GUIDANCE ON OCCUPATIONAL HEALTH AND SAFETY IN GOVERNMENT PROCUREMENT

Australian Government
Australian Safety and Compensation Council

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CONTENTS

FOREWORD

The Australian Safety and Compensation Council (ASCC) leads and coordinates national efforts to prevent workplace death, injury and disease in Australia and to improve occupational health and safety (OHS), workers' compensation arrangements and return to work of injured employees.

The *National OHS Strategy 2002-2012* (National Strategy), which was endorsed by the Workplace Relations Ministers' Council on 24 May 2002, records a commitment by all Australian, state and territory governments, the Australian Chamber of Commerce and Industry (ACCI) and the Australian Council of Trade Unions (ACTU) to share the responsibility of ensuring that Australia's performance in work-related health and safety is continuously improved.

The National Strategy sets out five national priorities to achieve short-term and long-term improvements. The priorities are to:

1. Reduce high incidence/severity risks
2. Improve the capacity of business operators and workers to manage OHS effectively
3. Prevent occupational disease more effectively
4. Eliminate hazards at the design stage, and
5. Strengthen the capacity of government to influence OHS outcomes.

Guidance on OHS in Government Procurement has been developed to support Priority 5 of the National Strategy which focuses on strengthening the capacity of government to influence OHS outcomes. As governments are major purchasers of goods and services, and as such can influence safety outcomes through their procurement arrangements, they have the potential to decrease the number of workplace injuries and fatalities.

The model, tools and information offered in this guide aim to encourage governments and suppliers to incorporate OHS and safe design considerations into their procurement policies and practices. They were developed in consultation with Comcare and the Department of Finance and Administration.

The principles of eliminating hazards at the design stage (safe design) are an important consideration where design is part of a procurement. For the period 1 July 2000 to 30 June 2002 a minimum of one in four workplace fatalities were related to poor design[1]. Priority 4 of the National Strategy aims to promote health and safety at the source by eliminating hazards at the design stage, which involves designers, manufacturers, constructors and suppliers. Procurement decisions need to consider the safe design of products, systems and buildings so that potential hazards can be eliminated before they enter the workplace.

If governments, at all levels, integrate OHS requirements into all stages of the procurement process, suppliers will need to demonstrate their ability to meet these requirements.

Building and Construction

As a major procurer of building and construction services, the Australian Government is committed to working with the building and construction industry to improve its OHS performance.

In procuring building and construction services, agencies are subject to the specific requirements of the Federal Safety Commissioner (FSC), as defined in the *Building and Construction Industry Improvement*

[1] NOHSC (2004), *The role of design issues in work-related injuries in Australia 1997-2002*


Act 2005. This includes meeting obligations under the Australian Government Building and Construction OHS Accreditation Scheme.

The FSC is also involved in a number of initiatives in the building and construction industry. For more information about the FSC go to www.fsc.gov.au.

Except where made mandatory by or under a law of the Commonwealth, a state or a territory, materials issued by the ASCC are of an advisory nature. For more information about the ASCC go to www.ascc.gov.au

WHY IS OHS IN PROCUREMENT IMPORTANT?

Governments are major employers, policy makers, regulators and purchasers of equipment and services. They have a leadership role in preventing work-related death, injury and disease in Australia through promoting, legislating and enforcing OHS requirements through a wide range of mechanisms.

An emphasis on OHS obligations encourages suppliers to take responsibility for understanding the requirements of a client and for ensuring that what they provide is safe for users. Therefore, effective government procurement practice will go some way towards achieving improvements in workplace injuries and fatalities.

This document presents three aspects of the considerations needed to integrate OHS into procurement:

Principles – the reasons for considering OHS in procurement

Processes – the steps to take in order to consider OHS when procuring (better practice model), and

Applications – specific tools that could be used as part of the process (Appendices).


PRINCIPLES

Principle 1: Consideration of OHS is inherent in the *Commonwealth Procurement Guidelines* (January 2005) – seeking value for money

The *Commonwealth Procurement Guidelines* describe procurement as encompassing,

"…the whole process of acquiring property[2] and services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for property or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. An integral part of the procurement cycle is the ongoing monitoring and assessment of the procurement, including the property or services procured and the tasks related to procurement".

The core principle underlying the *Commonwealth Procurement Guidelines* is value for money. Value for money does not mean that cheapest is best. In a procurement process this principle requires a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle (whole-of-life costing) including those associated with OHS.

The forward-looking approach of the *Commonwealth Procurement Guidelines* supports the safe design concept inherent in this publication. Safe design requires 'looking forward' in order to consider hazards through the life of the item, as well as 'looking back' to reveal past experiences that might inform current decision making.

This document is to be read in conjunction with the *Commonwealth Procurement Guidelines,* agency-specific instructions and relevant OHS legislation, regulations and codes of practice. In some agencies, the primary reference for those undertaking procurement is the chief executive instructions, which should have been informed by, and give effect to, the Commonwealth Procurement Guidelines and this document.

Principle 2: Governments are required to provide leadership in OHS because of their commitment to the National Strategy (in particular Priority 5)

The aim of this principle is that governments should secure better OHS outcomes and be exemplars of good practice through a range of approaches including:

> continual improvement in governments' OHS performance as employers

> whole-of-government approaches that ensure OHS implications are considered and accounted for in the work of government

> government influence of better practice OHS requirements made of the supply chain

> practical guidance on measuring and reporting OHS outcomes for public sector agencies, and

> continual improvement in governments' performance as OHS policy makers and regulators.

