

Contractor Management

Doc Reference:	DoMN-WHSMS 3.17
Version Number:	2.3

Purpose

The purpose of this procedure is to document the process to be used by the Diocese of Maitland – Newcastle (DoMN) in selecting, engaging and supervising contractors commissioned by DoMN to ensure that all work undertaken by contractors complies with Work Health and Safety (WHS) legislative requirements.

Scope

This procedure applies to all workers of the Diocese of Maitland.

Definitions and Terms

Term	Definition
DoMN	Diocese of Maitland – Newcastle
Contractor	The organisation or person contracted to provide work, goods or services to DoMN. <i>(Note: contractor is also defined as a ‘worker’ under the new NSW WHS Legislation).</i>
Contract Manager	A person who has charge of a contract or who has authority over a contractor. A Contract Manager is someone who has knowledge, training, and experience to organise work and determine performance criteria; is familiar with the application of contractor management and has some knowledge of potential or actual risks in regard to health and safety in relation to the work being performed.
Construction Work	Any work performed in connection with the construction, alteration, conversion, fitting out, commissioning, renovation, refurbishment, decommissioning or demolition of any building, structure or similar activity. It does not include routine or minor testing, maintenance or repair work performed in connection with a building or structure.
Emergency Work	A contract for which the tendering/quotation process cannot be undertaken due to the emergency of the situation (i.e. immediate works necessary).
High Risk Work	Any work involving: <ul style="list-style-type: none"> • Confined spaces; • Working at heights; • Electrical work; • Construction work; • Trenching/Excavation work; • Demolition work; • Interaction with public/traffic; • Hazardous substances/Chemicals; • Hazardous Materials/Asbestos; or • Working alone.

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Major Contract	A contract that involves a cost in excess of \$150,000 or is of high risk or is of a complex nature or exceeds 12 months duration.
Safe Work Method Statement (SWMS)	A document that lists the types of high risk work being performed identifies the health and safety risks, describes how those risks will be controlled and who is responsible for implementing controls. Although specifically required for high risk construction work, SWMS must also be prepared for any work activity involving significant health and safety risks.
Service Providers (including Consultants and Suppliers)	Persons who provide an ongoing or one-off low risk service which may include a person who provides a delivery service to DoMN.

Responsibilities

Position	Responsibilities
Senior Manager	<ul style="list-style-type: none"> Ensuring the risks associated with the selection and engagement of contractors is adequately addressed. Ensuring contracts are effectively measured and managed. Ensuring specific WHS requirements identified in the tender specification, and any additional requirements identified during the evaluation of the tender response (as required) are clearly stated in contractual documentation. Ensuring responses to tender submissions are reviewed in accordance with the requirements of the Procurement Policy, and are assessed against their ability to comply with the defined WHS requirements of the tender.
Contract Manager	<ul style="list-style-type: none"> Defining the scope of works to be conducted by the contractor, including specific WHS requirements. Undertaking an initial Risk Assessment and Contract Classification. Assessing contractors' WHS capabilities as they relate to the scope of works. Ensuring the specific WHS requirements identified are included in tender documents (where applicable). Ensuring a Project Safety Plan is prepared and implemented by the contractor (where applicable). Ensuring the contractor prepares and maintains SWMS for all tasks, identifying WHS risks and controls. Provision of Site Specific Inductions to contractors prior to commencing works. Completing relevant Permits to Work prior to the contractor commencing works on site. Ensuring contractors are adequately supervised whilst performing work and that contractor monitoring activities are undertaken in accordance with scheduled requirements. Reviewing the Contractor's safety performance at various stages during, and at the completion of, the contract work. Ensuring complete records are maintained for each contractor in relation to compliance with this procedure.

