

Contractor Qualification

Red Flags, Red Lights, and Doing Yourself and Your Contractors Due Dilligence

Ryan Pollack, CHST
Manager – Health, Safety,
Environmental



About me...

BS – Emergency Management – University of Akron (2006)

AAS – Fire Protection Technology – University of Akron (2006)

CHST – Board of Certified Safety Professionals (2014)

10 years as a safety professional working in manufacturing, utilities, insurance, and construction.

Developed contractor safety management programs for entities spending \$5000 - \$15,000,000 annually on contractors.

About my employer...

- **XL Industrial Services, Inc.**
- **Based in Laporte, IN**
- **65 employees**
- **Full service mechanical, electrical, and painting/coating contractor**
- **10-15 crews working across the country at any given time**
- **Manager – Health, Safety, Environmental**

Objectives

1. **Understand why you should qualify contractors who work on your behalf.**
2. **Identify and understand how the use of lagging indicators as metrics to measure a contractor's safety performance may not be enough.**
3. **Identify and understand how implementing the use of leading indicators to measure a contractor's safety performance may provide better information in understanding a contractor's safety culture.**
4. **Understand the difference between "Red Flags" and "Red Lights"**
5. **Change your thought process for qualifying contractors**

Contractor qualification - Steps

1. **Prequalification**
2. **Pre-job task and risk assessment**
3. **Training and orientation**
4. **Job monitoring**
5. **Post-job evaluation**

Prequalification - Steps

1. **Prequalification**
2. Pre-job task and risk assessment
3. Training and orientation
4. Job monitoring
5. Post-job evaluation

Prequalification - Defined

Contractor prequalification is the stage in a bidding process where it is determined in an applicant (contractor) has the requisite resources, expertise, and experience to complete the job as required.

- BusinessDictionary.com



Prequalification Activities

1. **Identify potential contractors.**
2. **Assessment of contractor safety performance.**
3. **Internal scale to assign a prequalification grade.**
4. **Use as a tool in deciding who is going to work on your behalf.**

Why do you qualify your contractors?

- ✓ **Verify they are a safe contractor**
- ✓ **Verify they have can pay their bills (credit)**
- ✓ **Verify they meet insurance requirements**
- ✓ **Protect yourself**
- ✓ **Protect your customer**

Protect yourself and your customer!

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."

Protect yourself and your customer!

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."

Protect yourself and your customer!

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."

Protect yourself and your customer!

A subcontractor's work, performance, and reputation is a direct reflection on the hiring contractor.

- "Construction worker dies after fall at NIPSCO plant" [Scaffolding Fatality 2012](#)
- "Worker killed by falling tree at Notre Dame parking lot site" [Tree Felling Fatality 2013](#)
- "Accident at Indiana factory kills contractor" [Scissor Lift 2014](#)
- "Construction worker injured at Notre Dame" [Notre Dame 2/25/16](#)

Why should you qualify contractors?

- **Because you should care about how results are obtained.**
- **Because there is a moral obligation to protect your employees and those working at your facility.**
- **You get what you pay for!**

The things we do for safety (planning, communication, demonstrating leadership, building team work, etc.) don't just impact safety, but inherently impacts costs, schedule and the quality of work (direct and indirect costs).

Objectives

- ~~1. Understand why you should qualify contractors to work on your behalf.~~**
- 2. Identify and understand how the use of lagging indicators as metrics to measure a contractor's safety performance may be ineffective.**
- 3. Identify and understand how implementing the use of leading indicators to measure a contractor's safety performance may provide better information in understanding a contractor's safety culture.**
- 4. Understand the difference between "Red Flags" and "Red Lights"**
- 5. Change your thought process for qualifying contractors**

What do you use to qualify contractors?

What do you use to qualify?

