Health and Safety Approved Contractors](#) list which is maintained on Sitewise to see if a suitable contractor has already been approved.

To remain approved for work, all contractors and their workers must comply with ORC’s health and safety policies and procedures. Approval is granted by the Safety & Wellbeing Team who will provide written confirmation of approval status to the contractor.

Exemptions to pre-approval

In exceptional circumstances, contractors may be exempt from achieving ORC approved contractor status. The exceptions are:

- A) Emergency work - work deemed by ORC to be “emergency” (such as flood, fire, services failure) and which requires the services of non-approved contractors.
- B) Urgent, short term work – work that, as a guide is no more than 3 days duration for urgent matters (such as urgent maintenance).

If possible, use contractors that have already been approved for urgent, short term work.

Step 2 – Scoping the Work

At the beginning of every project, think about health and safety before you start. From a health and safety perspective, factors to consider are:

- the nature of the work to be performed and associated health and safety risks;
- the competence and qualifications of the contractor;
- the safety information and documentation which will need to be shared in order to work together safety on the job or project (such as risk registers, training records, job/project safety plans);
- the safety information and documentation that may be required from the contractor or subcontractor.

Once details about the job/project requirements have been established, in addition to determining the safety requirements and documentation needed (for example, if a specific qualification/certification is required for the work), the contractor selection process commences. Staff should also refer to [ORC’s Procurement Policy](#).

Step 3 – Contractor Selection

Health and safety must be considered during the tendering or contractor selection phase, with potential health and safety risks of the project or job to be outlined. ORC’s procurement policy should also be followed during this phase.

Specific information which may be included in tender documents, contracts or other documents outlining the work include:

- any specific requirements which will allow the contractor to operate within ORC’s safety system (such as incident reporting requirements, site/asset specific safety procedures);
- documents describing the contractor’s risk management processes;
- details of any specific procedures to manage hazardous work including Safe Work Permits.

The following health and safety factors should be considered when selecting a successful contractor depending on the level of risk associated with the work:

- information gained from pre-qualification and tender phase;
- past safety performance;
- presence of robust safety policies and procedures;
- relevant qualification and certification;
- resources to carry out the work safely;

- what training, supervision and information is provided to staff;
- subcontractor selection process;
- subcontractor management.

Step 4 – Awarding the Contract or Job

Entering into a contract

Staff should refer to [ORC's Procurement Policy](#) for further information as to when a written legal contract may be required.

Note that the health and safety procedures outlined in this document are in addition to any conditions stated in the contact document(s).

Information sharing

Once the contract or job is awarded to a contractor, ORC must begin sharing information regarding the health and safety risks associated with the job or project.

The lead contractor is also required to assess the safety hazards and risks associated with a job/project prior to commencement and provide a specific health and safety plan.

Documentation required from the contractor at this stage may include (but is not limited to):

- An SSSP for construction or high-risk work;
- A Job Safety Analysis or "JSA";
- A Safe Work Method Statement or "SWMS";
- Requirements for Safe Work Permits;
- Details of any works notifiable to Worksafe (e.g. asbestos related work);
- Risk register and/or risk assessment documents;
- Procedures for risk management and incident reporting;
- Procedures for emergency management and first aid;
- Evidence of staff training, engagement and participation practices (e.g. team meetings).

ORC must also advise the contractor if there are any job/project specific hazards or risks prior to work commencing. For example, if construction or maintenance works is scheduled for a site containing asbestos, ORC must inform the contractor and provide a copy of the Asbestos Management Plan for that site. If a contractor suspects there may be asbestos onsite, they must contact the ORC project manager immediately to discuss appropriate controls, such as removal by a licenced removalist. Other relevant information that ORC may need to provide to the contractor may include:

- Safety procedures for specific ORC owned plant/machinery;
- Existing emergency procedures;
- Any permit to work requirements (e.g. confined spaces);
- Any restricted areas at a job site.

Overlapping Duties

Each businesses' responsibility for health and safety will be different depending on the level of influence and control they have over the work being undertaken. The higher the level of influence and control a business has over a health and safety matter, the greater the responsibility.

Each parties' responsibility for health and safety matters (for example, reporting notifiable incidents to Worksafe) must be clearly documented so that all parties involved are aware of who is responsible for different aspects of the job/project.