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	<ul style="list-style-type: none"> • Undertaking formal audit and monitoring with timeframes to be determined for the duration of contract works. • Reviewing Contractor WHS documentation supplied to meet WHS specification criteria. • Adding approved contractors to the Preferred Suppliers List.
WHS Manager	<ul style="list-style-type: none"> • Providing assistance to the Contract Manager and others in matters relating to specialist WHS or risk management advice. • Audits to ensure general adherence to these procedures.
Contractors	<ul style="list-style-type: none"> • Complying with applicable WHS and other legislative requirements for the work being undertaken. • Complying with DoMN policies and procedures when undertaking works. • Ensuring the provision of all Work Permits and licenses required for the work being undertaken are maintained and provided (where applicable). • Ensuring all relevant WHS documentation is provided to DoMN as requested, including Project Safety Plan and SWMS. • Ensuring that all workers who attend DoMN under the direction of the contractor complete the applicable Site Specific Induction. • Actioning any issues raised as requiring attention by the Contract Manager. • Ensuring the completion of legislated or industry-specific training. • Participating in Pre-works Meetings, Audits, Contractor Safety Review meetings and any other specified monitoring and review process.

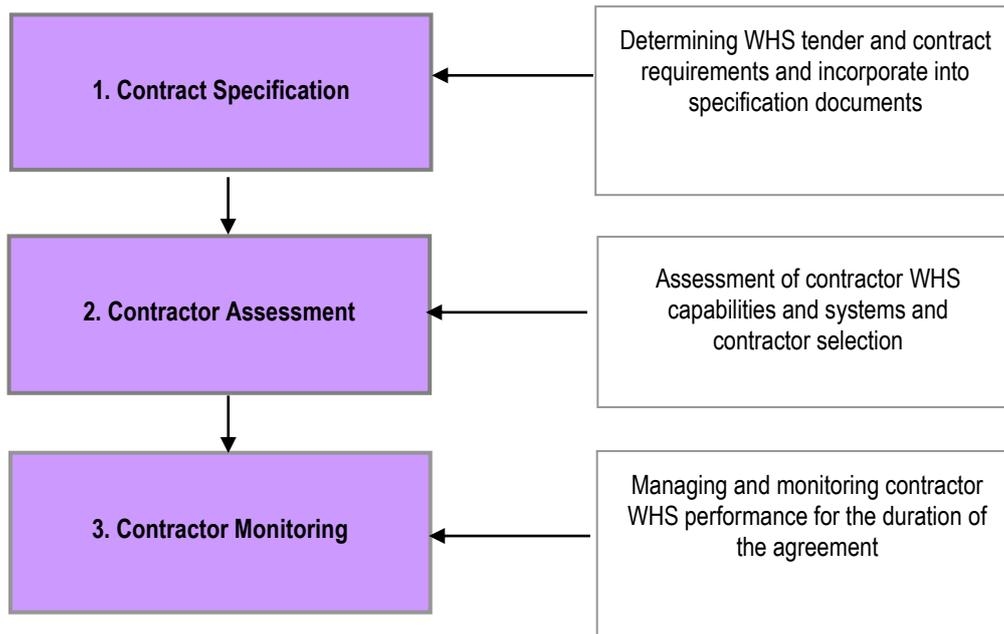
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Procedure

1. Summary of the Contractor Management System

There are three important stages of the Contractor Management Process in which WHS issues must be considered.



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2. Stage 1 – Contract Specification

Important: The Service Manager and/or Contractor Manager must first classify any contract as either Major or Minor.

2.1 Initial Risk Analysis and Contract Classification

DoMN is involved in tendering and managing a range of contracts which can include routine short or long term service contracts, small repair and maintenance contracts through to major building refurbishment and construction. It is important that even though a contract may be considered 'Routine' or 'Small' (Minor Contracts) it may still present a risk to health and safety.

Minor Contractors will typically have less formalised health and safety management systems compared to larger contracting organisations. Consequently, it is important the DoMN Contractor Management System be sufficiently flexible to accommodate the different levels of WHS system development and to ensure practical measures are taken when engaging small contractors.

Minor and Emergency Contractors shall be required to demonstrate their health and safety awareness and competencies associated with performing the specified contract tasks ensuring that hazards and risks are suitably identified and controlled.

For **Major Contracts**, the larger and/or more specialised contractors should be expected to have formalised health and safety management systems to reflect the type of work to be performed and to demonstrate a higher level of implementation of their health and safety management systems.

