



# Otago Regional Council

## Contractor Health and Safety – Policy and Procedure

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## **Contents**

<b>1. PURPOSE .....</b>	<b>1</b>
<b>2. SCOPE.....</b>	<b>1</b>
<b>3. DEFINITIONS.....</b>	<b>1</b>
<b>4. LOW, MEDIUM AND HIGH-RISK WORK.....</b>	<b>1</b>
<b>5. RESPONSIBILITIES .....</b>	<b>2</b>
<b>6. RISK MANAGEMENT APPROACH .....</b>	<b>4</b>
6.1. Approval and Pre-Qualification .....	4
6.2. Scoping the Work .....	5
6.3. Contractor Selection .....	6
6.4. Awarding the Contract or Job .....	7
6.5. Monitoring, Reviewing and Revising .....	9
<b>7. RELATED DOCUMENTS &amp; ADDITIONAL INFORMATION .....</b>	<b>10</b>
<b>8. REFERENCES .....</b>	<b>10</b>
<b>9. RELEVANT LEGISLATION.....</b>	<b>10</b>
<b>APPENDIX 1: H&amp;S Contractor/Consultant Approval Process Flow Chart .....</b>	<b>11</b>
<b>APPENDIX 2: ORC Contractor Type Risk Matrix.....</b>	<b>12</b>

# 1. PURPOSE

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The purpose of this document is to provide instruction to Otago Regional Council (ORC) employees about health and safety obligations when engaging contractors. 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.

# 2. SCOPE

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

# 3. DEFINITIONS

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

“**JSA**” Job Safety Analysis

“**ORC**” Otago Regional Council

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

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

“**SWMS**” Safe Work Method Statement

# 4. LOW, MEDIUM AND HIGH-RISK WORK

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ORC classify work being undertaken as low, medium, or high-risk. It is the responsibility of the contractor to advise ORC what risk level is applicable to their business and the nature of their work,

but generally speaking, low risk work is where there is minimal risk of harm such as office work, consultancy work or training course providers.

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

- Installation works
- Maintenance or repair works
- Construction or excavation works
- Working at height
- Working in confined spaces
- Working in or around waterways/ivers
- 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.

Pre-qualification documentation is required from both low and medium to high-risk contractors prior to commencing work for ORC and being added as a supplier to ORC's procurement system. This is outlined in section 6.1.

Some contractors/suppliers do not need to provide any documentation or pass a pre-qualification process and are classified as "not applicable". Examples are providers of goods or products, subscriptions, software products, equipment hire and lease or other agreements with landlords.

Refer to Appendix 2 "ORC Contractor Risk Type" for further information on types, frequency and duration of work which will assist identify which risk level is most appropriate.

## 5. RESPONSIBILITIES

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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 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 ensure the contractor selection process factors in safety performance and is 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, and any other relevant stakeholders

### **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 establish 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

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

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

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

## 6. RISK MANAGEMENT APPROACH

There are several steps involved for staff who are engaging contractors which are described below.

### 6.1. Approval and Pre-Qualification

ORC staff members engaging contractors need to ensure that their health and safety system has been pre-approved prior to commencing any work for ORC and being loaded as a supplier onto ORC's procurement system (IPOS). If a supplier or contractor is not on IPOS then they can be considered as not approved.

The staff member engaging the contractor must ensure the contractor/supplier is aware of our requirements by providing a copy of this policy and supporting pre-qualification documentation to the contractor. They must also ensure that the required documentation has been forwarded to the Safety and Wellbeing Team for review. The documentation required based on contractor risk level is shown below:

Contractor Risk Level	Documentation
Medium to High-Risk	ORC Contractor Pre-Qualification Questionnaire for Medium to High-Risk Work
Low Risk	ORC Self Declaration for Low Risk or Consultancy Work

Low risk contractors need to sign the self-declaration to become approved. For medium to high-risk contractors, there are two pathways to become approved, note that in both circumstances, the ORC Contractor Pre-Qualification Questionnaire for Medium to High-Risk Work also needs to be completed.