Metrics:

- 1.) TRIR**
- 2.) DART**
- 3.) EMR**
- 4.) OSHA Citations**
- 5.) Fatalities**

Evaluating Metrics

Many customers commonly evaluate safety metrics in the following ways:

- 1.) TRIR – 2015 and 3-5 year average
- 2.) DART – 2015 and 3-5 year average
- 3.) EMR – Previous 3-5 years
- 4.) OSHA Citations – Previous 3-5 years
- 5.) Fatalities – Previous 3-5 years

Common theme?

LAGGING INDICATORS!

Evaluating Metrics – TRIR and DART

- **In many cases, customers require contractors to meet firm criteria. (TRIR/DART > X).**
- **How did you come up with X?**
 - Unintended consequences for setting a high bar.
 - Increasing competition for better numbers.
 - Reduction in qualified contractors
 - Manipulated data

Evaluating Metrics – TRIR and DART

Example: Fencing subcontractor reports annual TRIR and DART data to 3rd Party Contractor Management company of 0.00 for 2012-2014, and EMR of 0.76.

When completing our safety pre-qualification paperwork, they reported a TRIR and DART of 2014 of 7.99 and an EMR of 0.76. 2012 TRIR and DART reported as 3.48

Customer requires a previous year TRIR of >3.0 and 3 year average TRIR of 1.5.

- Companies will manipulate their data when it comes to losing a customer.
- Setting a “high bar” can set unrealistic expectations.
- Setting a “high bar” increases competitiveness to achieve the lowest number.
- Compare lagging metrics against industry specifics.
- Fencing contractor NAICS Code is 238990 (Specialty Trades Contractor - Other). BLS shows 2014 average TRIR of 3.8, three year average is 4.0
- A fair comparison may yield more accurate results.

Evaluating Metrics – TRIR and DART

Industrial Services Inc. SUBCONTRACTOR Safety Pre-Qualification Form

Please complete the form below and email (form and all attachments) to ppollock@industrial.net or fax to 801-345-0005. If all information is not provided and all attachments are not submitted - this will significantly delay approval or your prequalification could be rejected. Please note that this is a preliminary prequalification form and includes only our minimum requirements. Additional information may be requested by the job owner or due to the type of work to be performed.

Date PreQual completed: 1/17/16

Has your company submitted a bid to XL within the last year? Yes No

GENERAL COMPANY INFORMATION

Company's Legal Name: _____
 Mailing Address: _____
 Street Address: _____
 Phone: _____ Fax: _____
 Website: _____
 Safety Contact (Name): _____ Title: _____
 E-Mail Address: _____
 Type of Company: C Corporation S Corporation Partnership Sole Proprietor LLC Other
 Are there any affiliated subsidiaries? Yes No
 If yes, please name them: _____
 Is your firm owned or controlled by another organization? Yes No
 If yes, please enter name of parent organization: _____
 SIC Code: 3399 Metal Heat Treating 8734 Testing Laboratories, Quant
 NAICS Code: 332811 HT 541380 NDE Yes No
 Union Yes No
 Total number of current number of employees: 3028
 How many employees? Office Personnel _____ Field Supervisors _____
 Contractor Management Membership: ISN PEC PICS Other
 Membership Numbers: _____
 Preferred Project Size: \$10k - \$250k \$251k - \$500k \$51k - \$1M \$1M - \$5M+
 List the geographical areas in which you work: US
 List the trades you normally perform with your own forces: NDE HT

Safety Information

Does your company employ a full-time safety professional? YES NO
 If yes, please provide name and contact information: _____

OSHA 300 Information

| | 2014 | 2013 | 2012 |
|--|-------|--------|--------|
| A. OSHA Recordable Incident Rate | 0.57 | 0.77 | 0.67 |
| B. OSHA DART Rate | 0.17 | 0.22 | 0.22 |
| C. Number of Recordable Injury Cases | 1 | 1 | 2 |
| D. Number of Lost Time Incidents/Illnesses | 6 | 1 | 3 |
| E. Number of Days Lost from Work | 40.3 | 1 | 1.78 |
| F. Number of Fatalities | 0 | 0 | 0 |
| G. Total Employee Hours Worked | 82622 | 879672 | 283261 |