For any contract that is not classified as an emergency, the Service manager and/or Contract Manager is responsible for undertaking an initial Risk Assessment (using Initial Risk Assessment & Contract Classification Form) and classifying the contract as Minor or Major dependent on a range of factors including:

- Value of the contract;
- Level of risk associated with the tasks and activities being performed;
- Level of complexity of the works; and
- Duration of the contract.

The following guidelines are provided to assist with the classification of Contracts.

2.2 Provision of Hazard Information to Contractors

Prior to the Contractor commencing any works the Contract Manager must determine the scope of the contract works and alert the contractor to any known or potential hazards associated with the proposed works. The identified hazards shall form a part of the tender documents.

2.3 Criteria for the classification of Major and Minor Contracts

Contracts will be classified as Major or Minor depending on the following criteria:

Value of contract

Although major contracts cannot be classified on cost alone, a value of \$150,000 and above per annum may be considered as a guide. Contracts under \$150,000 can be classified as Major or Minor depending on the Level of Risk, Level of Complexity and Duration of Contract.

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Level of Risk

Contracts involving high risk activities must be classified as a Major Contract. Therefore, DoMN has an obligation to insist on more sophisticated management systems when engaging Contractors to perform hazardous work. Such work may involve:

- Confined spaces;
- Working at heights;
- Electrical work;
- Construction work;
- Trenching/Excavation work;
- Demolition work;
- Interaction with public/traffic;
- Hazardous substances/Chemicals;
- Hazardous Materials/Asbestos; or
- Working alone.

Contractors or subcontractors who undertake this type of work on a regular basis should be expected to be familiar with concepts such as Project Safety Plans, risk assessments and other requirements for Major Contracts.

2.4 Level of Complexity

If a contract involves the use of subcontractors, the Service Manager and/or Contract Manager must be aware that suitable systems of selection and supervision must also apply to the subcontractors. Where the Contract Manager believes the use of subcontracted labour is likely, the contract **must be classified as Major Contract**.

2.5 Duration of Contract

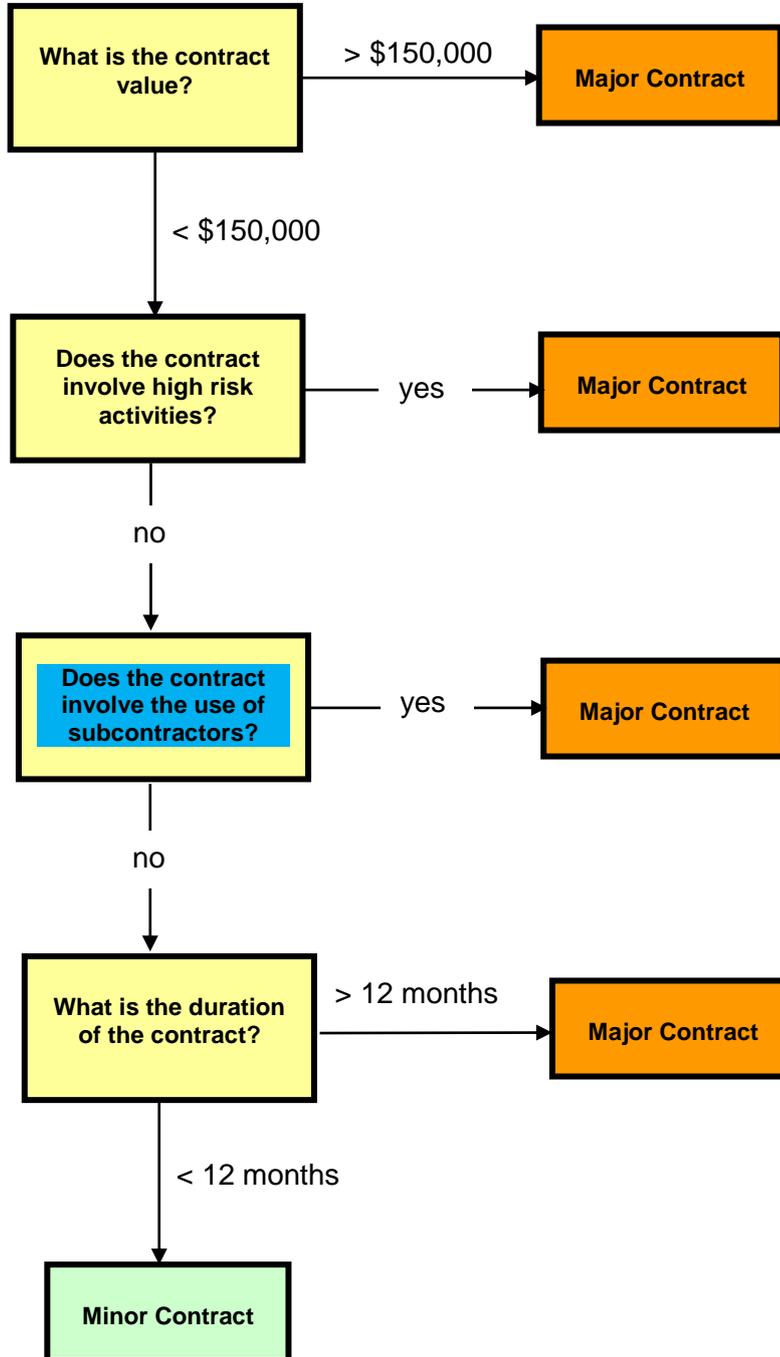
Contracts that extend beyond 12 months are considered sufficiently large to expect that Contractors have formalised health and safety management systems, which reflect the type of work they are performing. Longer-term contracts should be classified as Major Contracts.

