



MANAGING CONTRACTORS

Your guide to good contractor management

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INTRODUCTION

This practical guide is designed to help you improve the way you work with your contractors, making your project more productive, profitable and safe.

Businesses working together on a project need to consult, cooperate and coordinate their work. This means everyone needs to work together to keep anyone who might be affected by their work safe. And under the Health and Safety at Work Act, everyone on site - from clients right through to subbies - is responsible for health and safety.

Good contractor management helps ensure good planning and communication between you and the businesses you work with, making your projects more efficient and saving you time and money.

This guide will introduce you to the step-by-step process to better contractor management and better health and safety.



THE THREE CS

Businesses working together on a project will have what is called “overlapping” health and safety duties. Duties will overlap in a shared workplace, or in a contracting chain, where contractors and subcontractors provide services to a main contractor or client.

Businesses must **consult**, **cooperate** and **coordinate** activities with all other businesses they share overlapping duties with.

CONSULT

COOPERATE

COORDINATE

Examples of how this can be done include:

- › Agreeing on common health and safety goals and the project wide initiatives and KPIs to achieve them
- › Providing opportunities for contractors and workers to communicate with each other
- › Planning ahead for every stage of the work – how will the work affect other businesses and the public?
- › Identifying the health and safety risks that need managing and agreeing how to control them
- › Deciding who is best placed to control each risk
- › Setting out roles, responsibilities and actions, and explaining these so everyone knows what to expect
- › Identifying how change and new risks will be managed

Following the six steps to good contractor management (on the next page) will set you on the right path to meeting the three Cs.

Good contractor management means no surprises on site

SIX STEPS to good contractor management

1. Scoping the work 
2. Prequalifying the contractor 
3. Choosing the contractor and setting terms 
4. Awarding the contract 
5. Monitoring the contract 
6. Post-contract review 

STEP ONE: Scoping the work

Scoping the project properly is an important first step in understanding its health and safety implications as well as improving the overall quality of the project. Determine what work needs to be contracted out and consider the wider impact on health and safety. Think about your initial risks and take into account the whole-life cost of the project. For clients, this includes thinking about health and safety, costs of construction, maintenance and demolition.

Plans, past knowledge and experience, known construction methods, regulations and consents can be used to help you identify risks. If a risk is too high, think about how you can eliminate it, e.g. through design, work methods, materials, access to plant.

Some tips are:

- › Think about safety from the start
- › Consider the project's whole-life costs
- › Go over the plans and think about if there are better, safer ways of getting the job done e.g. preassembly
- › What risks do you need to plan for – e.g. heights, access
- › How will this affect pricing – e.g. cost control to reduce costs
- › Consider industry standards – e.g. personal protective equipment (PPE)

Pre-assembly, less toxic materials and mounting plant for easier maintenance are all examples of **safer** design

STEP TWO: Prequalifying the contractor

It is important to emphasise health and safety at the beginning of a contract, before work begins. To make sure contractors can help you meet your goals, assess their capability and develop a shortlist. This ensures only competent contractors are prequalified and allows more time for assessing the performance of the tenderers. **Prequalifying** means only approved and competent contractors are then invited to tender for a project.

How can you assess the capability of potential contractors?

- ✓ Online prequalification tools such as SiteWise
- ✓ Your own past experience, word of mouth
- ✓ Questionnaire
- ✓ Previous Site Specific Safety Plans (SSSP)
- ✓ Post-contract reviews
- ✓ Accreditations
- ✓ Experience rating



SITEWISE

Developed by Site Safe, SiteWise is an online prequalification system that grades a contractor's health and safety capability and publishes their grade in a database that can be viewed by main contractors and clients.



INVITE

Start by requesting that your contractors join the ranks of 4000 contractors already in SiteWise.



COMPLETE

Contractors sign up, pay a fee, then complete a 12-question assessment.



ASSESS

Our qualified team of health and safety practitioners review the material submitted by the contractor and provide a detailed report and grade.



RESULTS

As a main contractor or principal, you can view all contractor reports and grades in a database. This helps you to make better contractor selections and speeds up your tendering process.

For more information, or to register, visit: [sitewise.co.nz](https://www.sitewise.co.nz)

STEP THREE: Choosing the contractor and setting terms

Choosing a contractor will be influenced by many factors, e.g. prequalification rating, past experience, accident and injury rates, resources etc. Contractors need to know your expectations for the project. **Setting** clear terms at the start will help everyone understand what is required of them.

Think about what information needs to be shared and advise on any health and safety info, including known risks specific to the project. The original site plans should be checked to identify any hidden risks. Develop a draft project safety management plan and provide this to the supply chain. Each contractor should complete and submit a draft health and safety plan, normally a SSSP, this will also help the planning process.

