

Contractor OHS Assessment Tool

A helpful guide to assist in assessing
a contractor's OHS performance
before engaging them for work
on your mine site

2008



NSW DEPARTMENT OF
PRIMARY INDUSTRIES

Acknowledgements

This publication was commissioned by the NSW Mine Safety Advisory Council as a result of the NSW Mining Industry Health and Safety Action Plan to 2008. The NSW Mine Safety Advisory Council would like to acknowledge Graham Terrey of Mine Resilience (Australia) Pty Ltd for drafting this Contractor OHS Assessment Tool.

NSW Mine Safety Advisory Council

The NSW Mine Safety Advisory Council was established in 1998 following recommendations made in the Mine Safety Review and Gretley Inquiry. The Council was strengthened in 2006 through: the setting up of a secretariat within the existing structure of the NSW DPI; the appointment of two independent experts in OHS; and making resources available, when appropriate through the NSW DPI, on the Council's recommendation to explore issues and commission research. The Council includes senior officials from some of the most respected bodies in the mining industry including the CFMEU (Mining and Energy Division), Australian Workers Union, NSW Minerals Council and Cement Concrete and Aggregates Australia. Two independent experts in occupational health and safety are also part of the Council. Mr Norman Jennings was appointed Chairman of the Council in 2006. The Council was established to provide the Minister with advice on critical OHS issues to the NSW Government. The Minister brings these matters to the Council for its consideration, requesting its advice on appropriate ways forward in the continual drive to foster improved OHS performance in the industry. The NSW Government's vision is for the Council to operate in an environment of trust and co-operation to address these issues and for all stakeholders to demonstrate a willingness to support the work of the Council and move forward on matters of importance as one group.

NSW Mining Industry Health and Safety Action Plan to 2008

The NSW Workplace Health and Safety Summit was held in Orange on 25–26 August 2005. A workshop at the summit involved representatives from the NSW mining industry. An industry group was established for mining and utilities to identify priority areas and agree on steps to address these priority areas. A number of recommendations were agreed to by participants at the summit.

Disclaimer

The compilation of information contained in this document relies upon material and data derived from a number of third party sources and is intended as a guide only in devising risk and safety management systems for the working of mines and is not designed to replace or be used instead of an appropriately designed safety management plan for each individual mine. Users should rely on their own advice, skills and experience in applying risk and safety management systems in individual workplaces. Use of this document does not relieve the user (or a person on whose behalf it is used) of any obligation or duty that might arise under any legislation (including the Occupational Health & Safety Act 2000, any other Act containing requirements relating to mine safety and any regulations and rules under those Acts) covering the activities to which this document has been or is to be applied. The information in this document is provided voluntarily and for information purposes only. The New South Wales Government does not guarantee that the information is complete, current or correct and accepts no responsibility for unsuitable or inaccurate material that may be encountered.

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Assessing a contractor's OHS performance

All organisations must implement safe systems of work

Every mine, quarry and extractive industry site must have a formalised system to manage the risks they face. A contractor is expected to have the same. All people working on a mine site have occupational health and safety (OHS) responsibilities. Sites have a responsibility to ensure that a contractor's system complements the site's OHS system. Sites may need to help contractors establish, implement and maintain their OHS systems.

The Contractor OHS Assessment Tool has been developed to help evaluate a system for managing risks and uses topical issues. It is compatible with *Australian Standards AS 4801 and AS 4804 - OHS management systems* and techniques used by regulators and the Australian mining industry.

Using the Contractor OHS Assessment Tool

The first step for the principal of the contract is to determine the risk level of the contract - high, medium or low. This information must be made available to potential contractors.

Use the chart inside (pages 4/5) for each contractor being evaluated. Look at their 'system', talk to them, ask questions of other sites where the contractor has worked and think about each box in the chart. The order in which you look at each box is not important, and it is sometimes easier to look at those boxes nearer the centre of the chart and work outwards. This is because the boxes nearer the centre reflect the more tangible or visible actions. You will see that the sum of the first column reflects 'policies', while the second column reflects 'plans' and so on.