Note: For A-E use the formula: Incidents multiplied by 200,000 then divided by # of Employee Hours Worked

EXPERIENCE MODIFICATION RATE (EMR)

| | 2015 | 2014 | 2013 |
|---|------|------|------|
| List corporate Worker's Compensation Experience Modification Rate for the most recent 3 years | 0.52 | 0.50 | 0.50 |

OSHA CITATIONS

Has your company received any OSHA citations in the last 5 years? If yes, please provide an attachment with the following information: the date of violation, the violation type (i.e. serious), and what has been done to prevent similar violations.

| | YES | NO |
|--|-------------------------------------|--------------------------|
| Do you have a written safety and health program/manual? <i>Include a copy of your Health & Safety Manual</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

SAFETY GOALS AND OBJECTIVES

How many fatalities have you had in the last 5 years?

Do your supervisors hold safety meetings and/or tool box talks? YES NO

If yes, state how often? Daily

SAFETY MEETINGS

Do you conduct field safety inspections? YES NO

If yes, who conducts the inspection? Lead Tech, Supervisor, S.F.B.

What is the frequency of field safety inspections? Daily/weekly/monthly

Do you have a follow-up system to track items identified during safety inspections? YES NO

SAFETY TRAINING AND ORIENTATION

Do you have a documented pre-job or new employee occupational safety & health training program for newly hired or promoted first line supervisors or foremen? YES NO

Evaluating Metrics – TRIR and DART

- **It's more than a black/white number.**
- **Good numbers doesn't mean it is a good contractor.**
- **Get the story behind injuries (OSHA 300 logs, incident reports, corrective actions)**
- **No true way to verify the data you provided is accurate and real.**

Evaluating Metrics - EMR

EMR – “E-Mod,” “X-Mod,” “Mod,” “Experience Rating”

- **EMR** is a term used in the American insurance business and more specifically in workers' compensation insurance. It is the adjustment of annual premium based on previous loss experience.
- The most commonly used contractor qualification metric.
- **1.00 is average**
 - 0.90 is better than average, 1.10 is worse than average.
- Can have nothing to do with safety performance as it includes various all types of losses
 - Vehicle accidents.
 - Plane crashes
 - Employee hit by POV

Evaluating Metrics – EMR

After the actual loss and payroll data are used to develop the primary (actual and expected) loss values, they are totaled and put into the final calculation of the experience modification.

| | | |
|----------------------------|---|--|
| (A) Actual Incurred Losses | = | Total of all Actual Incurred Losses |
| (B) Actual Primary Losses | = | Total of all Actual Primary Losses |
| (C) Expected Losses | = | Total of all Expected Losses |
| (D) Expected Primary Loss | = | Total of all Expected Primary Losses |
| (E) Actual Excess Losses | = | (A) – (B) |
| (F) Expected Excess Losses | = | (C) – (D) |
| (W) Weighting Value | = | Tabular value based on Expected Losses (C) |
| (H) Ballast Value | = | Tabular value based on Expected Losses (C) |

The formula for calculating the Experience Modification is:

| | | |
|-------------------------|---|---|
| (I) Actual | = | $B + H + (E \times W) + (1 - W) \times F$ |
| (J) Expected | = | $D + H + (F \times W) + (1 - W) \times F$ |
| Experience Modification | = | $(I) / (J)$ |