Overlapping Duties Example:

ORC has engaged a contractor to perform maintenance at a pump station. The lead contractor will be using several subcontractors.

The lead contractor has a responsibility to ensure there is a job specific safety plan in place and that it's workers and subcontractors are operating safely, such as wearing correct PPE.

ORC has a responsibility to inform the lead contractor of any safety risks at the pump station and inform them of any specific safety procedures that need to be followed before the work starts, such as confined space permits, Lock Out/Tag Out procedures to be implemented for plant prior to maintenance.

ORC also have a responsibility to ensure the contractor is complying with health and safety obligations and operating as per their job specific safety plan. This can be achieved by setting up regular meetings to monitor the contractor and undertaking spot safety audits at the job site. If ORC were to attend the site, they would also need to comply with the contractor's health and safety protocols (e.g. sign in process, wearing PPE).

Induction

If working in an area/workplace which is under ORC control, all contractors and subcontractors must undertake an ORC health and safety induction relevant to the work area they will be operating in prior to commencing work. If a contractor is engaged to conduct specialist work (such as pest control activities, helicopter/aircraft operation) an induction may not be practical or applicable. In this case, an identification of job specific hazards/risks should still be undertaken with the contractor.

As part of the induction, the ORC project manager and contractor should work together to undertake identification of hazards, emergency evacuation procedures, first aid procedures, location of amenities, key contacts for communication and incident reporting procedures for the job/project before work starts.

Incident, Hazard and Near Miss Reporting

Any incidents, hazards and near misses that occur during contract work must be reported immediately in line with the ORC incident reporting policy which can be found in ORC's [Health and](#)

[Safety Manual](#). The contractor can complete their own incident report form and forward a copy to the Safety & Wellbeing Team, rather than complete the ORC incident form. Any unsafe work practices being undertaken by the contractor or subcontractor must be ceased immediately and reported to lead contractor, ORC Project Manager and the Safety & Wellbeing Team.

Step 5 - Monitoring, Reviewing and Revising

All employees who engage contractors and subcontractors in line with this policy and procedure must monitor and review the contractor's work practices ensuring they are safe and compliant. The level of monitoring will be consistent with the type of work being performed (for example, a consultant conducting low risk work would not require stringent monitoring).

For medium to high risk work, this may include a safety assurance checks of works for longer projects (e.g. over one week) to check if the contractor is operating in line with the safety documentation provided, and that we are meeting our requirements in terms of overlapping duties (refer to the ORC Contractor Health and Safety Assurance Checklist). It is the responsibility of the ORC Project Manager for the job to undertake the assurance check. Assistance can be provided by the Safety & Wellbeing Team. Contractors must cooperate with ORC to follow up and address any actions which have arisen from an audit or progress meeting. They must also provide any documentation requested by ORC relating to the job/project.

A formal review of all approved contractors will be conducted annually by the Safety & Wellbeing Team. Contractors who use "SiteWise" or "Prequal (Impac) for pre-qualification are required to be re-assessed annually or at a frequency determined by the provider.

RELATED DOCUMENTS & ADDITIONAL INFORMATION

- ORC Contractor and Subcontractor Pre-Qualification Questionnaire for Low-Risk/Consulting Work
- ORC Contractor and Subcontractor Pre-Qualification Questionnaire for Medium to High-Risk Work
- ORC Contractor Health and Safety Assurance Checklist
- [ORC Health and Safety Approved Contractors](#)
- SSSP Templates available on the [Sitewise Website](#)

REFERENCES

- For relevant policies and procedures and the [Health and Safety Manual](#), visit the [Safety & Wellbeing](#) Library in "Jostle"
- Refer also to [ORC's Procurement Policy](#)
- [Site Safe, Managing Contractors – Your Guide to Good Contractor Management, April 2018](#)
- [PCBU's Working Together – Advice When Contracting, Worksafe NZ June 2019](#)
- [Overlapping Duties: Quick Guide, Worksafe NZ](#)

RELEVANT LEGISLATION

- [Health and Safety at Work Act 2015](#)
- [Health and Safety at Work \(General Risk and Workplace Management\) Regulations 2016](#)

APPENDIX – H&S Approved Contractor/Subcontractor Approval Process