Under each box is a score. Circle the score that reflects your impression of the status of the contractor's system - from 0 (meaning that nothing apparently exists) through to 5 (meaning the contractor has an advanced system). An advanced system is one that supports excellent performance that is continually being improved. Scores may be made on first impressions, to be refined on closer examination. They are not scientific - they are subjective, to be used wisely, identifying areas for closer examination or, ultimately, closer supervision during the course of the contract.

Score the contractor's system

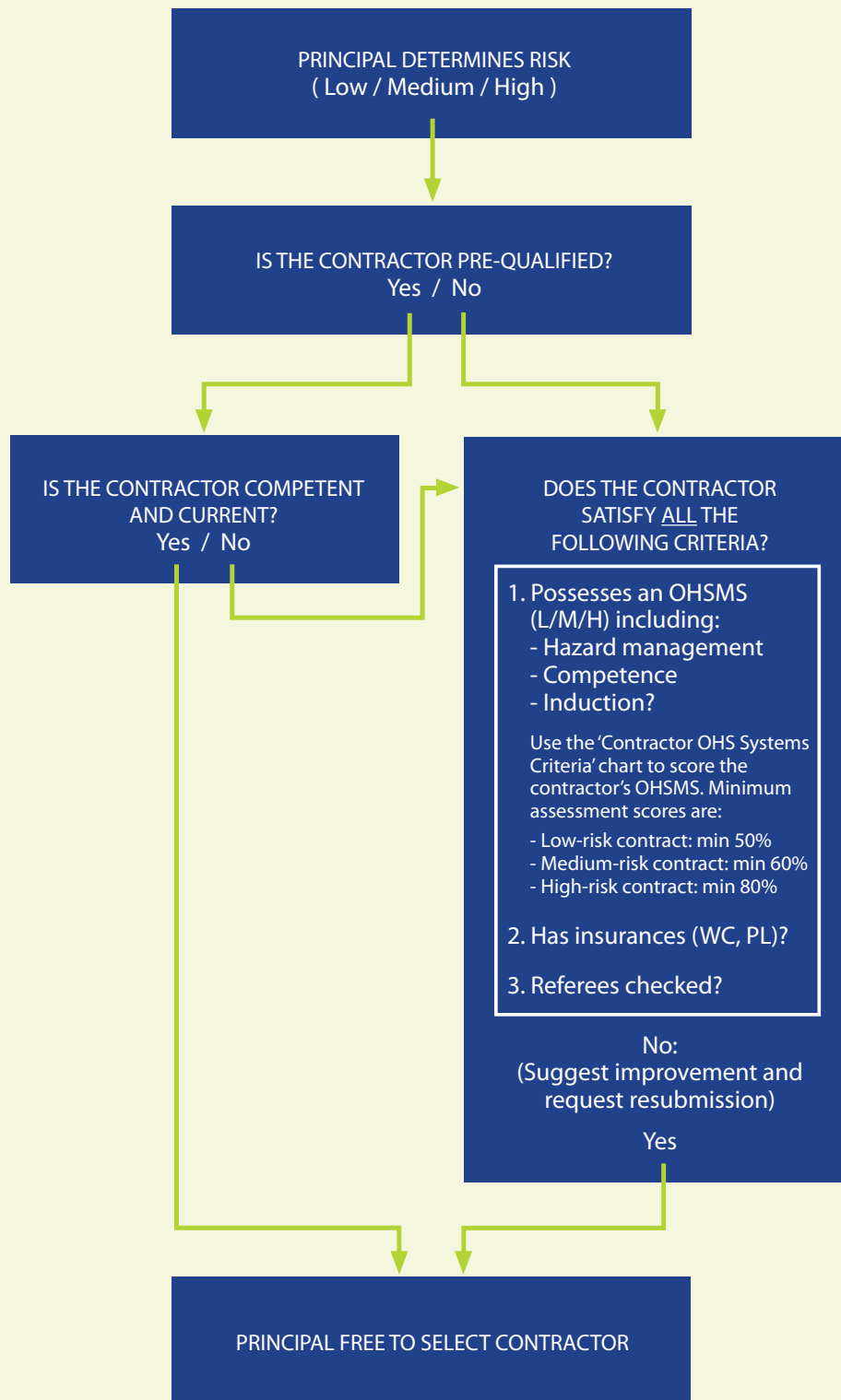
Subtotal the scores in each column to get a score out of 20. Then add each score across the bottom row to get a score out of 100. This score will help prioritise competitive contractors.

