

ECM NUMBER: #1221490

EFFECTIVE DATE: 05/02/2020

DEPARTMENT: Office of CEO

UNIT: Safety and Wellness

1. PURPOSE AND SCOPE

The purpose of this procedure is to outline the requirements for the Contractor Management System and to ensure the health and safety of engaged workers in accordance with the *Work Health and Safety Act 2011*.

This procedure applies to all workers as defined under s7 of the *Work health and Safety Act 2011*.

2. REFERENCE

Work Health and Safety Act 2011

Work Health and Safety Regulation 2011

AS/NZ ISO 31000:2009 Risk Management

How to Manage Work Health and Safety Risks – Code of Practice 2011

Worksafe Victoria Guidance Note Contractor Management

CHRC Procurement Guidelines

3. DEFINITIONS

CHRC Job Owner - means the person nominated by Council as responsible for all aspects of the proposed or actual Contract. A Contract Manager or Project Manager or other person who has charge or authority over a Contractor.

CHRC Representative – The Contractor's point of contact at the work site and is responsible for issuing the Contractor Permit

Contractor - means any company, legal commercial entity, or self-employed person conducting work for Council under a Contract and shall include the Contractor's Sub-Contractors, and all levels thereof.

Council – refers to Central Highlands Regional Council

Principal Contractor - For a construction workplace is a person engaged by Central Highlands Regional Council as the Principal Contractor (PC) for the construction project and authorises the person to have management control of the workplace and to discharge the duties of a PC. If no PC is appointed, the PC is Central Highlands Regional Council.

Construction Project - A construction project is a project that involves construction work where the cost of the construction work is \$250,000 or more.

Construction Safety Management Plan (CSMP) – Is a document that provides methodology for the use of the Principal contractors Safety Management system. This document may also be known as a Safety Management Plan or a Construction Plan.

Subcontractor – That being a contractor working for another contractor who is engaged by CHRC.

WHS – Work Place Health & Safety

WHSQ – Department of Workplace Health & Safety Queensland

4. APPLICATION

Council must consider a contractor's health and safety throughout each step of the contract lifecycle before the contractor commences work. This includes planning, the tender process (where an offer is made), contract management and contract performance evaluation. The way WHS requirements are included in the process depends on the size, complexity and risks associated with a project or task.

Dependant on the type of contract and the level of risk associated with it, the engagement of a contractor may need to be supported by a safety management system or method of work that clearly identifies the safety requirements of the contractor and council.

4.1. Contract Classification

The contract classification stage is an important step in the contract management system as the scope of contracted works is detailed, and from this, the level of risk associated with the contract is determined, along with required control measures.

There are three (3) basic categories that will cover most situations for contractors engaged by Central Highlands Regional Council. Contracts can generally be classified as Major Project, Minor/Short Term or Labour Hire Contracts. These are:

- a. **Major Projects** – where tenders are called for contractors to undertake a specific project (e.g. construction work).
- b. **Minor/Short-Term Minor Contract** – This is where a contractor carries out specific tasks (e.g. maintenance work, minor repairs, testing and tagging of electrical equipment etc.) predominately through APET 360 Pro (Central Supplier Register).
- c. **Labour hire Contracts** - This is where contractors are engaged on a full time or regular part time basis to carry put specific tasks, which are integrated and supervised as part of normal Council operations. e.g. relief machinery operators or administrators.

4.2. Tendering Process

The tender process has two stages – developing a tender specification and evaluating submitted tenders. This process allows you to assess whether the contractor can perform the task safely within the budget and timeline requirements.

- a. **Tender Development** – Tender Specifications should set out the work to be completed as part of the contract. The specification should also state the WHS requirements that are to be met as part of the contract. The tender specifications should also state the consequences of the contractor failing to comply with WHS requirements.
- b. **Tender Evaluation** – Effective tender evaluation is likely to result in a thorough assessment of the contractors WHS performance. Tender evaluations may highlight the need for the contractor to provide more information in relation to meeting WHS requirements.

Council has a duty to assess WHS requirements as part of the tendering and procurement process This process is outlined in the CHRC procurement procedures and managed using associated documentation.

