

**A: MANAGEMENT SYSTEMS**

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**A3. CONTRACTOR MANAGEMENT**

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**1.0 Scope**

1.1 For the purposes of this standard, contractors fall into three categories:

**Cat. 1** Individuals engaged on temporary contracts to work within existing operations.

**Cat. 2** Companies or individuals engaged for a discrete project.

**Cat. 3** Companies or individuals engaged under contract to carry out specific tasks or provide specified services within existing operations areas.

1.2 In this standard, the company employing the contractor is referred to as the Owner.

**2.0 Rules that apply to all contractors**

2.1 For all contractors there must be an on site manager who is responsible for ensuring the effectiveness of the contractor safety management system in relation to that contract.

2.2 Before work begins on any contract all contractor personnel must be given appropriate orientation and induction training including emergency procedure drills. It must be confirmed that all tools and equipment to be used are in a safe condition.

**3.0 Rules that apply to Category 1 contractors**

3.1 Category 1 contractors are to be treated in all aspects of safety as if they were employees.

**4.0 Rules that apply to Category 2 contractors**

4.1 Category 2 contractors are engaged in projects, which will be carried out in a designated area that is separate from existing operations. Contractors within this category are independent of the Owner and are responsible to the Owner for carrying out their contracted work safely and in compliance with applicable regulatory requirements. They must have in place appropriate systems and supervision. The Owner's responsibility is to ensure that the contractor's safety duties are embedded in the contract and to use an audit process to see that the

- contractor carries out its safety duties in accordance with the contract and with applicable regulatory requirements.
- 4.2 For Category 2 contractors, the Owner must have a contractor safety management procedure that contains, as a minimum, provisions for the following elements:
- 4.2.1 **Pre-qualification of Contractor.** Wherever practical, the Owner should prepare a list of contractors whose safety performance warrants their being placed on a pre-qualified list of suitable contractors.
- 4.2.2 **Pre-bid Meeting/Discussions.** The Owner must conduct a pre-bid meeting with contractors to inform them of the scope of the project or contract and to discuss the potential HSE hazards it may involve.
- 4.2.3 **Bid Documents.** Contractors' bid documents must include a site-specific safety plan that identifies and addresses safety hazards.
- 4.2.4 **Selection.** The bid assessment must include consideration of the contractor's safety plan and its ability to implement the plan. Safety considerations shall receive no less weight than other considerations such as costs and technical capabilities.
- 4.2.5 **Contract Terms.** The contract document must contain provisions covering safety including such provisions as the contractor's responsibility to comply with the owner's safety policy, rules and procedures, all applicable laws, demonstration of adequate levels of insurance for worker's compensation and general liability, indemnification agreement and termination clause or penalties for lack of performance in safety.
- 4.2.6 **Pre-job Conference.** The Owner must conduct a pre-job conference with the successful bidder to review safety expectations and other requirements based on the site-specific HSE plan including the reporting of injuries or incidents.
- 4.2.7 **Monitoring and Evaluation.** The Owner must monitor the contractors' work and carry out formal reviews with them that include safety performance. Action plans will be agreed and documented to correct areas of under-performance.
- 4.2.8 **Feedback.** Safety performance records must be kept and used in future selection processes. The on going validity of the retained data needs to be assessed before it is used.

## 5.0 Rules that Apply to Category 3 Contractors

- 5.1 The tasks or services carried out by Category 3 contractors involve working in existing operations areas. The responsibility of the Owner varies according to the nature of the work and its location. Consequently, the Owner must apply the rules set out in section 4.0 as appropriate. In addition, where the contractor(s) are carrying

out hazardous work or working in hazardous areas, there must be a permit to work system.

5.2 The permit to work must:

- (a) Set out the work to be done, the hazards identified and the required safe work procedures;
- (b) Be reviewed every shift and reissued if a change in conditions or work scope has occurred;
- (c) Be signed by a designated manager for the current shift who is the person with responsibility for the geographical area or task in which the contractors are to work and/or by a designated competent authority if in a specialised field such as CO gas management.

5.3 The designated manager must:

- (a) Ensure that, where practical, the contractor's work area is clearly demarcated;
- (b) Ensure that the permit to work is available for inspection at the workplace;
- (c) Monitor the contractors' work to check compliance with the permit conditions;
- (d) Record and report any safety incidents as for employees in the area; and,
- (e) Capture and act on safety improvement ideas.