The tool has provision for a summary following your evaluation of the contractor's OHS system. The score will help you reflect on a contractor's capability in light of your ranking of the risks involved. The higher the risk involved, the higher the score will need to be.

Identify areas requiring further development

Use the form on page 8 to list those areas identified for further improvement. This form is to support consultation and communication between sites and contractors. It might also identify an area in which the contractor may need additional support and supervision.

Contractor OHS Assessment Tool flowchart



Using this tool to assess a contractor's OHS performance

STEP 1 Principal of the contract determines risk

Sites must conduct a due diligence exercise prior to engaging a contractor, in the same way that a site is responsible when employing anyone. This due diligence can be described as asking the right questions of the right people / resources and being satisfied. A structured assessment of a potential contractor's OHS performance can fulfil this obligation.

Avoid any temptation to dodge paperwork. In the preparation phase of contract work, a risk assessment for the tasks involved must be conducted. Some sources for external support in doing this are listed on page 7 of this publication. Hazards may exist for people, equipment, production and the environment. You need to list 'reasonable' hazards and consequences for 'realistic' scenarios - being neither too pessimistic nor optimistic. Identification of particular hazards and giving them a risk ranking will encourage open dialogue with contractors. Most contractors will have an existing generic risk assessment and safe work method statement, but site information is vital for them to make these generic documents site-specific.

This will lead to specific requirements for a task. Some requirements will be mandatory, such as tickets for handling or using explosives or following site rules, while others may be determined in consultation with a contractor (such as which 'standards' will be followed).

STEP 2 Check whether a contractor is already on a 'preferred contractor' list

If a contractor has already been assessed and is on a preferred contractor list and is both competent and current and able to carry out the contract, the site is free to select them and commence the pre-job phase, which starts with providing them with information about risks and suitable and/or required controls.

Once this part has been done, you can check whether a contractor is already known to the site. It may be necessary to check their competency and currency, depending on when they were last on-site, or when checks of their competency and insurances were last made - in light of any legislative or organisational changes in the meantime.

STEP 3 Inform potential contractors of the hazards involved in the contract

The operator's duty of care must be shown, among other things, by informing the contractor of risks. Even if the site has no experience in a task - such as blasting, and the task is for an experienced blasting contractor to do some of this work - the site will have knowledge of some things that are essential for the contractor's consideration. There may be local features, such as an adjacent picnic spot that might be an important consideration for flyrock risk, noise restrictions and so on.

STEP 4 Evaluate potential contractor's OHS performance

If you haven't assessed contractor performance then the site should conduct a check of the contractor's OHS management system - using the information and tools in this publication - their personnel, equipment and materials and processes/procedures. This tool is useful in rating a contractor's capability against the level of risk involved in the contract - the higher the risk the higher their capability must be. This document assists contractor managers to assess potential contractors' capabilities to fulfil the contract safely.