4.3. Engaging a Contractor

As a condition of a contract, Council requires that any contractor (or contractor's sub-contractor) engaged to perform a service will always identify and exercise all necessary precautions for the WHS of all persons who may be affected by the services.

The contractor will inform Council of all its WHS policies, procedures, or measures implemented for individual workplaces or in the event of not having effective policies and procedures, will adopt Council relevant WHS policies and procedures.

The contractor will comply with any reasonable direction given by Council relating to WHS matters.

4.3.1. Minor/Short Term Projects

If an offer meets the tender criteria and is successful, a signed Contractor Safety Permit and all associated documents must be received prior to any work commencing.

4.3.2. Major Projects

If the project is a Construction Project of \$250,000 or more, a Principal Contractor will also need to be appointed. If no appointment is made, Council will be the Principal Contractor by default and thereby assuming the duties of the Principal Contractor as outlined in the *Work Health and Safety Regulation 2011*. If Council assumes the duties of PC, then the CHRC Job Owner must contact Council's governance officer to determine if council has adequate insurance is in place for the project.

Council may authorise a contractor to have management or control of a workplace for construction work that is valued less than \$250,000 (not deemed to be a construction project), however the duties of a Principal Contractor under the *Work Health and Safety Regulation 2011* remain with Council.

4.4. MAJOR WORKS - Principal Contractor

Prior to taking possession of the site the Contractor must complete a Construction Safety Management Plan (CSMP) together with relevant Safe Work Method Statements and permits for high-risk activities specific to the contract work and forward to Council for review.

The CSMP together with relevant Safe Work Method Statements must address all the specific WHS hazards, issues relevant to the contract work, and is to outline the system and control methods to be implemented for the term of the contract.

As a minimum the CSMP must demonstrate management methodology detail for the following:

- a) WHS Induction requirements for the project – The PC must have a process to induct all workers on site.
- b) Licensing and competency requirements specific to the activities on site.
- c) Safe work practices & procedures including methodology outlining how hazards will be managed on site, including the use of SWMS and permits.
- d) Methodology on how the consultation and dispute resolution process will take place.
- e) Procedures for the reporting of incidents and methodology on how they will be investigated.
- f) Emergency procedures and plans.
- g) Inspection & monitoring program for WHS issues and compliance

The CSMP and associated documentation is to be forwarded to the CHRC Safety and Wellness Department for review. CHRC may provide comment and advice on the content of the CSMP.

4.4.1. Principal Contractor using CHRC CSMP

The Principal Contractor may use the CHRC CSMP and associated documentation providing that compliance to the plan is met. This will include the use of the CHRC Authority to Work process, SWMS, permits as well as all persons working under the plan having completed a CHRC WHS Induction.

This will in no way discharge the contractor's duties as a Principal contractor under legislation.

4.4.2. CHRC Compliance Monitoring

CHRC hold the obligation to ensure that the PC has and is maintaining an effective Safety Management system.