To make sure everyone is on the same page, this information should flow between client to main contractors and subcontractors:

- › Client and principal contractor's own specific health and safety expectations, requirements and draft plans, including SSSP
- › Risks known in the design and methods, plant and material
- › A plan for managing risks as a team
- › Permits, emergency procedures, training requirements, reporting process etc
- › Health and safety information on location, layout, site conditions
- › Public health, safety and environmental issues
- › Existing services, Resource Management Act considerations
- › Certificates of competence, training, insurance, accreditations

Safety should not be a race to the bottom.



WHAT TO LOOK FOR IN A SSSP

- › Responsible people, contacts
- › Worker engagement processes
- › Training and competency of workers
- › Incident, reporting and investigation procedures
- › Risk reporting and management procedures
- › Subcontractor management
- › Safety monitoring procedures

Remember the higher the risks, the more detailed the safety plan should be.

PLANNING

What are some of the things you need to consider when planning a job?

- › Type of project and complexity of work
- › Type of trades
- › Type of plant and equipment
- › Type and level of risk involved, hazardous substances
- › Project location, access, security and layout
- › Training and competency
- › The environment, resource consent, dust/fumes, notifiable works, contaminants, noise, waste etc

The form is titled "Site-Specific Health and Safety Agreement" and includes a "Compliance.com" logo. It contains several sections for project details, including "The site/s", "Site address", "Site appointment schedule", and "Site details". The form is designed to be filled out for a specific site and project, with fields for dates, times, and various site-specific information.

STEP FOUR: Awarding the Contract

Once you've found the right contractor and taken into account their capability, past performance and health and safety plans, **award** the contract. Remember a cheap price doesn't equal good value! The contractor with the cheapest price may not be the best fit for achieving a good health and safety culture and results. You should set aside time to meet with the successful subbies to agree the next steps.

The principal contractor must agree to the health and safety standards for each contractor including the methods of communication, responsibility and accountability. This will involve modifying or adopting the principal's draft project safety plan and contractors' SSSPs.



SOME REQUIREMENTS MIGHT INCLUDE:



Specific info relating to nature of site e.g. schools, prisons



Permits to Work, Task Analysis



Certificates of Competence



Other plans and practices for high-risk work and critical risks



Training records, Site Safety Cards



Drug and alcohol and hazardous substance info



STEP FIVE: Monitoring the Contract

Without **monitoring** and feedback there is no accountability, meaning results can be poor. Contractors may know what to do, but if it's not measured or made visible and positive, they will struggle to understand the purpose and will often lack motivation.

To make sure contractors see health and safety as worth doing, regularly check their performance against the health and safety activities you agreed to monitor. Let them know how they are doing. If they are meeting or exceeding expectations, let them know you appreciate their effort.

You can measure any safe behaviour, responsibility or safety activity.

Think about how this information will be reported back to contractors, workers and the client.



USEFUL TOOLS TO MONITOR SAFETY:



Site Specific Safety
Plans, Task Analysis,
Permit to work



Toolbox Talks, inductions



Workplace
observations and
feedback, audits



Safety meetings, safety
walks and inspections



Hazard and risk reporting



Safety training,
competency and
supervision





STEP SIX: Post-contract review

The final step is all about feedback and communication: rewarding good performance and recognising the workers who saved you time, money and rework. Good two-way communication will help everyone to learn from the experience and will improve the relationship for the future.

At the end of the project, **review** contractor performance. This should be a two-way process where the principal and contractors both provide feedback to each other. This means lessons can be learnt, and health and safety improved on the next project. Think about what went well and why. Reward good performance with prequalification next time. By improving the contractor management process, you improve the health and safety of workers on future projects.

Ways to review include:

- ✓ Post-contract two-way review meetings
- ✓ Evaluation forms and reports
- ✓ Incident/accident reporting and close out actions taken
- ✓ Lost time and injury rates
- ✓ Any measurable safety activity – toolbox talks, safety plans, site audits, leaders attending meetings, signatures on registers and reports, certificates

You don't need to wait until the end of the job to provide feedback.

HOW SITE SAFE CAN HELP

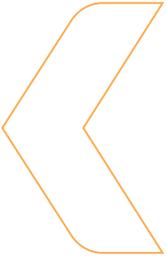
Site Safe offers a range of tools and services to help you manage your contractors and meet your responsibilities under the Act.

We offer:

- › Free SSSP template
- › SiteWise online prequalification tool
- › Audits, inspections and consultancy services
- › Health and safety kit for small to medium-sized businesses
- › Options to add one-on-one time with a health and safety professional when you join us as a member
- › A suite of training courses tailored to meet the needs of everyone on site

Need more help? Enrol in our one-day Contractor Management course for more tips on how to improve health and safety on your projects.

For more information on our services, or to contact your local advisor, visit [sitesafe.org.nz](https://www.sitesafe.org.nz) or call 0800 SITE SAFE (748 372).





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