

Contractor Safety Program Developing a Systematic Approach



The Only Thing Constant....is CHANGE!

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Bell Labs Innovations



“ I think there is a world market for maybe five computers. ”

Thomas Watson Senior,
Chairman of IBM, 1943

ACM 97

"The 'telephone' has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us."
(Western Union telegraph company memo, 1877)

"An amazing invention, but who would ever want to use one?" (US President Rutherford B Hayes, 1876)

Has your companies approach to how they hire contractors changed?

- Purchasing Depts. traditionally based selection by on:
 - **The Best Price – Lets find the cheapest supplier out there, or**
 - **Who can get the job done the fastest.**
- Criteria today's needs to be more complex:
- Price, Delivery and "Quality"
(Without safety - Poor quality.)
Poor quality - increased cost,

Companies Concerns

- **Newspaper Headlines: 3 workers killed in roof collapse at:**
- **YOUR LOCATION, USA: OSHA cited company for failure to...**
- **Internet Publicity: type in name of “your” company:**
 - **Details: Accident information, OSHA citations, etc.**
- **Trends in litigation UP or Down?:.**
 - **Litigious society**
 - **Multimillion settlements:**
- **Regulatory: e.g. OSHA Performance Standards, LOTO, Confined Space, contractor control**
- **Exposures:**
- **Liabilities:**

Regulatory Requirements



•Contractor-Management Responsibilities

- 29 CFR 1926.16(a), OSHA states, "In no case shall the **prime contractor** be relieved of overall responsibility for compliance with the requirements of this part for all work to be performed under the contract."
- 29 CFR 1926.16(c) OSHA further states, "With respect to subcontracted work, the **prime contractor** and any subcontractor or subcontractors shall be deemed to have joint responsibility."
- 29 CFR 1926.16(d), "Where joint responsibility exists both the **prime contractor** and his subcontractor or subcontractors, regardless of tier, shall be considered subject to the enforcement provisions of the Act."

Contractor Management Elements

- Contractors must be pre-qualified
- EH&S Pre-qualification form sent during RFQ Process
- Evaluate or Measure Effectiveness of Contractors overall safety performance
 - Include random inspections, audits, etc. to ensure compliance and reinforce company commitment.

Contractor EHS evaluation must be integrated into the Supply Chain Network Process

- EH&S must be a component of Contractor Selection Process
- Supply Chain Network Partnership with EH&S
 - Lucent Supplier Capability Process (LSCA)(2 Part process)
- **ISSQ- Initial Services Supplier Questionnaire**
 - EH&S Section included in ISSQ
 - The EH&S prequalification conducted by EH&S Department.
 - Establishes an EH&S management contact early in the process.
- **Onsite Supplemental Audit**
 - Verifies and documents actual safety performance
 - Reinforces Lucent's continued commitment to EH&S

Standard elements of the prequalification process, EHS Section

- The ISSQ EH&S section will require the Contractor to provide :
 - **Corporate Safety Policy, and job specific safety program.**
(Safety program should not be store bought.)
 - **Contractor must provide last 3 years history of :**
 - **OSHA Incidence Rates and LWDC Rate**
 - **List BLS-SIC or NAICS Codes**
 - **3 year EMR's-Workers Compensation**
 - **3 year Regulatory Citations., e.g. OSHA ,EPA**
 - **Insurance Carrier, policy numbers,contact name**
 - **Industry Organizations, awards, recognitions**
 - **Signature - certification by company executive and also identify who is companies designated safety representative.**

Key elements of the prequalification process –continued

- Contractor given opportunity to provide sample documentation of:
 - Training Programs /Records/Tool Box talks,etc.
 - Safety Inspection Policies/audits
 - How safety is included in Project Management, e.g. pre-startup safety meetings, Site Safety Reviews, JSA's, etc.
 - PPE Program
 - Subcontractor safety program- (most often overlooked)

Contractor EH&S Onsite Audit

- **Plan opportunity to see contractor's employee's at work on site.**
- **Early Preparation for onsite essential:**
- **All documentation must be available before arriving.**
- **Break into teams-one member evaluates EH&S with companies designated safety representative.**
- **Use Pre-qualification evaluation as baseline:**
- **Safety program, Safety policy**
(Are the employees familiar with policy and following the program?)
- **Adherence to applicable JSA's**
- **I Daily safety Inspections,site emergency plans,training records, licenses, permits,etc.**
- **Housekeeping- Good indicator companies commitment to safety**
- **Observe Work Practices**
- **Equipment condition, e.g. Personal Protective Equipment, ladders,tools,etc.**

A contractor safety program won't eliminate all incidents: However, the potential for not having one could be much worse.