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Classification of Major and Minor Contracts



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2.6 WHS Requirements for Major Contracts

Contractor WHS requirements and responsibilities must be clearly and unambiguously specified in tender documents. The following must be incorporated into specification and contract documentation:

2.6.1 Major Contractor WHS Questionnaire

Major Contractors that are not on the Preferred Suppliers List, or that are on the Preferred Suppliers List but have not been reviewed within the past 12 months, must complete the Major Contractor WHS Questionnaire as part of the tendering process for major contracts.

Where quotes are being requested above \$150,000, the Contract Manager must ensure that the Major Contractor WHS Questionnaire is included in the tender/quotation documentation. The questionnaire is designed to examine the status of the contractors' WHS systems and their ability to meet WHS standards and to ascertain if the contractor is in compliance with WHS Legislation.

2.6.2 Project Safety Plan

Major Contractors engaged will be required to prepare, communicate and maintain a Project Safety Plan specific to the contract works.

The plan will include:

- Names and positions of those with specific WHS responsibilities;
- Description of how WHS will be coordinated including management of incidents; and
- Any site rules and how they will be communicated.

2.6.3 Project Risk Assessment

Major Contractors engaged shall be required to complete a Project Risk Assessment prior to commencing any works. Contractors are required to identify specific WHS hazards associated with the contract works and the methods they will adopt to adequately control any WHS risks.

2.6.4 Additional Documentation

Major contractors shall:

- Provide Safe Work Method Statements for the tasks to be undertaken;
- Hold all current licences and/or qualifications as required;
- Complete relevant Permits to Work; (ie hot, cold, confined space etc)
- Perform work on site in a safe manner;
- Maintain plant and equipment to an appropriate standard;
- Perform works in accordance with appropriate legislation and standards;
- Provide regular WHS performance reports; and
- Notify DoMN of any incidents or injuries on site.

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2.7 WHS Requirements for Minor Contracts

The Contract Manager will ensure that Minor Contractors that are not on the Preferred Suppliers List, or that are on the Preferred Suppliers List but have not been reviewed within the past 12 months:

- Complete the DoMN Induction and Minor Contractor WHS Questionnaire;
- Provide Safe Work Method Statements for the tasks to be undertaken;
- Hold all current licences and/or qualifications as required;
- Perform work on site in a safe manner;
- Maintain plant and equipment to an appropriate standard;
- Perform works in accordance with appropriate legislation and standards; and
- Notify DoMN of any incidents or injuries on site.

