



Contractor

Environment Health and Safety

Management

**Best Practice
(2007)**

A. INTRODUCTION

Many construction Owners employ contract personnel for a wide range of activities, from administrative support to construction, equipment repair and maintenance. Successful completion of Contractor work is highly dependent upon integrated Environment Health and Safety (EHS) management.

B. OBJECTIVE

The objective of this Best Practice is to assist Owners, Prime Contractors and Contractors to develop effective Contractor EHS management systems and/or processes.

C. VALUE

Effective EHS management systems will promote a collaborative working relationship between Owners, Prime Contractors and Contractors, resulting in improved:

- Health and safety of all personnel,
- Environmental performance, and
- Business productivity and profitability.

D. SCOPE

This Best Practice applies to Owners, Prime Contractors and Contractors performing work pertaining to an Owner's site. This Best Practice covers the EHS management processes from Contractor pre-qualification through to work completion and evaluation of performance.

This Best Practice includes the following four key EHS elements:

1. **Contractor Pre-qualification** – the process for qualifying Contractors as being acceptable to perform work at a work site.
2. **Contractor Selection** - the process of selecting an acceptable Contractor to perform a specific scope of work before the work begins.
3. **Mobilization/Work in Progress** – the process of implementing work activities to achieve the successful completion of the scope of work.
4. **Contractor Performance Evaluation** – the measures used to periodically evaluate Owner and Contractor performance against EHS requirements and goals.

Figure 1 on page 4 of this document illustrates the four key EHS elements, and associated sub-elements. Details of each key and sub-element are provided in this Best Practice.

E. APPLICATION

Contractor management is a continuous process that can be implemented at any time. Examples of entry points are provided below.

- An Owner not having a list of acceptable Contractors should start with the Contractor Pre-qualification step.
- If a Contractor is deemed acceptable for work on site, suitability to perform work can be evaluated against the specific work scope during the Contractor Selection step.
- If a Prime Contractor has selected a Contractor to perform work for them, but the Contractor is not on site, the process should start with the Mobilization/Work in Progress step.
- An Owner that wants to improve health and safety performance on the worksite with active Contractors should start with the Contractor Performance Evaluation step.

F. WORKING RELATIONSHIPS

Effective Contractor EHS management requires a collaborative working relationship between all parties and a collective commitment to achieve work site EHS performance objectives.

The working relationship will be significantly improved by clearly defining roles, responsibilities and accountabilities. Interactive communication between all parties is critical to ensure an effective working relationship.

G. ROLE OF PARTICIPANTS

Owner – in respect of a work site means the person in legal possession of the work site or, if the person in legal possession does not request the work, the person with an ownership interest in the work site who requests that the work be done (Province of Alberta OH&S Act).

Owner commitment and leadership are prerequisites for achieving desired EHS performance. An Owner should actively engage the Prime Contractor (or Contractors) in a collaborative working relationship to successfully manage EHS requirements.

Prime Contractor – means the designated Prime Contractor for a work site, as required by the Province of Alberta OH&S Act.

Every work site with two or more Contractors (employers) working at it must have a Prime Contractor responsible for the work. The role of Prime Contractor is performed either by an Owner or a Contractor under an agreement with the Owner.

When the Prime Contractor on a worksite is not the Owner, the Prime Contractor should read and apply this Best Practice as if they are the Owner.

Contractor – means a person, partnership or group of persons who, through a contract, an agreement or ownership, directs the activities of one or more employees involved in work at a work site (Province of Alberta OH&S Act).

Contractors complete work for an Owner at a work site. Contractors are expected to cooperate with all parties to achieve the desired EHS performance objectives.

When a Contractor employs one or more Subcontractors the Contractor should read and implement this Best Practice as if they were the Owner.

Subcontractor – for the purposes of this Best Practice, the term Contractor and Subcontractor are considered synonymous.