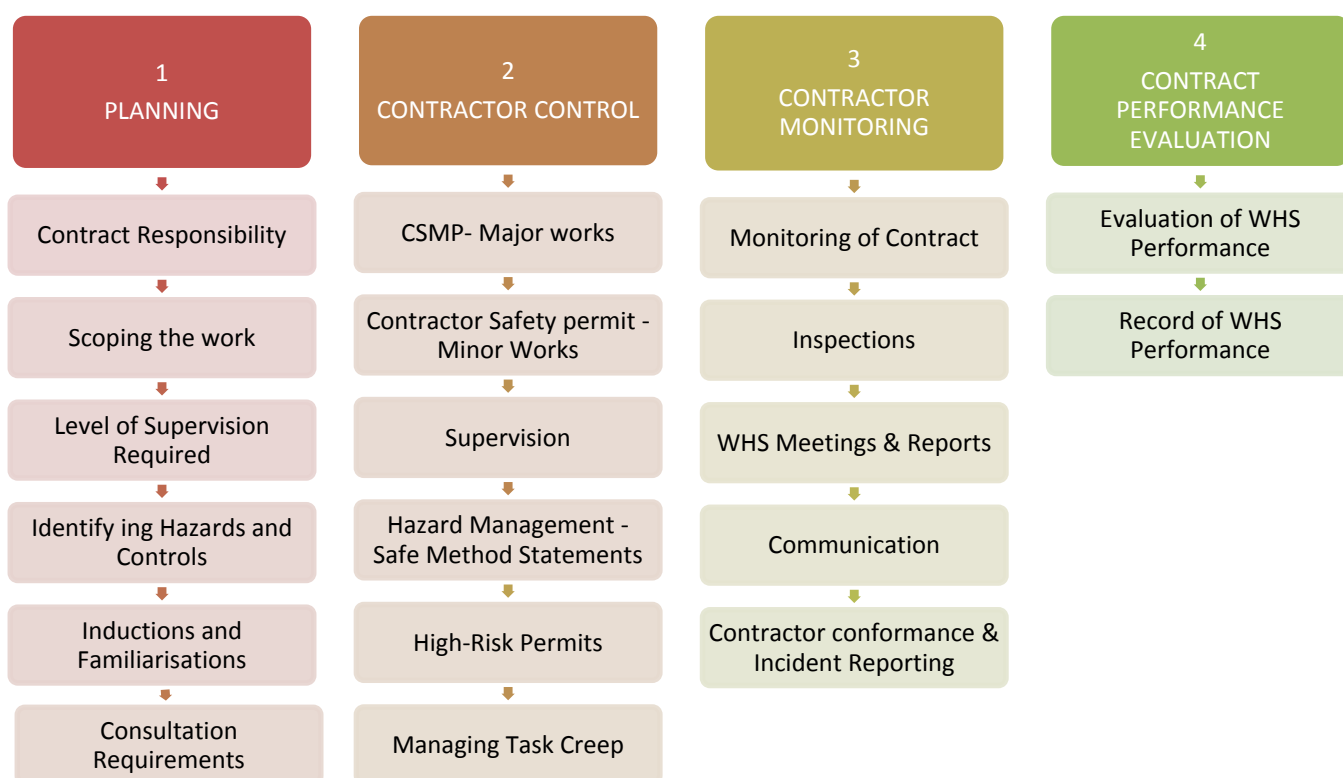
The Contract is to be monitored to ensure that requirements outlined in the CSMP are managed in accordance with legislative standards and to ensure compliance to CHRC Contractor Management Procedure whilst contracted by Council.

The CHRC Job Owner is responsible for ensuring that targeted WHS monitoring is conducted and must make every effort to monitor the progress of the contractor's work. This can take place on both a random basis and as a component of work health and safety audits.

The CHRC Job Owner should regularly review Principal Contractor Safety reports.

4.5. Basic Steps in Contractor Control

WHS requirements for each of these situations above contain four (4) basic steps in contractor control as listed below. Managers and Supervisors will be able to apply these guidelines to each situation.



5. MINOR WORKS - STEP 1: PLANNING

5.1. Responsibility for the Contract

Council must assign a CHRC Job Owner to manage and monitor the contracted works from tender to contract and evaluation. They should address issues that arise during the contract process, either personally or by engaging a suitably qualified person.

A CHRC Representative may be used as the contractor's point of contact at the work site and is responsible for the issuing of the Contractor Safety Permit. The CHRC representative may also be the Job Owner.

5.2. Scoping the work

Prior to the contractor commencing works, Council must determine the WHS scope of the contract works using WHS Contract Scoping Checklist. This should include more than just documenting the task to be performed by the contractor. WHS issues associated with the task and the level of supervision required must also be considered. Effective planning may be achieved through consultation with suitably qualified person(s) who is/are knowledgeable in the task undertaken.

5.2.1. Identify Hazards and Controls

Health and safety hazards must be identified when scoping the work to eliminate or reduce the risk of injuries to workers. The contractor must be informed of any hazards identified and any hazard management controls and documents.