The following checks should also be made:

1. The contractor's insurance arrangements.
2. Other sites where the contractor has worked.

STEP 5 Competing contractors can now be compared on value for money and health and safety

Contractor assessment conducted by: _____

Review by: _____ Date: _____ Contractor: _____

Scoring/rating system:

0 = absent 1 = barely started, little experience 2 = beginning to take shape but not tested 3 = evolving well, adequate 4 = good standard of content, process and performance 5 = advanced, experienced, excellent

Note: the criteria suggested below is seen as a high scoring/rating, eg 5

EVOLVING SYSTEMS MATURITY	AIM, INTENT, POLICY, OBJECTIVES (Are there clear and shared objectives for safety and health?)	PLAN, APPROACH (Is there a plan to achieve those objectives and is it easy to communicate?)	IMPLEMENTATION, ACTION, DEPLOYMENT (Are people doing what is expected by them and when it should be done?)	MONITORING, RESULTS (How do you check that the plan is being followed and if it needs adjustment?)	ONGOING IMPROVEMENT (What is the mechanism for deciding what went well and what needs to be improved for next time?)
The managed working environment (both the physical and cultural – taking into account the geology/geography/organisational and personnel commitment)	<ul style="list-style-type: none"> A clear intention to improve safety and health exists. Proactive, as well as reactive risk management, is intended. A 'no-blame reporting culture' is evolving. Health and safety are given full commitment with action as well as words. Formalised arrangements exist for consultation and communication. 	<ul style="list-style-type: none"> Hazards are identified and a suitable hazard reporting approach is designed. Risks are assessed and controlled by proper processes. Controls are adequately communicated in two directions to develop a good understanding of monitoring and responses. Welfare programs are designed in consultation. An annual safety and health improvement plan is developed based on fact. 	<ul style="list-style-type: none"> Workplace inspections are carried out in accordance with a plan and in response to hazard reports. Health surveillance and welfare programs are implemented –with support from all people. Safety and health programs have a resource commitment commensurate with risk. Contract managers are trained and appointed. Accountabilities are accepted and respected for contract work supervision. Site access controls observed. 	<ul style="list-style-type: none"> Hazard reports are reviewed and closed out properly. Audits are conducted for improvement. Health monitoring is reviewed. 'Culture' checks are occasionally made by a proper process. Disciplinary action recorded. 	<ul style="list-style-type: none"> Communication and consultation are seen as vital ingredients in achieving the planned objectives. A process of 'change management' is agreed and implemented. Feedback mechanisms are open, and hazard reporting is properly rewarded. Hazard 'causes' are identified in an open manner.
	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5
Equipment and materials (E&M)	<ul style="list-style-type: none"> E&M are properly selected in view of an overall risk management approach. E&M are fit-for-purpose, user-friendly, and suitably maintained. 	<ul style="list-style-type: none"> Standards for E&M are determined with involvement of relevant people to control all risks. Purchasing specifications are set out and checks of E&M on arrival on-site are documented. Service and stock review schedules are laid down for items of E&M. Registers of and access to material safety data sheets. 	<ul style="list-style-type: none"> E&M are properly introduced into work, commensurate with the level of risk. New E&M is checked on arrival at site. Planned maintenance is carried out in addition to breakdown maintenance. Reviews of materials used on-site are conducted. 	<ul style="list-style-type: none"> Prestart checks and servicing records are reviewed. E&M defects, modifications and innovations are recorded and reviewed. Availability of equipment is tracked. Reviews of materials identify risk concerns, relative to reduction of risk. 	<ul style="list-style-type: none"> Review teams revise E&M selection and standards to reduce risk. Liaison with original equipment and material manufacturers (to optimise uptake of innovations, modifications and standards improvements). Revision of functional use specifications.
	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5
People (including contractors and sub-contractors)	<ul style="list-style-type: none"> People are competent and committed to the OHS aims. People are trained in their tasks. People are organised and supervised, and good communication is fostered. 	<ul style="list-style-type: none"> People are recruited to address key risks in the working environment, E&M and processes. Everyone's skills and knowledge are assessed and developed. Subcontractor management carried out. 	<ul style="list-style-type: none"> People (including subcontractors) are appropriately inducted to work at sites. Inductions pitched at level commensurate with risks. Tasks are allocated according to competence and capacity. Supervisors implement system requirements. Toolbox talks conducted regularly and (especially, vital actions agreed) are recorded. Task observation provides good feedback. 	<ul style="list-style-type: none"> Injuries, incidents and investigation reports are reviewed (including for near hits/misses). Reviews of (including currency of) licences, 'tickets', competency assessments and course evaluation. 	<ul style="list-style-type: none"> Consultation and communication mechanisms review reports to determine improvement action. Open disclosure of injuries and incidents together with related safety and health improvements done as a consequence. Personnel development (including but not limited to training) is ongoing and is based on monitoring/results in a range of areas.
	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5
Processes (and procedures)	<ul style="list-style-type: none"> Work is planned, tasks are described and communicated effectively. Processes retain 'corporate memory'. 	<ul style="list-style-type: none"> Energy isolation procedures in place. People aware of roles and responsibilities. Emergency response plans anticipate dangerous situations and plan suitable responses. Procedures are documented, readily available and effectively communicated. Documents are 'controlled' effectively. 	<ul style="list-style-type: none"> JSAs (or equivalent) used, recorded and revisited by others. Work permits for high-risk tasks, and 'clearances' given for specific tasks. Emergency response actions are implemented and trialled. 	<ul style="list-style-type: none"> Toolbox talk feedback helps review work and procedures. Due diligence seeks out concerns. Tests and reviews conducted, especially in support of emergency response plans. Reporting (including statutory reporting and non-conformance reporting) is timely, informative and aimed at on-going improvement. 	<ul style="list-style-type: none"> Consultation and communication mechanisms (especially safety meetings involving both principal and contractor) help review processes and procedures and keep them up to date.
	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5	0 1 2 3 4 5
	/ 20 Subtotal	/ 20 Subtotal	/ 20 Subtotal	/ 20 Subtotal	/ 20 Subtotal
Critical areas for improvement from above					
Note: For any critical areas of improvement - identify the areas on this page and then complete the form on page 8				Score total (even where item may have scored 0 to reach score out of 100)	/ 100 Total