A) Pre-Qualification with a recognised third-party provider.	Accepted examples are: 'SiteWise' (requires a SiteWise score of 75% or higher); IMPAC Prequal (requires a minimum score of 60%); AS/NZS 4801:2001 certification, Civil Aviation Authority (CAA) Safety Management System certification. Assessments should be updated annually or at the frequency recommended by the third-party provider.
B) ORC Pre-Qualification with the "ORC Contractor Pre-Qualification Questionnaire for Medium to High-Risk Work"	Pre-Qualification Questionnaires must be assessed by the Safety & Wellbeing Team prior to approval being granted. Note that additional information may still be required by the Safety & Wellbeing Team.

Any operators that fit into the Health and Safety at Work (Adventure Activities) Regulations 2016 must also be registered with Worksafe. Relevant insurances must be maintained. To remain approved for work, all contractors and their workers must comply with ORC's health and safety policies and procedures.

In addition to ensuring the pre-qualification requirements are met, it is the staff member engaging the contractor's responsibility to complete a site/job specific induction and request that they provide job specific safety plans/documents relevant to the work being undertaken (described in detail below in section 6.4). Staff members engaging low risk contractors need to provide them an induction to the site/office where they will be working (limited to spaces under ORC control). Low risk workers do not need to provide a job specific safety plan for work being undertaken.

For medium to high-risk work, once the Safety and Wellbeing Team has reviewed the contractor's pre-qualification documentation, they will issue the contractor a letter advising if they are approved, declined or if more information is needed. For low risk-consultancy work, the contractor will be deemed approved, and a letter is not required. All contractor pre-qualification documentation must be sent to the Safety & Wellbeing team at [contractor.safety@orc.govt.nz](mailto:contractor.safety@orc.govt.nz) for record keeping.

### **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.

On the rare occasion that a contractor requires an exemption from pre-approval and this policy (outside the exceptions above in A and B) or where an exemption is necessary, these must be approved by the Chief Executive.

Refer to Appendix 1: "H&S Approval Process Flow Chart" for further guidance on the approval process.

## **6.2. 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 any 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 safely 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.

### 6.3. 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.

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
- evidence of robust safety policies and procedures
- relevant qualification and certification
- resources and capacity to carry out the work safely
- what training, supervision and information is provided to staff
- subcontractor selection process
- subcontractor management.

#### **Subcontractors**

Contractors are responsible for the selection, induction, monitoring, and supervision of any subcontractors they engage.

Each contractor must ensure that all of its subcontractors comply with all obligations under the HSWA (including Codes of Practices made under that Act), any other legal and statutory health and safety obligations and published codes of practice, standards and guidelines, and the ORC's health and safety policies and protocols.

So far as is reasonably practicable each contractor must consult, co-operate and co-ordinate with ORC to meet these obligations. For example, but without limitation, to ensure that each subcontractor is fully informed of and complies with ORC health and safety requirements when working at a place managed or controlled by ORC.

Each contractor must if requested by ORC provide full information concerning its subcontractors, and ensure that its subcontractors comply with all directions of ORC (including a direction that a

subcontractor or staff member be removed from a workplace), for the purpose of ORC complying with its duties under the HSWA.

If a contractor has declared that it does not employ staff (other than a named shareholder or owner employee) or subcontractors in its initial documentation (such as in the pre-qualification assessment), then it must first obtain approval from ORC if it subsequently wishes to do so.

ORC approval of subcontractors is not otherwise required unless the contract between ORC and the Contractor provides otherwise.

Each contractor must ensure that its subcontracts include all rights, duties, and powers necessary for the contractor to comply with this policy.

This policy recognises that when a subcontractor is engaged there is no direct contractual relationship between ORC and the subcontractor, which limits the ability of ORC to influence and control risks relating to the subcontractor

## **6.4. 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 provided 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. Note that once the contractor has passed initial approval, subsequent approval of health and safety plans is not required by ORC, the plans are to be sighted only by the Safety & Wellbeing Team and ORC Project Manager and saved for record keeping. Note that some contractors may request signature and agreement on their health and safety plans as part of their business process. If this is required, this should be done by the ORC Project Manager with advice from the Safety & Wellbeing Team if required. In some circumstances, it may be appropriate that the ORC project manager complete a health and safety plan for the works. Guidance regarding this may be provided by the Safety and Wellbeing team on a case-by-case basis.

