

Ensuring 100% Certainty with Contractor Safety & Compliance

Presented by:
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Meet Your Presenter!

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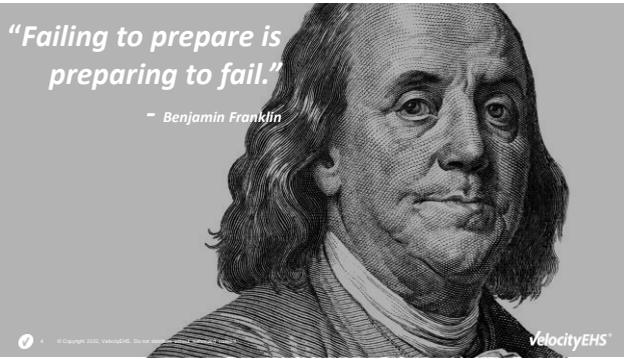
Session Goals...

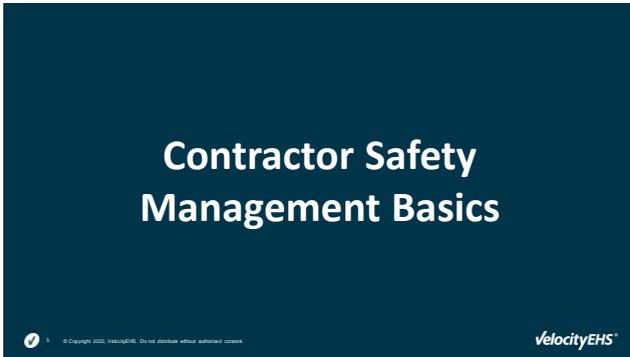
- ✓ Understand EHS risks inherent to using contractors & temporary employees, and the key challenges to effective contractor management
- ✓ Apply the Contractor Safety Management Lifecycle, and address common challenges and inefficiencies at each step
- ✓ Implement best practices to optimize contractor safety management and verification



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Contractor Safety Management Basics

- *Contractor safety management* - a system of controls to ensure that contracted services (i.e. temporary workers) support safe facility operations, process safety and personal safety performance goals.
- Includes selection, acquisition, use and monitoring of contractors/temporary workers.
- Tendency to focus on workers in high-risk occupations, but the safety needs of contractors providing lower-risk, more routine tasks, such as janitorial or groundskeeping services, must be equally addressed!
- Remember! Contractor safety management begins **well before** issuance of any contract or commencement of work.



Pros vs. Cons of Contractors

Pros

- Offset labor costs
- Minimize benefit expenses/premiums
- Increased operational flexibility (labor demand/headcount)
- Minimize training/onboarding time & cost
- Minimize assets/overhead
- Ready access to highly skilled, pre-screened and pre-qualified workers



Cons

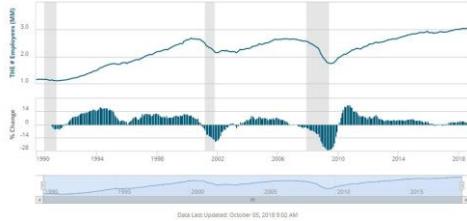
- Administrative burden (communication/coordination with providers)
- Reliance on 3rd party providers
- Less control
- Uncertainty over quality/safety/compliance

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Contractor & Temporary Worker Employment Statistics

Temporary employment is on the rise!



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Contractor & Temporary Worker Safety Statistics



36-72% ↑

Higher recordable injury & illness rates compared to FTE



Temporary workers account for **2%** of the US workforce, yet accounted for **17%** of work-related fatalities in 2015



200% Temporary workers in construction & manufacturing had twice the rate of workers' comp claims compared to FTE doing the same types of work.



37%

of all temporary workers are employed in high-risk industrial sectors such as transportation, construction, manufacturing, utilities, and oil and gas production.

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What's behind these elevated risks for contractors & temporary workers?

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Root Causes of Elevated Temporary Worker Injury & Illness Rates

- **Employer Attitudes & Culture**
 - National Council for Occupational Safety and Health (NCOSH) found that workplaces employing high numbers of temporary workers are less likely to place as great an emphasis on safety, and typically have less sophisticated workplace health and safety programs in place.