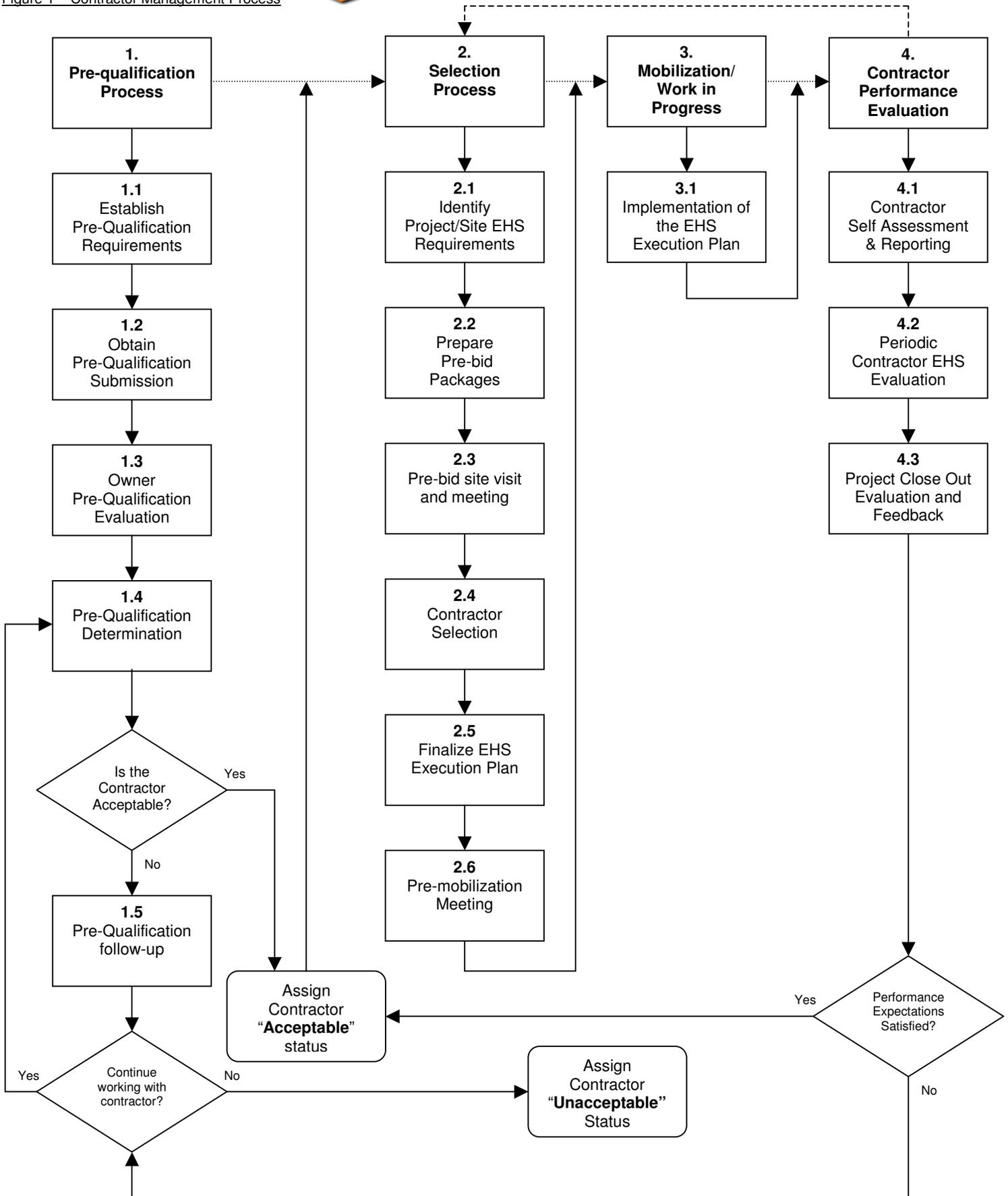
H. DEFINITIONS

EHS Execution Plan – means the plan developed by an Owner and/or Contractor to address identified Environment Health and Safety requirements specific to the Scope of Work.

EHS Requirements – defines the Owner's Environment Health and Safety expectations specific to the Scope of Work, including policies, standards, procedures and safe work practices necessary to address worker safety and legislative requirements.

Scope of Work – the work to be done, described in sufficient detail to enable prospective contractors to understand the content of the work required, as well as the work environment.

Figure 1 – Contractor Management Process



1. Pre-qualification Process

In order to be eligible to perform work on an Owner's site a Contractor must be pre-qualified. The Contractor pre-qualification process includes the evaluation of a prospective Contractor's ability to meet an Owner's established EHS performance criteria.

This part of the process is the first step towards verifying Contractor acceptance, and establishes the information required to adequately and properly represents the Contractor to the Owner.

In some cases, a Contractor may not be able to meet an Owner's EHS performance criteria. An Owner should have an alternate plan for managing this type of Contractor.

1.1 Establish Pre-Qualification Requirements

The Owner should review criteria from Appendix A, and select evaluation criteria that are relevant to the Owner's expectations to assess a Contractor's compliance with OH&S legislation and industry best practices.

The Owners should include selected criterion in a standardized pre-qualification template for consistent use within the organization.