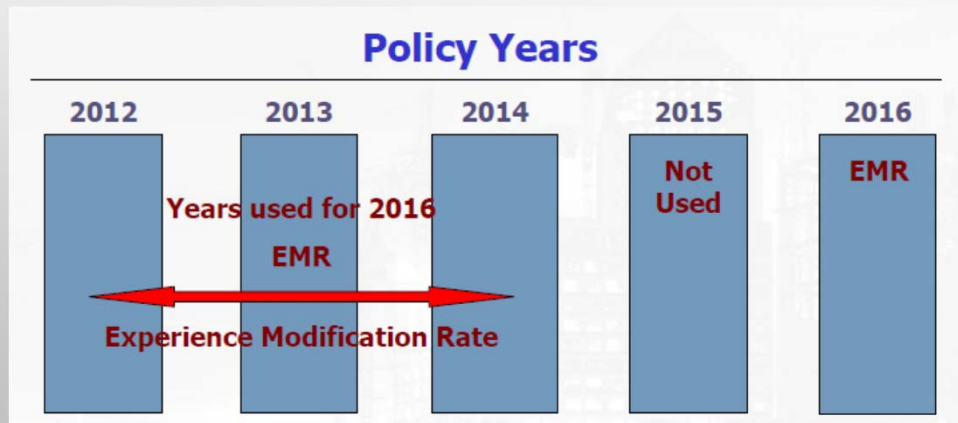
In general, your EMR is a ration of your actual losses to your expected losses.

Evaluating Metrics - EMR

Issues with using the EMR as a qualifying metric:

- All states differ in how the EMR is calculated.**
 - Indiana, Ohio, Michigan, Illinois all calculate EMR differently.
- Largely derived off of payroll hours, employee work type, and work performed.**
 - You could have zero losses and your EMR could increase.
 - Only as accurate as the information provided to the insurance company.
- Rates for NCCI codes differ in every state.**
 - Increase or decrease in rate can cause EMR to decrease or increase.
- Workers Compensation Laws differ in every state**
 - Directing care
 - Lifetime medical
 - PPI ratings
- Self-paying claims will lower EMR.**
- There is a minimum EMR you can achieve, and it is not ZERO.**
- It changes every year**
- A W/C claim may be compensable but not recordable.**
- You are at the mercy of an insurance claim representative whom you probably never met before.**
- Biggest lagging indicator of them all.**

Evaluating Metrics - EMR



Evaluating Metrics - EMR

Example:

In 2013, an employee told his supervisor at the end of the work day, he "twisted his wrist with a drill a few hours ago" and complained of an injury. He was taken to an occupational medical facility where the doctor could find no damage and cleared him for full duty. To protect ourselves, we submitted this to our workers compensation carrier for information only purposes. He continued to work for two weeks without pain until his employment ended. Approximately 15 days after his employment ended, the now ex-employee visited his personal doctor who treated the injury and sent the medical bills to our worker compensation carrier. Prior to the date of the alleged injury, the ex-employee had stated to other craft workers that he wanted to make sure the "company would take care of him" when his assignment was complete.

Unfortunately, due to the workers compensation laws in the state where it occurred, we were unable to deny this claim and were forced to absorb it. The state is also a lifetime medical state, which means we will be forced to compensate this ex-employee moving forward for any medical related expense.

Currently, this one incident is affecting our EMR by **.15 points**. This is a perfect example of why lagging indicators may not be indicative of a company's safety culture – a non-recordable injury affecting our EMR by 0.15 points.

Our EMR went from 0.88 to 1.03 in 2015 and will drop to **0.87 in 2016** (incident in 2012 will drop).

Evaluating Metrics – EMR (Summary)

- **Most frequently used metric to qualify contractors.**
- **The EMR was not designed to be a qualifying metric.**
- **May have nothing to do with your safety performance.**
- **Can be easily manipulated.**
- **Takes into account what happened 4 years ago.**
- **Arguably the worst metric you could use to measure a contractor's safety performance.**

Evaluating Metrics – OSHA Citations

- **Reviewing a company's OSHA citation is easy and can tell you more about the company.**
- **All OSHA inspections are not created equal.**
- **All OSHA citations are not created equal.**
- **[OSHA Establishment Search](#)**
- **Follow up with the contractor to verify it has been addressed.**

Evaluating Metrics - Fatalities

- **Not as easy to find.**
- **Google is your friend.**

How many fatalities are acceptable?