Consideration must be given to the following:

- a) Are there any specialised activities or trades/professions required to achieve the required outcome?
- b) What inductions and familiarisations are required?
- c) Could the task involve high risk activities or environments (e.g. Working at Heights)?
- d) Could the task involve working with hazardous materials or dangerous goods?
- e) Will the contractor's plant and equipment create hazards?
- f) Will there be mechanical lifting operations requiring specialised licensing and compliance requirements?
- g) Will there be any other hazards identified in the work area that may require further control or permitting e.g. powerlines or concealed services.

At this stage it is to be determined whether the contractor will use their own hazard management process e.g. SWMS or whether the CHRC Authority to Work Process and documentation will be used.

Utilising a risk management approach allows contracts involving works that may pose a significant risk to health and safety to be suitably identified, assessed and controlled.

5.2.2. Level of Supervision

The level of supervision of contractors depends on several factors. Higher levels of supervision are expected for at least:

- a) The start of the contracted works
- b) New contractors to the workplace
- c) High Risk work
- d) People working alone or at night
- e) Complex work
- f) A specialist skill or knowledge
- g) The introduction of new machinery, equipment or systems of work

Direct supervision will be required for all activities that are considered high risk e.g. Working at heights or excavations.

5.2.3. Inductions and Familiarisations

Before a contractor, working under a Contractor Safety Permit, starts work, they must complete Council's online Contractor Induction and be familiarised with the worksite. Each individual worker is to register on the Council online platform (SITEPASS), complete the CHRC Contractor Induction module, and upload proof of identity. This will then be submitted for approval by the Job Owner or CHRC Representative.

The Contractor induction must be completed (refreshed) by each individual worker every 2 years.

No worker is to start work on a CHRC Minor Works site without first completing this process.

Anyone who works on a construction site must have completed an industry construction induction (White Card) prior to accessing the worksite. This induction is in addition to council's contractor induction.

Each person visiting a **construction workplace** is to receive a site-specific induction.

It is the contractor company's responsibility to ensure that their workers and sub-contractors have been familiarised with the works to be completed and the work site.

5.2.4. Identify Consultation requirements

Like supervision, the level and type of consultation with contractors depends on several factors including location and level of risk associated with the task.

Responsibilities and lines of communication must be identified and defined to manage the safety of the contractor and their workers. Suitable lines of communication must be established.

It is preferable, although not always practical, to conduct a prestart meeting between CHRC and the contractor to discuss any relevant WHS risks and/or issues and reporting mechanisms.

Contractors have a legislated right to be represented in the work place by a health and safety representative (HSR). The CHRC Job Owner must ensure all contractors can access relevant information that clearly details how they can contact the HSR for the work group they are undertaking work in or know what is expected of them in relation to reporting hazards, concerns or issues.

6. MINOR WORKS STEP 2: CONTRACTOR CONTROL

6.1.1. Contractor Safety Permit

Excluding where Major Works are being conducted under a Construction Plan (Principal Contractor appointed), all contractors who perform service works for Council, are required to be complete Council's Contractor Safety Permit prior to commencing work.

Labour hire; or contractors performing administrative duties are not required to be complete Council's Contractor Safety Permit.

The permit shall formalise the WHS requirements outlined in the scoping checklist and ensure that the contractor declares their responsibilities under the *Work Health and Safety Act 2011* and *Work Health and Safety Regulation 2017* as well as the terms of the permit.

The primary purpose of the permit is to ensure all hazards associated with the task have been identified and adequate safety controls are in place to safeguard the health and safety of all workers. It is important to ensure that activities that fall outside the scope of the permit are reassessed and permit reissued to accommodate any changes or task creep.

The permit is completed by the contractor and signed-off by an authorised Council representative or the Council Job Owner prior to the commencement of work. While the permitted activities remain within the parameters of the scope, then the permit will remain in place for the duration of the work.

6.1.2. Risk Management

The contractor must at minimum meet the hazard management requirements based on the Contractor Scoping checklist supplied by Council. If a contractor does not have their own hazard management tools and process, they are encouraged use Council's "Authority to Work" process to identify hazards and appropriate safety controls for the task.