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CONTRACT DETAILS, RISK ASSESSMENT AND CONTRACTOR EVALUATION

Site contract number or reference: _____ Site / location: _____

Description of work: _____

Contractor's name: _____

Contractor's phone: _____ Fax: _____

Contractor's mobile: _____ Email: _____

Main work location: _____

SITE IDENTIFICATION OF HAZARDS AND CONTROLS (FOR GUIDANCE OF CONTRACTOR)

HAZARD	EXISTS (Y / N)	RISK (H/M/L)	COMMENTS
Electrical			
Mechanical			
Chemical, dusts			
Pressure			
Radiation			
Thermal			
Work-related musculoskeletal			
Noise, vibration			
Biological			
Gravitational			

REVIEW SPECIFIC REQUIREMENTS

(with reference to Legislation, Standards, Codes of Practice, guidance, policies, procedures, work permits/authorisations, competencies, etc)

CHECK OF 'PREFERRED CONTRACTOR' LIST, OR POTENTIAL CONTRACTOR DETAIL

Name of contractor	Existing 'preferred contractor'? Y / N	Competent and current Y / N / Comment

INSURANCES

EXISTS, CURRENT AND SUFFICIENT (Y / N / NA)

COMMENTS

Workers' Compensation		
Public liability		
Other (eg professional liability, etc)		

CHECK OF CONTRACTOR'S OHS MANAGEMENT SYSTEM

OHS system elements	Score (0 – 20)	Comments (are there particular areas you will need to pay special attention to, even if improvements have been made? If so, what, how, when, who?)	
Aim/Intent	/ 20		
Planning	/ 20		
Implementation	/ 20		
Monitoring	/ 20		
Improvement	/ 20		
Total	/ 100	Is this contract work a low, medium or high risk task?	L / M / H
		Does the contractor pass the suggested level of 50%, 60%, or 80% for a low, medium or high risk task respectively	Yes / No