Would you qualify this contractor?

| | 2015 | 2014 | 2013 |
|--------------------------|---------|---------|---------|
| EMR | 0.66 | 0.68 | 0.70 |
| Recordables | 5 | 1 | 1 |
| Hours Worked | 200,000 | 150,000 | 100,000 |
| TRIR | 5.00 | 1.33 | 2.00 |
| DART Injuries | 5 | 0 | 1 |
| DART Rate | 5.00 | 0.00 | 2.00 |
| Citations | 0 | 0 | 1 |
| Fatalities | 5 | 0 | 0 |
| Average No. Employees | 90 | 75 | 50 |

- **Mechanical contractor performs work nationwide**
- **2014 TRIR Average 3.7 (NAICS 238)**
- **2014 DART Average 2.0**

Evaluating Metrics – Lagging Indicators

While useful, without the whole story, the lagging indicator metrics should be looked at as red flags, not red lights.

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities

Address the red flags with the customer.
The whole story may turn the red flags to red lights.



Objectives

1. ~~Understand why you should qualify contractors to work on your behalf.~~
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Evaluating Metrics – Leading Indicators

- **Safety Metrics should have a positive slope**
 - If you do more of something, it will have a positive impact on your performance.
- **Safety Metrics should be business line specific.**
 - Fair comparison of yourself and others.
- **Safety Metrics should not be overly competitive.**
 - Unintended consequences of competition – **fudging the numbers!**
- **Safety metrics should be measurable by individual, team, or systematic safety behaviors.**
 - What are you presently doing to prevent lagging indicators?

Which have a positive slope?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which have a positive slope?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which are business line specific?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which are business line specific?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which are competitive?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which are competitive?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which are measurable by individual, team, or systematic safety behaviors?

Metrics:

- 1.) TRIR
- 2.) DART
- 3.) EMR
- 4.) OSHA Citations
- 5.) Fatalities



Which are measurable by individual, team, or systematic safety behaviors?

Metrics:

- 1.) ~~TRIR~~
- 2.) ~~DART~~
- 3.) ~~EMR~~
- 4.) ~~OSHA Citations~~
- 5.) ~~Fatalities~~



Which are measurable by individual, team, or systematic safety behaviors?

Metrics:

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- 3.) ~~EMR~~
- 4.) ~~OSHA Citations~~
- 5.) ~~Fatalities~~



Which are measurable by individual, team, or systematic safety behaviors?

Metrics:

- 1.) ~~TRIR~~
- 2.) ~~DART~~
- 3.) ~~EMR~~
- 4.) ~~OSHA Citations~~
- 5.) ~~Fatalities~~



Which are measurable by individual, team, or systematic safety behaviors?

Metrics:

- 1.) ~~TRIR~~
- 2.) ~~DART~~
- 3.) ~~EMR~~
- 4.) ~~OSHA Citations~~
- 5.) ~~Fatalities~~



Which are measurable by individual, team, or systematic safety behaviors?

Metrics:

- 1.) TFR
- 2.) L
- 3.) EMR
- 4.) O
- 5.) Fatalities



Evaluating Metrics – Leading Indicators

- **Safety Metrics should be tied to measurable individual, team and systematic safety behaviors.**
 - Which safety behaviors impact organizational performance?
 1. Near misses reported
 2. Safety training (frequency, hours per employee, type, etc.)
 3. Safety communications (safety alerts, toolbox talks, how is safety communicated to the field from management/management to the field?)
 4. JSAs completed
 5. Inspections performed (equipment and job site)
 6. How many issues reported?
 7. How many issues corrected?
 8. Updated, company-specific safety programs

Evaluating Metrics – Leading Indicators

- **Leading indicators allow you to be qualitative vs. quantitative.**
- **Contractor qualification is underwriting which is more art than science in HSE.**
- **It requires insight and judgement and not just reliance on a couple of numbers. And a willingness for the underwriter to be less than 100% correct 100% of the time.**



Lagging to Leading



Objectives

- ~~1. Understand why you should qualify contractors to work on your behalf.~~
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- ~~3. Identify and understand how implementing the use of leading indicators to measure a contractor's safety performance may provide better information in understanding a contractor's safety culture.~~
- ~~4. Understand the difference between "Red Flags" and "Red Lights"~~
5. Change your thought process for qualifying contractors

Who do you qualify?