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 (Permit to Work System)
- 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, service shutdowns)
- 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 (the staff member who has engaged the contractor) 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 the staff member who has engaged the contractor setting up regular meetings to monitor the contractor and requesting assistance from the Safety & Wellbeing Team to undertake a "Health and Safety*

*Assurance Check” 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 procedures. 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.

## **6.5. Monitoring, Reviewing and Revising**

All employees who engage contractors 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 Check” of works for longer projects (e.g. over one week) to check if the contractor is operating in line with the safety documentation provided (refer to the ORC Contractor Safety Assurance Check Checklist). It is the responsibility of the ORC Project Manager or staff member who has engaged the contractor for the job to undertake the audit. 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 and as required by the Safety & Wellbeing Team. Contractors who use a third party for pre-qualification are required to be re-assessed at a frequency determined by the provider.

## 7. RELATED DOCUMENTS & ADDITIONAL INFORMATION

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- ORC Contractor Self Declaration for Low-Risk/Consulting Work
- ORC Contractor Pre-Qualification Questionnaire for Medium to High-Risk Work
- ORC Contractor Safety Assurance Check Checklist
- SSSP Templates available on the [Sitewise Website](#)

## 8. REFERENCES

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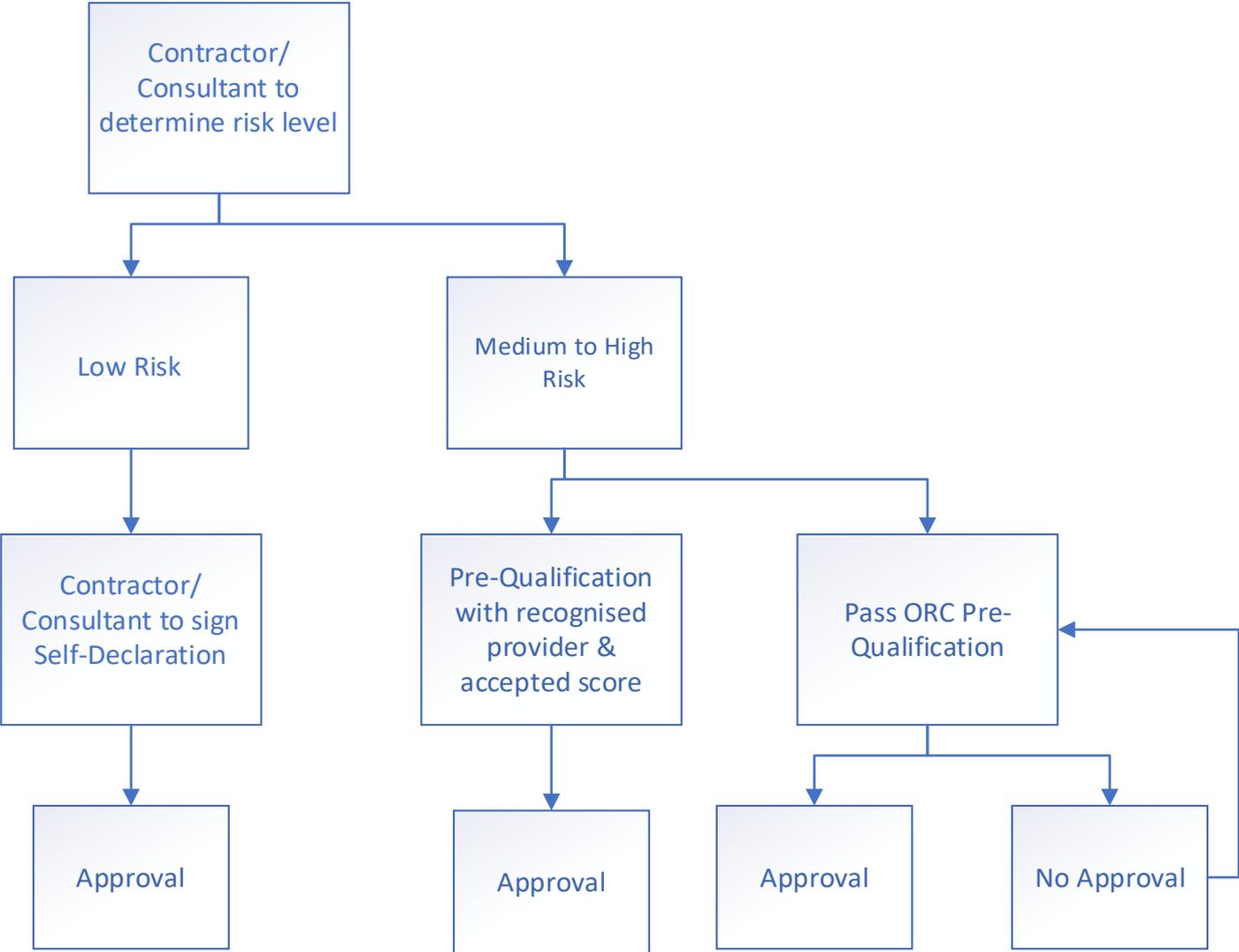
- For relevant policies and procedures and the [Health and Safety Manual](#), visit the [Safety & Wellbeing](#) Library in “Jostle”
- Refer also to [ORC’s Procurement Policy](#)
- [Site Safe, Managing Contractors – Your Guide to Good Contractor Management, April 2018](#)
- [PCBU’s Working Together –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