1.2 Obtain Pre-Qualification Submission

An Owner should establish a standard method for providing Contractors with pre-qualification criteria in a standardized template, and for obtaining the Contractor's completed submission. The Owner should identify if additional supporting documentation is required in a Contractor's pre-qualification submission.

1.3 Owner Pre-Qualification Evaluation

An Owner should establish a standardized method for reviewing a Contractor's pre-qualification submission to determine if a Contractor has met the baseline requirements.

Competent EHS personnel should evaluate the Contractor's pre-qualification submission and validate the information provided. Pre-qualification evaluation should include the following criteria:

- Is the quality of pre-qualification submission adequate?
- Is the Contractor's experience relevant to Owner requirements?
- Does Contractor case history meet expectations?

1.4 Pre-Qualification Determination

There are three potential outcomes of pre-qualification determination, which will result in the assignment of Contractor acceptance status:

- **Acceptable** – Pre-qualification criteria has been met
- **Unacceptable** – Pre-qualification criteria has not been met
- **Conditional** – there are gaps in the pre-qualification submission to be resolved by the Contractor prior to acceptance.

The goal of this process should always be for Owners to use Contractors who provide acceptable responses to all the pre-qualification criteria. Once the pre-qualification acceptance level is determined the Owner should communicate the qualification status to the Contractor with any gaps clearly defined.

Unacceptable or Conditional acceptance status should result in additional efforts by the Contractor to satisfy the Owner acceptance criteria. An Owner may decide to discontinue working with a Contractor assigned a Conditional status if reasonable progress toward Acceptable status is not achieved.

Pre-qualification acceptance should establish protocols for managing Contractors performing emergency work, or those who do not satisfy pre-qualification requirements. As a minimum, these Contractors should be working under close Owner supervision within the scope of a detailed EHS execution plan on the authority of a senior Owner representative.

1.5 Pre-qualification Follow-up

An outcome of the pre-qualification determination should be a list of Contractors with an assigned acceptance status. An Owner should regularly review this list to be aware of the Contractor's acceptance status, and to determine if follow-up action is required.

2. Contractor Selection Process

The Owner and Contractor must reach agreement with regard to work standards, procedures and practices applicable to the work. This agreement should be documented prior to beginning the work to ensure compliance with EHS requirements and responsibilities for providing human and material resources are understood.

2.1 Identify Project/Site EHS Requirements

The Owner must complete a baseline hazard assessment and control plan to identify EHS requirements associated with the scope of work. An Owner should be thoroughly familiar with “reasonably foreseeable” hazards associated with the nature of the work.

The duration of the project, the type of work to be performed and the location of the work are some of the factors an Owner should consider prior to developing EHS requirements for the pre-bid package. It is important for an Owner to recognize that unscheduled or off shift work may have inherently different hazards.

In cases where a Contractor reviews the scope of work to identify EHS requirements (due to the Contractor’s expertise, and knowledge of the anticipated hazards) the Owner remains overall responsible for the thoroughness of the hazard assessment and control plan.

An outcome of the Owner’s baseline hazard assessment and control plan is delineation and definition of Owner provided services so the Contractor can determine what must be included in the EHS execution plan.

An Owner and a Contractor must collectively communicate information regarding the scope of work, the baseline hazard assessment and control plan, and the EHS execution plan to their respective workers.

2.2 Prepare Pre-bid Packages

The Owner should provide potential Contractors with a pre-bid package that includes the scope of work, baseline hazard assessment and control plan and EHS requirements that may be specific to the work or job site.

An Owner should also identify its contact representatives in the event a Contractor requires pre-bid package content clarification.

2.3 Pre-bid Site Visit and Meeting

The pre-bid site visit and meeting provides the Owner with an opportunity to elaborate on requirements identified in the pre-bid package documentation.

The Owner should use the pre-bid site visit and meeting to clarify the scope of work and the baseline hazard assessment and control plan. This meeting should also be used to ensure potential EHS issues are identified and EHS requirements are satisfied prior to the bidding process, including:

- Pre-qualification status of the Contractor should be confirmed,
- Project specifics such as location, timelines, milestones, quality and responsibilities for human and material resources are clarified, and

The Contractor should use the pre-bid site visit and meeting to assess the Owner's scope of work and the related baseline hazard assessment and control plan. The outcomes of the pre-bid site visit and meeting are used in the development of the summary EHS execution plan. The summary EHS execution plan generically defines the following:

- Relevant policies, standards, procedures and safe work practices necessary to address worker safety and legislative requirements,
- Identification of orientation and training needs, frequency of training and responsibility for providing this training,
- Management plans for controlling work activities associated with critical tasks,
- Personnel responsibilities and accountability for managing internal Contractor EHS related issues, and
- Incident notification protocols and emergency response action plans.