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Root Causes of Elevated Temporary Worker Injury & Illness Rates

- **Injury & Illness Underreporting**
 - American Journal of Industrial Medicine looked at 53 establishments who employed temporary workers.
 - Of these, only 36% stated that they included temporary worker injuries on the establishment's OSHA 300 log
 - 15% did not know whether or not to record temporary worker injuries, with some stating they relied on the temporary employer to make that determination



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Root Causes of Elevated Temporary Worker Injury & Illness Rates

- **Lack of Communication**
 - Lack of communication between temporary and host employers when determining each employer’s roles and obligations for providing safety training, PPE and work instructions, and for performing other workplace health and safety management responsibilities



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Two Fundamental Challenges to Contractor Safety Management ...these might sound familiar

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Contractor Safety Management Administrative Tasks

Pain of bringing workers onsite due to cumbersome verification/documentation processes

- Separate systems & processes
- Outdated processes
- Low/zero visibility of contractor status
- Dependence on external/contractor processes
- Limited/no system integration
- Updating worker journey
- Limited/no control of document status
- Difficulty reporting on contractors across all sites



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Uncertainty Over Contractor Compliance

How can you be sure that workers coming into your establishment/work site are qualified?

- Lack of standards for contractor qualification & approval
- No standardized workflow for requesting permit to work
- Onboarding of contractor providers
- Periodic recertification of long-term/recurring contractors
- Ensuring contractor qualification is standardized across all sites
- Ensuring visitors only receive access when fully qualified



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How do we overcome these challenges?

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The Contractor Safety Management Lifecycle

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The Contractor Safety Management Lifecycle

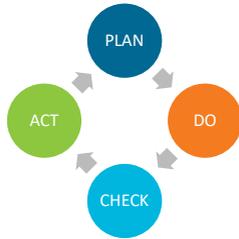


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This should look familiar...

- **Continuous improvement** is key to a successful contractor management (not to mention your other EHS management systems!)
- Each run through the cycle should achieve incremental gains in contractor safety
- It provides a “systems-based approach” to developing and maintaining a sustainable contractor management system



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Contract Safety Planning

- Assess all reasonably foreseeable risks to contractors' health and safety, and others (i.e. FTEs) who may be affected by contractor work performance.
- When identifying risks, consider:
 - the nature of the work to be carried out, including whether high risk tasks are involved
 - equipment and materials used in performance of contractor tasks
 - the location(s) where work will be performed, including isolated and/or remote work, and any risks associated with those locations
 - the complexity of the work, including interfaces with other contractors, subcontracting arrangements, etc.
 - Where subcontracting arrangements exist, defining the principal/primary contractor's management and control responsibilities
- Develop pre-contract qualification questionnaire, including:
 - thresholds for safety performance indicators that contractors must pass in order to work for the host employer
 - Compliance standards & protocols



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Evaluation

- Review potential contractors' documentation and systems to determine whether they are sufficient to manage known and foreseeable risks, and compatible with host employer's safety policies and standards.
- Typically involves:
 - Contractor pre-qualification form/questionnaire
 - Responses & method statements/risk assessments from contractors
- Should answer key questions including, but not limited to:
 - Can it be demonstrated that the contractor has sufficient resources to manage the safety of workers?
 - Can it be demonstrated that the contractor has adequate systems in place to manage foreseeable EHS risks?
 - Can it be demonstrated that the contractor monitors and manages safety, and demonstrates a commitment to improving safety outcomes?
 - Can it be demonstrated that worker safety and continuous improvement is a key outcome for the contractor?