Contract / contractor assessment review conducted by: _____

Date: _____ Reviewed by and date: _____

Useful resources

The following website links feature useful resources for risk assessments and contractor management:

NSW Department of Primary Industries Mine Safety website (eg MDG 1010 Risk Management Handbook, MDG 1014 Guideline to reviewing a risk assessment of mine equipment and operations, etc)

www.dpi.nsw.gov.au/minerals/safety/publications/mdg

Minerals Industry Safety and Health Centre website (National Minerals Industry Safety and Health Risk Assessment Guideline)

http://nmishrag.mishc.uq.edu.au/NMISHRAG_Content.asp

NSW WorkCover website (eg the Subby Pack – OHS Contractor Management Tool)

www.workcover.nsw.gov.au/Publications/OHS/SafetyGuides/default.htm

NSW Minerals Council website (eg Contractor Safety Guidelines)

www.nswmin.com.au/news,_reports,_submissions/publications

South Australian Mines and Quarries Occupational Health and Safety Committee (eg Contractor Guidelines)

www.maqohsc.sa.gov.au/ohs_guides.cfm

NSW DPI CONTACTS

Telephone **02 4931 6666**
Website **www.dpi.nsw.gov.au/minesafety**
Email **mine.safety@dpi.nsw.gov.au**

Maitland

NSW Department of Primary Industries
Mineral Resources
516 High Street, Maitland NSW 2320
(PO Box 344, Hunter Region MC NSW 2310)
Phone: (02) 4931 6666, Fax: (02) 4931 6790

Armidale

NSW Department of Primary Industries,
Earth Sciences Building (C2)
Ring Road North
University of New England, Armidale NSW
2351 (PO Box U86 UNE Armidale NSW 2351)
Phone: (02) 6738 8500, Fax: (02) 6772 8664

Broken Hill

Level 2, 32 Sulphide Street,
Broken Hill NSW 2880
(Note changed PO Box number)
(PO Box 696 Broken Hill NSW 2880)
Phone: (08) 8088 9300, Fax: (08) 8087 8005

Cobar

Government Offices, 62–64 Marshall Street,
Cobar NSW 2835
(PO Box 157 Cobar NSW 2835)
Phone: (02) 6836 6000, Fax: (02) 6836 4395

Lightning Ridge

Miners Association Building
Lot 60 Morilla Street, Lightning Ridge NSW 2834
(PO Box 314 Lightning Ridge NSW 2834)
Phone: (02) 6829 9200, Fax: (02) 6829 0825

Lithgow

Hartley Building
Suite 1, Level 1, 184 Mort Street,
Lithgow NSW 2790
(PO Box 69 Lithgow NSW 2790)
Phone: (02) 6350 7888, Fax: (02) 6352 3876

Orange

161 Kite Street, Orange 2800
(Locked Bag 21, Orange NSW 2800)
Phone: (02) 6360 5333, Fax: (02) 6360 5363
After hours – emergency only – (02) 6360 5343

Singleton

Coal Services Building,
1 Civic Avenue, Singleton NSW 2330
(PO Box 51 Singleton NSW 2330)
Phone: (02) 6571 8788, Fax: (02) 6572 1201

Thornton

8 Hartley Drive Thornton NSW 2322
(PO Box 343 Hunter Region Mail Centre
NSW 2310)
Phone: (02) 4924 4000, Fax: (02) 4924 4080

Wollongong

State Government Offices
Level 3, Block F, 84 Crown Street,
Wollongong NSW 2500
(PO Box 674 Wollongong NSW 2500)
Phone: (02) 4222 8333, Fax: (02) 4226 3851



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