Agreements reached during the pre-bid meeting should ultimately be defined in the commercial agreement, before the work begins.

2.4 Contractor Selection

An Owner should select a technically qualified Contractor who meets the EHS requirements of the project. Consideration should be given to the information submitted in the Contractor's pre-qualification and summary EHS execution plan documentation.

Work should not begin until the Owner is satisfied that the Contractor is capable of delivering the scope of work in compliance with Owner requirements and a contract is formally awarded. The extent and detail of these assurances should take into account the Owner's previous experience with the Contractor, the type of work to be performed, and the level of risk associated with the work.

2.5 Finalize EHS Execution Plan

The selected Contractor should produce a more detailed EHS execution plan that describes more specifically how the work will be completed based on the Owner's requirements. The final EHS execution plan should include a hazard assessment and control plan that reflects the baseline documentation with additional input from the Contractor.

The Contractor should have carefully reviewed the Owner's pre-bid package and be prepared to accept conditions, highlight areas of concern and/or identify specific conditions the Owner and Contractor need to manage.

The EHS requirements highlighted in Section 2.3 should be worked into a detailed plan that includes a breakdown of major components, or critical aspects of the work.

2.6 Pre-mobilization Meeting

A pre-mobilization meeting is held to verify the Owner and Contractor's intent to proceed with the work. A contract can be formally awarded immediately following the pre-mobilization meeting.

The Owner should have completed a review of the Contractor's finalized EHS execution plan, and take this opportunity to review key aspects of the plan with the Contractor to validate the work can still be completed as anticipated. The baseline hazard assessment and control plan and the EH&S execution plan should be reviewed and formally endorsed by Owner/Contractor representatives appropriate to the scope of work and historical working relationship.

3. Mobilization/Work in Progress

The EHS execution plan is the guiding document to support mobilization/work in progress efforts. The Owner and Contractor should cooperatively interact to ensure the Contractor's workforce becomes familiar with the project facilities, Owner/Contractor personnel, and management systems.

The amount of detail and effort to support mobilization/work in progress activities should be commensurate with the level of risk for the work.

3.1 Implementation of the EHS Execution Plan

The Owner and Contractor are responsible to ensure the EHS execution plan is effectively communicated to affected workers within their respective organizations. If a change occurs to the scope of work or hazards associated with the work, the hazard assessment and control plan and the EHS execution plan should be reviewed and updated as necessary. A change to the scope of work may also affect agreed upon Contractor/Owner provisions.

Revisions to the EHS execution plan must be communicated to those responsible for the work in progress.

4. Contractor EHS Performance Evaluation

Evaluation of EHS performance should be based on the duration of the project, the level of risk for the type of work being performed, and the Contractor's historical EHS performance. Owners and Contractors both have responsibilities for regularly monitoring and evaluating the work in progress.

4.1 Contractor Self Assessment and Reporting

The Contractor should retain the appropriate EHS management system documentation required to demonstrate compliance with Owner/Contractor EHS requirements. EHS performance monitoring and reporting should include leading indicators.

The Contractor will periodically evaluate compliance with the EHS Execution Plan to ensure:

- Workers have the information, knowledge, and training necessary to safely perform their tasks,
- EHS execution plan is appropriate for the scope of work, and
- Workers are familiar with the EHS execution plan.

4.2 Owner Evaluation/Audit of Contractor EHS System

The Owner will regularly evaluate the Contractor to ensure compliance with the EHS execution plan and the hazard assessment and control plan. The frequency of evaluation is dependent upon the scope of work and the Contractor's EHS performance. This Owner led evaluation may include a review of the following documentation:

- Contractor's self assessment
- Worksite safety performance
- Contractor's EHS system records
- Hazard assessment and control plan

The Owner must inform a Contractor when EHS requirements are not being met. Although the Contractor is directly responsible to resolve EHS issues the Owner is ultimately responsible to ensure a safe working environment.

4.3 Project Close Out, Evaluation and Feedback

A Contractor's EHS performance should be evaluated at least annually, and at the completion of any contract.

The Owner must review acceptable and non-acceptable performance with the Contractor and Owner representatives responsible for selecting the Contractors to perform work. These lessons learned should be utilized to improve both the Owner and Contractor EHS management systems/processes.

If a Contractor does not meet an Owner's EHS expectations and requirements, then an opportunity should be provided to discuss the issues and develop corrective actions consistent with contractual provisions.