Who do you qualify?

- **Focus on the following:**
 - Who poses the biggest risk to themselves and others?
 - Who will be physically performing work?
 - Type of work and trade.
- **Avoid:**
 - Delivery type services (ready mix concrete, equipment rentals, material deliveries).
 - Engineering services
 - Consultants

Who do you qualify?

- **You cannot possibly qualify every employer you will have at your facility or on your jobsite. (i.e. material deliveries).**
- **Understand you may have to make exceptions.**

| Describe the case | | | | Classify the case | | | | | | |
|------------------------------------|---|---|---|--|--|-----------------------|------------------------------------|-----------------------------|---|----------------------------------|
| (C) Job title (e.g., Welder) | (D) Date of injury or onset of illness (e.g., 2/10) | (E) Where the event occurred (e.g., Loading dock north end) | (F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill (e.g., Second degree burns on right forearm from scraping torch) | SELECT ONLY ONE box for each case based on the most serious outcome for that case: | | | | | | |
| | | | | Enter the number of days the injured or ill worker was: | | | | | | |
| | | | | Remained at Work | | | | | | |
| | | | | Death | Days away from work or restriction | Job transfer (I) | Other record- able cases (J) | Away from work (K) | On job transfer or restriction (L) | Se- ch (M) |
| | | | | (G) | (H) | (I) | (J) | (K) | (L) | (1) |
| driver/operator | 7 / 8 month / day | Boulder CO job | slipped on mud and broke right wrist | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | ___ days | ___ days | <input checked="" type="radio"/> |
| driver/operator | 10 / 16 month / day | Lone Tree CO job | Hit by boom while driving - stitches to head | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | 30 days | ___ days | <input checked="" type="radio"/> |
| driver/operator | 10 / 30 month / day | Longmont CO job | hit by hose on job - hit head and shoulder | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | 32 days | 26 days | <input checked="" type="radio"/> |

There's no right or wrong answer, the decision is yours!

How do you qualify?

Pre-Qualification Questionnaire

XL Industrial Services Inc.

SUBCONTRACTOR Safety Pre-Qualification Form

Please complete the form below and email (form and all attachments) rpollack@xlindustrial.net or fax to 801-340-8007. If all information is not provided and all attachments are not submitted - this will significantly delay approval or your prequalification could be rejected. Please note that this is a preliminary prequalification form and includes only our minimum requirements. Additional information may be requested by the job owner or due to the type of work to be performed.

Date PreQual completed: _____

Has your company submitted a bid to XL within the last year? Yes No

GENERAL COMPANY INFORMATION

Company's Legal Name: _____
 Mailing Address: _____
 Street Address: _____
 Phone: _____ Fax: _____
 Website: _____
 Safety Contact (Name): _____ Title: _____
 E-Mail Address: _____
 Type of Company: _____ Year Company Founded: _____
 C Corporation S Corporation Partnership
 Sole Proprietor LLC Other
 Are there any affiliated subsidiaries? Yes No
 If yes, please name them: _____
 Is your firm owned or controlled by another organization? Yes No
 If yes, please enter name of parent organization: _____
 SIC Code: _____
 NAICS Code: _____
 Union: Yes No
 Total number of current number of employees: _____
 How many employees? Office Personnel _____ Field Labor _____ Field Supervisors _____
 Contractor Management Membership: ISN PFC PRC Other: _____
 Membership Numbers: _____
 Preferred Project Size: \$10k - \$250k \$251k - \$500k \$51k \$2M \$5M+
 List the geographical areas in which you work: _____
 List the trades you normally perform with your own force: _____
 What percentage of the Company's work is normally subcontracted? _____ %