6.1.3. Supervision

The CHRC Job Owner must confirm adequate supervision of contractors is undertaken to ensure:

- a) Compliance with WHS policies and procedures.
- b) Conformance with the project risk assessments, safe work method statements and WHS plan.
- c) Compliance with WHS Legislation, Codes and Standards.

The contractor must ensure that all employees are competent in the work being undertaken. The contractor will provide the employees and sub-contractors with information and supervision about hazardous work processes or material.

6.1.4. Safe Method Statements & High-Risk Permits

Council require that all workers involved in high risk activities have participated in the development or review of a Safe Work Method Statement (SWMS) specific to the task at hand. This may be part of a generic project SWMS, so long as the hazards and controls identified are comprehensive for the activity.

Certain High-Risk activities (identified in Contractor Scoping Checklist) will require a CHRC permit to be opened. These permits can be issued by the Contractor supervisor providing the requirements of the permit are met.

CHRC Asbestos permits are an exception and can only be issued by the CHRC Safety Department.

6.1.5. Task Creep

Task creep refers to the task being set, but to achieve the agreed outcome, more work is required than what the CHRC Job owner and contractor assessed and scoped. Should task creep be identified, then another scoping checklist is to be completed for the additional work, and if necessary, the Contractor Safety Permit is to be reissued.

7. MINOR WORKS STEP 3: CONTRACTOR MONITORING

7.1.1. Monitoring of Contractors

Contractors are a Person Conducting a Business or Undertaking (PCBU) and have duties prescribed in the *Work Health and Safety Act 2011* for the health and safety of their workers. While in no way reducing a Contractor's responsibility or liability as an employer for the work health and safety of their workers and sub-contractors, the CHRC Job Owner has a responsibility to make sure the contractor meets these duties whilst conducting work for Council.

The level of compliance monitoring may vary depending on the scope, location and level of risk associated with the task. Effective compliance monitoring may include site inspections, operational meetings with the contractor and subcontractors, review of contractor safety reports or recording the outcomes of verbal safety conversations. The method and monitoring and communication frequency requirements are to be outlined as part of the completion of the Contractor Safety Permit.

The CHRC Job Owner is responsible for ensuring that targeted WHS monitoring is conducted and must make every effort to monitor the progress of the contractor's work. This can take place on both a random basis and as a component of work health and safety audits. The monitoring of contractors will include:

- a) Checking authority to work and license details.
- b) Checking the equipment supplied by the contractor meets all relevant Standards.
- c) Checking that all high-risk activities have documented risk assessments and safe work method statements as appropriate
- d) Checking safety controls in accordance with the safe work method statements are in place and are being adhered to.

Where required, the CHRC Job Owner is responsible for ensuring targeted WHS monitoring is conducted by using the WHS Contractor Spot Check Form. (Recommended Frequency is 80 project hours or fortnightly)

7.1.2. Non-Compliance or Breach of Contract

Where a non-compliance or breach of the contract is identified, the CHRC Job owner must notify the contractor immediately and provide an opportunity for the contractor to remedy the issue.

If the non-compliance or breach is not able to be rectified immediately, the CHRC Job owner must issue Non-Compliance Notice and record the details on the CHRC Contractor Management electronic platform as part of the Contractor Performance Report.

The contractor must sign for the receipt of this notice.

Should a contractor continue this activity after the issue of a Non-Compliance Notice, then the contract must be reviewed by the CHRC Job Owner to determine whether future work will be cancelled.

This information is to be included in the Contractor Performance review at the conclusion of the contract.

7.1.3. Contractor Incidents

Contractors must be instructed at induction that they are to report all incidents to the CHRC Job Owner as soon as reasonably practical. The CHRC Job Owner must ensure that the CHRC Safety and Wellness Department are advised, and an incident investigation conducted as appropriate.

The CHRC Job Owner must also request a completed incident report from the contractor involved including the names of the injured, the extent of the injuries, names of witnesses, incident details and the action the contractor will take to prevent a recurrence.

This report must be requested immediately after the initial reporting of the injury and a copy retained with Council's incident reports.