- Example:
- Lucent recently was working on a project involving the swapping out of some large cell site equipment at various locations throughout the country. The project involved using several contractors and sub contractors including:
 - Logistics
 - Hoisting and lifting-crane operators
 - Installation



The delivery truck would arrive early and stage the Modcell 4.0 on the overpass. The delivery truck would then leave the lift site, parking approximately 500 feet away and await the successful staging of the mini cells on the overpass.



The boom truck would set up on the east bound lane of Old Dominion Road overpass facing west. In this position the operator would turn the boom arm east and perform all lifts in this position.

There are no overhead power or telephone lines within this lift area.

The objective of the lift plan was to ensure the safe and successful removal of three Minicell equipment cabinets from the existing platform located beside Interstate 495 and replace them with one Modcell 4.0

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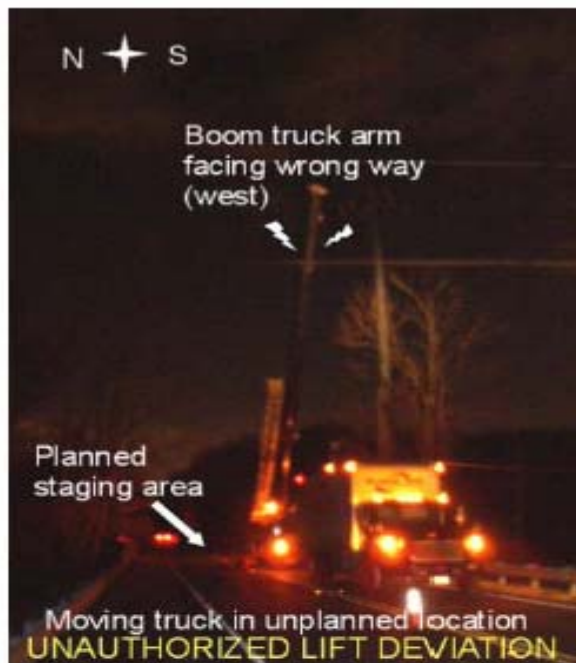


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The lift plan was designed to ensure that the equipment did not pass over the flow of traffic on Interstate 495, lifting the equipment away from the traffic below. The staging area for the boom truck was above the site on the west side of Old Dominion overpass.

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Does the program work?

What went wrong

- Onsite project manager failed to oversee coordination of subs.
- Subcontractors failure to follow established procedures. Crane operator deviated from official lift plan.
- Logistics subcontractors failed to follow established communication protocol.

What went right

- Luckily no injuries, minimal property damage
- Able to pinpoint prime subcontractor responsibility for subs.
- Able to quickly identify and contact designated company representatives
- Incident Investigation which included regulatory investigation promptly conducted, Causes identified
- **Lucent's subs were determined to be reputable companies in spite of departure from established procedure.**
- Coordinated Implementation of several new more effective procedures to prevent reoccurrence

Summary

A well managed contractor safety program will partner with supply chain and will :

- Help prevent or reduce accidents and injuries and prevent harm.
- Control cost, manage losses, increase profits, and maintain competitive advantage
- Help prevent potential work delays or stoppages due to service outages.
- Meet Regulatory Mandates
- Promote good company image and reinforce the companies commitment to safety and quality practices.
- Improve Customer Satisfaction and Confidence

Handouts

- EH&S Contractor Pre-Qualification Questionnaire
- Table of SIC codes and associated recordable injury rate
- Example of an Onsite Audit Questionnaire

Thank you!