2.8 WHS Requirements for Emergency Works

The Contract Manager shall ensure that Emergency Contractors that are not on the Preferred Suppliers List, or that are on the Preferred Suppliers List but have not been reviewed within the past 12 months:

- Provide relevant contractor's insurance documents;
- Provide Safe Work Method Statements for the tasks to be undertaken;
- Hold all current licences and/or qualifications as required;
- Perform work on site in a safe manner;
- Perform works in accordance with appropriate legislation and standards; and
- Notify DoMN of any incidents or injuries on site.

2.9 Service Providers

Legislation requires DoMN to provide a safe working environment for all persons visiting their workplaces. Many service providers can be considered to be low risk, and as such a Major/Minor Contractor WHS Questionnaire does not need to be completed for this classification of work.

Examples of low risk service providers are:

- Mail deliveries by Australia Post Employees
- Person(s) who deliver lunch for meetings etc.

DoMN must still provide a safe workplace for the types of service providers listed above including adequate instruction, information and supervision so as to ensure that their health and safety is not at risk while on the premises.

In addition, persons who are contracted to conduct training sessions at DoMN workplaces or who are contracted to provide a low risk consultancy service are also considered to be service providers, however due to the duration of time this group are likely to be working at DoMN premises, this type of service provider must go through the DoMN Induction. Any person or group who engages in any work for DoMN that is more complex in nature or is of a higher risk than that listed above must be considered, at a minimum, as a Minor Contractor.

2.10 Legal Requirements – All Contractors

All contractors regardless of whether the contract is major, minor, emergency or a service delivery must comply with all WHS Legislation, Compliance Codes, relevant Standards and DoMN policies and procedures.

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3. Stage 2 – Contract Assessment

3.1 Selection Process

WHS issues must be considered as part of the selection criteria for contractors. A Contractor's capability to perform the specific works or services in a safe manner must be evaluated.

This process will involve the review of:

- Hazards identified in the works specification tender documentation;
- Major or Minor Contractor WHS Questionnaire;
- Project Risk Assessment;
- Project Safety Plan; and
- Contractor WHS documentation.

3.2 New Contractors

New contractors (not listed on the Preferred Supplier List) must complete the relevant Contractor WHS Questionnaire and provide requested documents as per the contract classification. An assessment of the contractor's WHS capabilities will be undertaken by the Service Manager and/or Contract Manager and the contractor will be added to the Preferred Supplier List if WHS requirements are met.

Approval shall be for 12 months subject to the contractor sustaining a satisfactory level of WHS performance during the 12 month time frame. However, an 'approved contractor' will still be required to submit project specific safety plans, project risk assessments and SWMS for every contract and work activity.

A Contractor who has been approved for major contracts is also approved for minor contracts.

A Contractor who has been approved for minor contracts is **not** approved for major contracts.

3.3 Contractors on the Preferred Suppliers List

Contractors that are already on the Preferred Suppliers List do not need to complete the Contractor WHS Questionnaire. However, contractors shall:

- Provide a Project Risk Assessment (minor and major contracts);
- Provide a Project Safety Plan (major contracts);
- Provide relevant Safe Work Method Statements (all contracts); and
- Complete appropriate work permits where required (all contracts).

3.4 Selection of contractor

The contractor must not be permitted to commence work until the Project Safety Plan and/or a Project Risk Assessment/SWMS has been reviewed by the Service Manager and/or Contract Manager, and approval has been given.

3.5 Breach of safety

If a contractor commits a breach of any aspect of this or any other WHS policy they must be considered for removal from the approved list and thus prevented from tendering for any future work until the breach has been rectified.

3.5.1 Non-conformance reporting

Where a breach of WHS is identified, the Service Manager and/or Contractor Manager shall notify the contractor. Where an issue is considered to be significant in terms of serious injury or loss of life, the Project Manager may

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suspend the work until the issue is adequately resolved, or consider termination of the contract. Non Conformances shall be recorded on the Non Conformance Report Form by the Service Manager or Project Manager and a copy shall be provided to the Contractor.