7.1.4. Notifiable Incidents

All notifiable incidents must be reported to the CHRC job owner and CHRC Safety & wellness department as soon as possible.

On minor works projects, CHRC are responsible for reporting the event to WHSQ.

Where there is a Principal Contractor appointed the Principal Contractor holds the responsibility to report notifiable events to WHSQ within the required timeframes.

8. STEP 4: CONTRACTOR'S PERFORMANCE EVALUATION

Council should evaluate all contractors to review the quality of the work performed and the contractor's work health and safety performance.

8.1.1. Evaluation of WHS Performance

The contract owner is required to review the contractor's work health and safety performance at the completion of contract. An evaluation should include feedback from those who:

- a) Managed the contract
- b) Observed the contracted work being undertaken (eg employers, supervisors or other workers)
- c) Were involved in conducting the works (eg contractor or sub-contractors)
- d) Health and safety representatives

Contractor incident reports along with any non-compliance or breach notifications should be reviewed as part of the evaluation. The CHRC Owner is required to complete Contract WHS Performance Review form and provide a copy to the contractor and the Safety and Wellness Department.

8.1.2. Record of WHS Performance

These reports should be shared with the contractor and recorded by Council for consideration as part of future tenders/offers by the contractor.

9. RESPONSIBILITIES

Job Owner

- a) Monitor contractors to maintain health and safety standards in the work place and take remedial action where necessary.
- b) Ensure all contractors are provided with relevant information that clearly details how they can access the Health and Safety Representative for the work group they are undertaking work in.
- c) Ensure all contractors are aware of their obligations to have suitably qualified and licenced people specific to the task (e.g. high-risk work licenses, operator competencies, electrical licenses etc.).
- d) Ensure contractor inductions are completed and recorded.
- e) Report all contractor incidents.

Coordinator Safety

- a) Monitor this procedure
- b) Provide specialist technical advice and assistance on Council's contractor management system
- a) Conduct regular contractor management system audits in field and engage with contractors on safety ensuring all safe work systems, procedures and standards are adhered.
- b) Investigate incidents involving contractors as per Council's WHS Incident Reporting and Investigation procedure.

Coordinator Procurement

- a) Provide assistance to CHRC Contract Owner to prepare and evaluate tender and contract documents.

Principal Contractor

Where a Principal Contractor is required to be appointed, they are to:

- a) Comply with all relevant legislation, Australian Standards and the Council's workplace health and safety procedures
- b) Provide a WHS Management Plan for the construction project
- c) Ensure that all contractor inductions are performed
- d) Communicate to the council CHRC Job Owner any major work health and safety issues as they arise, particularly all "notifiable" events.
- e) Report any notifiable events to the department of WHSQ.

Contractors

Contractors must:

- a) Comply with all relevant legislation, Australian Standards and Council's work health and safety procedures
- b) Ensure that meet the WHS obligations outlined in CSMP or Contractor Safety permit.
- c) Ensure that all sub-contractors are inducted, and are aware of the emergency evacuation procedures
- d) Provide Safe Work Method Statements for high risk construction work and adhere to the requirements contained within (includes risk assessments)
- e) Consult with health and safety representatives, employees and contractors where possible, to identify hazards associated with the activities.

10. PROCEDURE REVIEW

This procedure will be reviewed no later than five years from its adoption or when any of the following occurs:

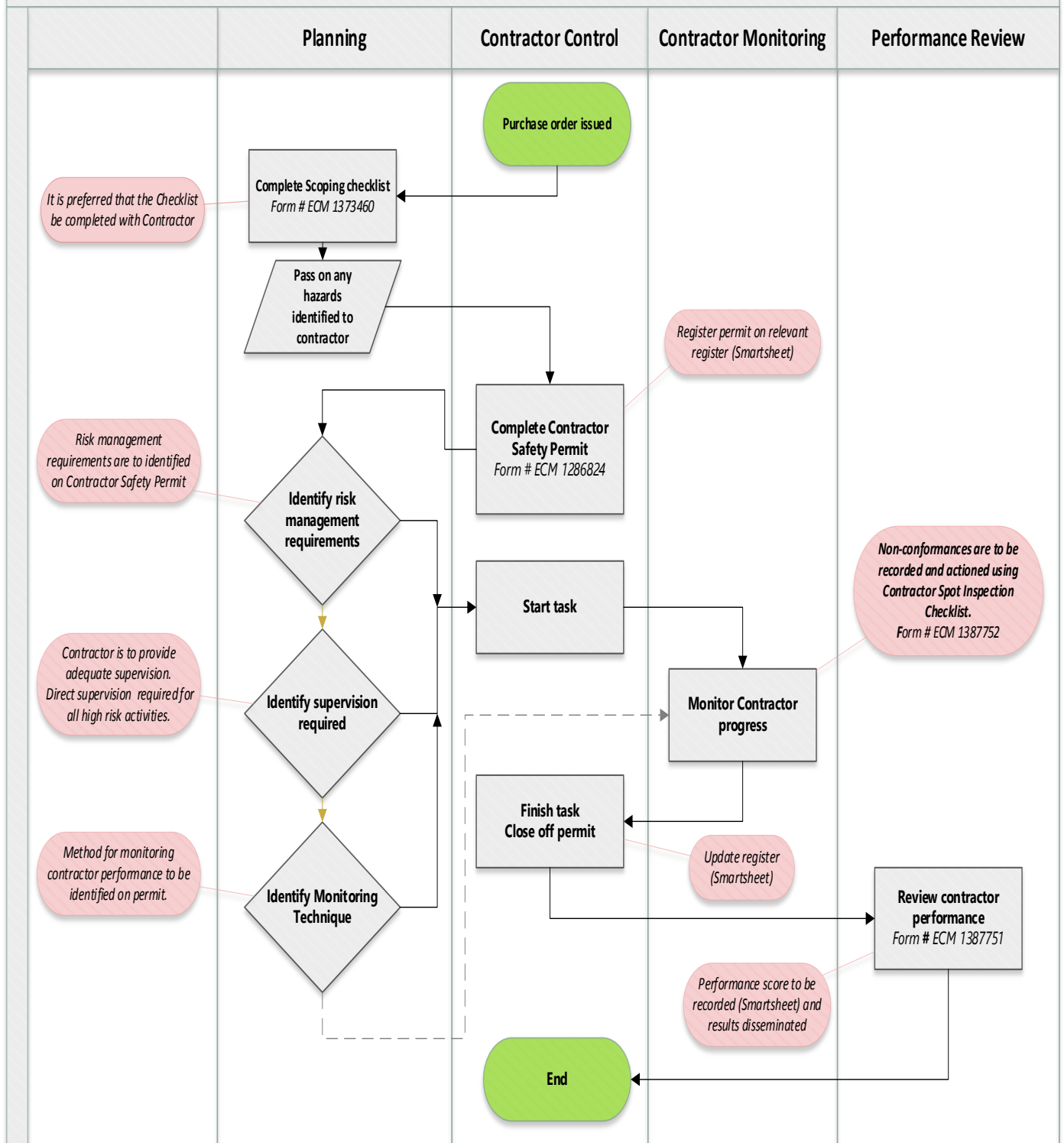
- a) Relevant legislation, regulations, codes of practice, standards or associated policies are amended and/or replaced;
- b) As a result of corrective actions associated with the outcome of an incident investigation or risk register review
- c) At the direction of the Chief Executive Officer / Executive Leadership Team / Manager Safety and Wellness.

Appendix A - Associated Documents

- a) WHS Contract Scoping Form.
- b) Tenders WH&S System Questionnaire.
- c) Contactor Work Permit.
- d) Review of WHS Safety Management Plan and Safe Work Method Statements.
- e) How to Register in Site Pass Information Sheet.
- f) Team Take 5 Form.
- g) Contractor Spot Check Form.
- h) Contract WHS Performance Evaluation.

Appendix B – Minor Works Process Flowchart

Minor Works Contractor Process Flowchart



Appendix C – Major Works Flowchart