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Implementation

- Provide appropriate task and/or job-specific safety documentation and assurance that systems and controls described in evaluation stage are in-place prior to work commencing
- Rooted in your written Safety Management System Plan, which should specify contractor safety details such as:
 - names of persons at the workplace whose positions or roles involve specific EHS responsibilities
 - arrangements for consultation, cooperation and coordination between contractors, providers and host employer
 - arrangements for reporting & managing incidents, hazards & near misses
 - site-specific EHS policies/requirements and how workers will be informed of them
 - arrangements to collect, assess, monitor and review safety performance data
 - site or project-specific risk assessments and risk register(s)
 - arrangements for the on-boarding of contractors, including training
 - obtaining and providing essential services information
 - verification processes for ensuring workers have appropriate licensure/certification/training to perform contract duties



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Operations

- Steps to acquire and evaluate EHS performance of contractors
 - involves effective consultation, coordination and cooperation between contractor(s) and host employer to ensure systems are in place and are operating effectively
- Elements include:
 - Monitoring** – establish processes for measuring contractor performance via pre-defined indicators, including reporting roles/responsibilities and systems
 - Risk Management** – where contractors are not under direct control of host employer, establish processes for contractor assessment of task/process risks, implement & maintain controls, and document & communicate risks between contractors & host employer.
 - Site supervision, inspections and auditing** – where contractors ARE under direct control, establish a process for validating that controls are in place, effective and maintained.
 - Incident reporting** – establish processes and systems for real-time reporting of incidents, hazards & near-misses, and responded to via corrective action in a timely manner. Define roles/responsibilities for performing investigations/RCAs/corrective action
 - Contractor self-reporting** – regular EHS reporting during the life of a project/contract, enabling host employer to assess safety performance & activities, and implementation & effectiveness of control measures



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Performance Review

- Gather and record lessons learned from contract operations and feed this information back into the contractor procurement process to drive continuous improvement.
- Formalizes closure of contract projects
- Informs more efficient processes for re-engagement/re-certification of contractors



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Best Practices for More Effective Contractor Safety Management

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1. Contractor Verification Questionnaire

- Goal is to optimize efficiency of questionnaire distribution, collaboration, completion, submission & recordkeeping
- Problem is that many are sent/tracked/managed as static documents through email, require too many steps, too many people in the chain, version control is difficult, etc.
- Need to establish a document management system to facilitate and maximize efficiency of each step/task in the contractor verification process



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2. Submit Method Statements/risk Assessments for Approval

- Speed and clarity of communication during initial stages of contractor management life cycle is key!
- Information sharing goes both ways!
- Disparate systems & document formats create barriers to timely transmission of method statements/risk assessments to host employer to verify safe work qualifications
- Like verification questionnaires, many are sent/tracked/managed as static documents through email, require too many steps, too many people in the chain, version control is difficult, etc.
- Establish systems for direct transmission of method statements/risk assessments by contractor, and integrate with other qualification & approval tasks



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3. Request for Permit-to-work

- With potentially numerous contractors at a single establishment/work site, influx of requests for permits can result in a backlog
- Like verification questionnaires & method statements/risk assessments, many are sent/tracked/managed as static documents through email, require too many steps, too many people in the chain, version control is difficult, etc.
- Establish a system for contractors to submit permit requests electronically, and that provides host employer alerts/notifications when requests are received
- Helps eliminate long queues of contractors waiting for permits



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4. Approval of Permit/authorization to Site

- With multiple contractors across multiple sites, and prioritize contract approval based on numerous variables (e.g. risk level, job type, project timeline, etc.)
- Not all permits are alike! Need to be able to manage permit constraints/conditions and verify they are met (e.g. in-person/on-site approval)
- Establish a method/system to organize and prioritize permits/permit approvals based on these variables, monitor/manage permit status.



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5. Check-in and Access

- Waiting to verify contractor approval/permit status and issue ID badges/access credentials can cut into valuable time on-site
- Tracking contractors on-site is critical to accurate personnel management, security, billing/payroll, safety, etc.
- Establish a system to easily track, display & share incoming contractor information for security/HR/EHS & other affected departments



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The Takeaways...

- Contractors are ready to work and host employers need the job done quickly.
- Inefficient administrative tasks (RFIs, approvals, permitting, etc.) can create unnecessary bottlenecks/barriers to quick performance & completion of work.
- Rather than deal with the time & cost of completing contractor management tasks, some overlook key qualification & approvals processes, potentially inviting risk into the workplace.
- Minimizing barriers to communication between contractor & host employer is key to optimizing the process



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Questions?

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Learn more about VelocityEHS Contractor Management & Control of Work Solutions at www.EHS.com/solutions/control-of-work/

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