Upon correction, the Project Manager shall verify that the WHS issue has been satisfactorily resolved.

A copy of any Non Conformance report must be attached to the Contractors file.

3.6 Contractor Induction

DoMN Contractor Induction – all contractors

All contractors who are engaged must complete the General Induction, outlining the following as a minimum:

- An overview of emergency procedures, including assembly points and first aid arrangements.
- An overview of the WHS Management System (WHSMS), including relevant policies and procedures;
- Review of current hazards, risk assessments and control measures; and
- Site specific safety requirements.

The General Induction is valid for a period of 12 months.

3.7 Site Specific Induction – Major and Emergency Contracts

Contractors engaged where the contract is deemed to be a Major Contract or an Emergency Contract must undergo a site specific induction outlining site specific hazards and safety measures (including incident reporting) or be accompanied by a DoMN representative (only in the case of Emergency Contract Works).

3.8 Induction Delivery and Records

Completed site specific inductions shall remain on site with copies retained at the DoMN Main Office for a period of 12 months.

4. Stage 3 – Contractor Management

4.1 Contractor Supervision and Monitoring – All Contracts

DoMN recognises its obligation to monitor, supervise and audit the activities of contractors and subcontractors in relation to WHS. Supervision and auditing of contractors and subcontractors by the Service Manager must be undertaken to ensure:

- Compliance with the WHS policies and procedures;
- Conformance with the work method statements, risk assessments and Project Safety Plans (if applicable);
- Compliance with applicable WHS legislation, Codes and Standards.

The extent of supervision will depend on a number of factors associated with the works including:

- Nature of hazards/risks;
- Level of interaction with other parties;
- Duration of contract; and
- High risk tasks being undertaken.

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The Service Manager shall determine the supervision requirements for each contract and ensure there is appropriate monitoring of contractors' safety performance by:

- Undertaking regular workplace inspections;
- Reviewing WHS documentation (inspection and incident reports);
- Reviewing WHS performance at any contract review meetings; and
- Maintaining notes on supervisory visits and discussion with the contractor.

Auditing shall be conducted on a scheduled and random basis using Form 3.17e Contractor WHS Inspection Checklist and documentation will be maintained by the WHS Manager.

4.2 Monthly WHS Performance Reports

Major Contractors shall complete and provide to the Project Manager the Contract Manager monthly WHS Performance Reports including:

- Number of lost time injuries;
- Working days lost due to injury;
- Current status of injured personnel, damaged property or environmental damage or pollution;
- Status of the implementation of corrective actions; and
- WHS inspection reports and risk assessments.

4.3 Contractor Records Management

Effective contract management involves adoption of a systematic approach to record keeping during the period of the Contract. Relevant health and safety records retained provide documentary evidence of due diligence in relation to the health and safety of contractors. These records are to be kept for a minimum of five (5) years after the completion of the project/service.

Health and safety documents to be retained include:

- Initial Risk Analysis & Contract Classification;
- Contractor WHS Questionnaire and accompanying documents;
- Contract Document;
- Contractor Risk Assessment and SWMS;
- Contractor Project Safety Plan;
- Contractor Personnel Induction Records;
- Contractor inspection checklist forms;
- Non Conformance reports; and
- Contractor monthly WHS performance reports.

Forms

- [Form 3.17a Initial Risk Assessment and Contract Classification Form](#)
- [Form 3.17b Major Contractor WHS Questionnaire](#)
- [Form 3.17c Minor Contractor WHS Questionnaire](#)

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- [Form 3.17d Project Safety Plan Checklist](#)
- [Form 3.17e Contractor WHS Inspection Checklist](#)
- [Form 3.17f Contractor Non-Conformance Report](#)

References

- [Work Health & Safety Act 2011 \(NSW\)](#)
- [Work Health & Safety Regulations 2017 \(NSW\)](#)
- [Construction Work Code of Practice 2014 \(NSW\)](#)