

CONTRACT MANAGEMENT

Document 4a: OHS Guidelines for Contractor Selection

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Owner: Manager OHS

1. Introduction

Selection of contractors work involves a variety of criteria. Considerations will typically include assessment of:

- Financial capacity
- Quality
- Pricing
- Business performance and image
- OHS systems, training and performance
- Other criteria relevant to the particular project or work.

These guidelines only explains the key OHS criteria involved in contractor selection to quickly and easily make judgements on the information supplied on the [Contract Tender OHS Management System Questionnaire](#). Some of the OHS information collected on the questionnaire is not intended to be mandatory for all contract work and there is no absolute safety performance that would guarantee selection or preclude selection of a particular contractor.

These Guidelines are intended to assist Deakin Contract Managers to assess the data provided by prospective contractor firms or individual contractors. If in doubt about any aspect of the OHS assessment, consult the [OHS Unit](#).

2. OHS Management Systems / OHS Certification

Not all contractors will require a documented OHS management system or OHS certification from an independent assessor. For example, it would be unreasonable to mandate an OHS system or certification for an individual contractor performing small low risk work. However, it is expected that larger contractor firms, particularly those with long term or ongoing contracts, would have in place their own OHS management system and be able to carry out a project risk assessment and then provide an OHS Management Plan or the simpler OHS Site Plan.

Where a large contract or high risk project requires the contractor firm to have an OHS system in place and there is no history with the firm or there is some doubt about their response on the selection checklist, request a copy of their OHS management system and or copy of their safety certification and environmental certification. The [Tenderer OHS Management System Checklists and Evaluation form](#) will assist.

2. Safety Performance

The raw number of work injuries is only requested to confirm the reasonableness of their stated rates. Clearly, small businesses would be expected to have small numbers of injuries and large firms could have significant numbers of work injuries and still have low (good) LTI and MTI rates.

Lost time injury (LTI) rate is the most common safety performance measure used world wide. However, many other countries use LTI's per 200,000 hours, while Australia uses LTI's per one million work hours. So you may need to clarify, particularly if the firm has international operations.

Once again there is no absolute LTI rate or MTI rate that should guarantee or preclude selection.

The Australian general industry average, per Safety Action Pty Ltd annual benchmarking survey 2008, for these measures are:

- LTI Rate = 8
- MTI Rate = 21

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If the contractor firm has figures substantially above this you should make further enquiries with them about the reason for their apparent poor performance, and likelihood of correcting this situation.

You should also compare proposed contractors with other contractors doing similar work.

3. Government Notices or Prosecutions

This section will alert you to any serious incidents that the proposed contractor firm may have experienced in recent times, and could indicate poor OHS systems or practices, and could also flag that the firm has been or likely to be prosecuted and that The University may not wish to be associated with the consequent poor publicity or WorkSafe scrutiny. Once again, the [OHS Unit](#) could provide advice if needed.

4. Managers & Supervisors Trained in OHS

Experience tells us that a major contributor of many OHS failures involves inadequate OHS training of managers and supervisors. Therefore this section is designed to identify the level (eg percentage with OHS training) in last 3 years. Training conducted beyond 3 years is likely to be out of date or forgotten.

Note: OHS training here excludes induction training and the general industry construction induction card, as these are a given and are not sufficient to properly equip managers and supervisors to manage OHS effectively.

If the contract involves; high risk, large numbers of personnel on site, complex activities or ongoing work, then the firm should have all or most of their managers trained in OHS in recent years.

5. Workers Trained in OHS

Having contract workers properly trained to perform their work and licenced or certified, where required, for example for crane or forklift use, is vital. This section identifies the level of training provided in recent years and confirms their relevant workers hold any necessary licences etc.

Note: OHS training here excludes induction training and the general industry construction induction card, as these are a given and are not sufficient to properly equip workers to follow good OHS practices.

If you have any questions or doubts about any information provided by prospective contractors, contact the [OHS Unit](#) for assistance.