Safety Information

Does your company employ a full-time safety professional? YES NO
 If yes, please provide name and contact information: _____

OSHA 300 Information

| | 2015 | 2014 | 2013 |
|--|------|------|------|
| A. OSHA Recordable Incident Rate | | | |
| B. OSHA DART Rate | | | |
| C. Number of Recordable Injury Cases | | | |
| D. Number of Lost Time Incidents/Illnesses | | | |
| E. Number of Days Away From Work | | | |
| F. Number of Fatalities | | | |
| G. Total Employee Hours Worked | | | |

* Note: For A&B use the formula: Incidents multiplied by 200,000 then divided by # of Employee Hours Worked.

EXPERIENCE MODIFICATION RATE (EMR)

| List corporate Worker's Compensation Experience Modification Rate for the most recent 3 years | 2016 | 2015 | 2014 |
|---|------|------|------|
| | | | |

OSHA CITATIONS

Has your company received any OSHA citations in the last 5 years? If yes, please provide an attachment with the following information: the date of violation, the violation type (i.e. serious), and what has been done to prevent similar violations.

| | YES | NO |
|--|-----|----|
| | | |

SAFETY GENERAL

How many fatalities have you had in the last 5 years? _____ YES NO
 Do you have a written safety and health program (manual)? _____ YES NO
 Include a copy of a safety program that you will utilize on this project

SAFETY MEETINGS

Do your supervisors hold safety meetings and/or tool box talks? _____ YES NO
 If yes, state how often? _____

INSPECTIONS

Do you conduct field safety inspections? _____ YES NO
 If yes, who conducts the inspection? _____
 What are the frequency of field safety inspections? _____
 Do you have a follow-up system to track items identified during safety inspections? _____ YES NO

SAFETY TRAINING AND ORIENTATION

Do you have a documented pre-job or new employee occupational safety & health training program for newly hired or promoted first line supervisors or foremen? _____ YES NO
 Who conducts training (name, title)? _____

Please check all elements below that are delivered by your training program

Pre-Qualification Questionnaire

| Subject | Yes | No |
|---|-------------|----|
| Injury/Incident/Near-Miss | | |
| Emergency Preparedness/Fire Protection | | |
| First Aid/CPR | | |
| Hazard Recognition | | |
| Incident Reporting | | |
| Job Hazard Analysis | | |
| Fall Protection | | |
| Hazard Communication | | |
| OSHA 10 Hour (Construction) | | |
| Does your company provide annual safety training? | YES | NO |
| If yes, what is the frequency and duration of such safety training? | | |
| DRUG FREE WORKPLACE | | |
| Does your company have a Drug Free Workplace Program? | YES | NO |
| Does this program include the following testing? | | |
| Pre-Employment | YES | NO |
| Random | YES | NO |
| Post Incident | YES | NO |
| Reasonable suspicion | YES | NO |
| INJURY/INCIDENT INVESTIGATION | | |
| Does your company conduct injury, incidents, and near-miss investigations? | YES | NO |
| Do you conduct a root cause analysis and establish corrective actions for all incidents? | YES | NO |
| By signing this document, I verify that the information provided within is truthful and accurate. | | |
| Name: _____ | | |
| Title: _____ | | |
| Signature: _____ | Date: _____ | |

Pre Qualification Questionnaire

- **A completed form is not the end of the process.**
- **Utilize the information supplied on the form to follow-up with your contractor.**
- **Ask for additional supporting documentation.**
 - 300 logs, incident report, completed JSAs, near miss report, corrective action log, etc.
- **Do your research.**
- **Verify the information is accurate.**

The decision is yours!