## 9. RELEVANT LEGISLATION

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

**APPENDIX 1: H&S Contractor/Consultant Approval Process Flow Chart**



## APPENDIX 2: ORC Contractor Type Risk Matrix

Type of Work	Risk rating of activity	Frequency/Duration of Work	Contractor Type	Induction Level	Processes Required	Supervision & Monitoring	Related Documents
Provision of goods/products, subscriptions, equipment hire, arrangements with landlords	Not applicable	N/A	N/A	N/A	No H&S process required	N/A	N/A
Office based consulting, limited field visits	Low	N/A	Low risk	Basic site induction	Self-declaration, H&S plan upon request	Low/infrequent	Self-declaration
Technical work or physical work requiring field/site visits e.g. <ul style="list-style-type: none"> <li>• Maintenance/repairs</li> <li>• Installation of equipment/fixtures</li> <li>• Construction</li> <li>• Earthmoving</li> <li>• Field work/surveys</li> <li>• Aviation</li> <li>• Transport/couriers</li> <li>• Working in/around water</li> <li>• Forestry</li> <li>• Pest control</li> <li>• Cleaning services</li> <li>• Catering/facilities services</li> </ul> (Note: Once initial approval has been granted, H&S plans are to be submitted by the contractor to be sighted, but do not need to be approved by ORC)	Medium	Infrequent/one off	Medium risk	Basic site induction	Pre-qualification & Approval H&S plan for the job	Supervision if on ORC site	Medium -high risk pre-qualification questionnaire
	Medium	Ongoing contract with irregular intervals (<5 times per year)	Medium risk	Basic site induction	Pre-qualification & Approval H&S plan for the job	Supervision, monitoring if on ORC site	Medium -high risk pre-qualification questionnaire
	High	Regular (> 5 times per year)	High risk	Full Induction if on ORC site	Pre-qualification & Approval H&S plan for the job	Supervision, monitoring if on ORC site Post job/contract evaluation	Medium -high risk pre-qualification questionnaire
	High (exposure to significant hazards e.g. substances, electricity, physical hazards, lone/remote work)	Any frequency/duration	High risk	Full Induction if on ORC site	Pre-qualification & Approval H&S plan for the job	Supervision, monitoring if on ORC site Post job/contract evaluation	Medium -high risk pre-qualification questionnaire