Would you qualify this contractor?

| | 2015 | 2014 | 2013 |
|-----------------------|---------|---------|--------|
| EMR | 1.03 | 0.88 | 0.92 |
| Recordables | 2 | 1 | 0 |
| Hours Worked | 160,711 | 120,592 | 93,093 |
| TRIR | 2.49 | 1.65 | 0.00 |
| DART Injuries | 1 | 0 | 0 |
| DART Rate | 1.24 | 0.00 | 0.00 |
| Citations | 0 | 0 | 0 |
| Fatalities | 5 | 0 | 0 |
| Average No. Employees | 65 | 58 | 42 |

- **Mechanical Contractor**
- **NAICS 238**
 - TRIR Average: 3.7
 - DART Average: 2.0
- **Customer requires an EMR > 1.0 requirement.**
- **Customer requires a 3-year TRIR average of 1.5 (contractor has 1.6).**

Would you qualify this contractor?

| | 2015 | 2014 | 2013 |
|---|---------|----------------------------------|--------|
| EMR | 1.03 | 0.88 | 0.92 |
| Recordables | 2 | 1 | 0 |
| Hours Worked | 160,711 | 120,592 | 93,093 |
| TRIR | 2.49 | 1.65 | 0.00 |
| DART Injuries | 1 | 0 | 0 |
| DART Rate | 1.24 | 0.00 | 0.00 |
| Citations | 0 | 0 | 0 |
| Fatalities | 5 | 0 | 0 |
| Average No. Employees | 65 | 58 | 42 |
| Daily Safety Meetings Equipment/Jobsite Inspections | 1570 | (1131 equipment and 139 project) | |
| Issues Noted | 1274 | | |
| Issues Corrected | 82 | | |
| Avg. Time to Correct | 82 | | |
| Near Misses Reported | 8 days | | |
| | 3 | | |

- **Same contractor, more information.**
- **EMR > 1.0**
- **Actively measures all field safety activities.**
- **Don't judge a book by its cover.**
- **This contractor is my employer.**

Additional Considerations

- **Avoid redundancy**
 - Use a database, either electronic, home grown or third-party, to reduce duplication by serving as the sole source of contractor data.
 - If your procurement, safety and project management people insist that the contractor send the same prequalification information to them individually, every time they bid work you are doing yourself and your contractors a disservice.
 - By not monitoring your people, and their database usage, purchasing organizations add even more administrative work to an already top heavy process.
- **Don't force your contractors to make things up to meet random prequalification requirements.**
 - A system that requires contractors to create (or obtain) safety procedures for services they don't provide is just bad business.
 - There are no contractors that provide all services - stop treating them like you think they should.

Additional Considerations

- **Keep it simple. Avoid asking questions that are not site/job specific.**
 - A long and detailed questionnaire may be required when you have a short list of qualified bidders for complex work scopes but simplicity rules the majority of the time at the prequalification stage.
 - Example: Roofing contractors shouldn't be expected to know how to pour concrete.
- **Avoid ambiguous and frequently changing approval criteria.**
 - Your approval criteria should be easy to explain and be appropriate for the contractor category you are assessing.
 - Frequently changing criteria means frequently frayed nerves both for internal clients (i.e. project management) and your contractor base.
 - None of us likes going through an approval process in the first place but professional contractors will respond positively if the requirements are reasonable and transparent

Contractor Qualification Summary

- **There is no one metric that should automatically disqualify any contractor from working.**
- **Metrics should be used when qualifying contractors, but as Red Flags, not Red Lights.**
- **Metrics should be site or trade specific.**
- **Metrics should not be competitive**
 - Competitive metrics can cause number manipulation
- **Good numbers doesn't mean it's a good contractor.**
- **Judge your contractors as you wish to be judged.**
- **Get the whole story prior to making a decision.**
- **Being thorough in your approach will assure you are doing both your company and your subcontractor due-diligence.**

Questions or Comments?

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