[2] The term property is used throughout the *Commonwealth Procurement Guidelines* to refer to "every type of right, interest or thing which is legally capable of being owned. This includes, but is not restricted to, physical goods and real property as well as intangibles such as intellectual property, contract options and goodwill".

Principle 3: As employers, governments are required to provide a safe work environment and therefore must be diligent in considering employee safety when undertaking a procurement

Under OHS legislation employers have a duty of care to protect the health and safety of their employees at work. Specific rights and duties flow from the duty of care. These could include:

> providing and maintaining safe plant and systems of work

> safe systems of work in connection with plant and substances

> a safe working environment and adequate welfare facilities (such as first aid rooms)

> informing and instructing on workplace hazards and supervising employees in safe work

> monitoring the health of employees and related record keeping

> employing qualified persons to provide health and safety advice

> nominating a senior employer representative, and

> monitoring conditions at any workplace under their control and management.

It is important when procuring goods and services that government agencies exercise due diligence in attempting to meet their health and safety obligations.

PROCESSES

The Office of the Australian Safety and Compensation Council (Office of the ASCC) has developed this model of better practice OHS in procurement after consideration and analysis of national and international literature and discussion regarding procurement practices with a number of organisations. It outlines the commonly accepted stages of procurement and, within each stage, a number of OHS issues that need to be considered. Tools have been identified that will assist those involved in procurement to deal with the OHS issues identified. These tools are listed in the OHS in procurement model and are included as appendices within this publication.

MODEL OF BETTER PRACTICE OHS IN PROCUREMENT

PROCUREMENT STAGE	OHS CONSIDERATIONS	TOOLS
Planning > Identify need > Risk management > Develop procurement plan/ business case	> OHS risk assessment for all phases of procurement cycle has been undertaken. > Specific OHS and safe design considerations that need to be addressed by the supplier have been identified. > The need for an OHS specialist to be part of a multidisciplinary team has been established.	> OHS considerations in the procurement process (Appendix 1) > OHS risk management (Appendix 2) > Safe design principles (see p.10)
Preparing to approach market > Select procurement method > Prepare tender and contract documentation > Prepare an evaluation plan	> OHS and safe design components to be addressed (by supplier), developed and included in tender documentation. > Requirement for supplier to provide details of OHS Management System, Safe Work Method Statements, compliance with applicable legislation and standards. > Monitoring and reporting requirements to track contractor's OHS performance developed. > OHS and safe design weightings have been included in the tender selection criteria. > OHS issues to be addressed during the tender briefing process have been considered.	> OHS considerations in the procurement process (Appendix 1) > OHS risk management (Appendix 2) > OHS checklist for off-the-shelf products (Appendix 3) > OHS Contract Clauses (Appendix 4) > Tenderer OHS management questionnaire (Appendix 5) > OHS risk management worksheet (Appendix 7) > Guidance for evaluating OHS criteria (Appendix 9) > Relevant design, engineering, ergonomic standards
Evaluating submissions > Supplier selection > Feedback	> Submissions have addressed OHS requirements. > OHS and safe design criteria and weightings were considered as part of the evaluation process. > Feedback provided to unsuccessful tenderers	> Guidance for evaluating OHS criteria (Appendix 9)
Contract negotiation and award	> OHS and safe design requirements have been discussed with the supplier. > Responsibilities and procedures for dealing with non compliance have been identified. > Procedures for reporting OHS performance have been agreed. > Relevant OHS and safe design requirements have been included in contract documentation.	> OHS Contract Clauses (Appendix 4) > OHS considerations in the procurement process (Appendix 1) > Supplier's OHS plan (Appendix 6) > OHS risk assessment worksheet (Appendix 7) > Safe work procedures (Appendix 8)
Contract management	> Contractor induction. > Monitor supplier's OHS performance. > Deal with non compliance.	> Induction checklist (Appendix 10) > Supplier's OHS plan (Appendix 6) > Safe work procedures (Appendix 8) > Supplier's OHS performance report (Appendix 11)
Manage termination/ transition	> OHS issues in contract transition requirements. > Establish benchmarks for safe disposal.	> OHS considerations in the procurement process (Appendix 1)
Contract evaluation	> How well managed were OHS aspects of contract delivery? > How well did safe design principles influence outcome? > What issues emerged that were not anticipated? > How can future procurements be improved?	> Contract evaluation report (Appendix 12) > OHS considerations in the procurement process (Appendix 1)


STEPS FOR APPLYING THE MODEL

STEP 1: Planning

Planning can improve the effectiveness and efficiency of procurement. It requires agencies to be disciplined, as well as plan and properly manage the procurement of products and services. The effort expended in the planning stage will ensure the best possible outcomes and should be consistent with the nature of the procurement (that is size, value, complexity and level of risk). Factors to be considered in the planning process include:

> the need for a product or service, whether there are any specific design requirements, and how safe design principles can be applied

> identifying the workers/users who will be affected by the item

> the nature of the procurement and identifying and assessing the level of risk

> a method to consult with workers/users affected and integrate them/their views into the decision making

> the treatment of identified OHS risks

> the need for suppliers to be pre-qualified or to have a certified OHS management system (may tend to apply to larger suppliers)

> the need for a transition plan where it is anticipated that the service requirement is to extend beyond the contract period

> the need for a whole-of-life plan. This might include being sold to another user, being modified to suit another purpose (such as a building), being refurbished, maintained, and eventually demolished or discarded, and

> incorporating risk identification and reduction strategies into procurement plans or business cases.

A checklist of possible OHS considerations at each stage of the procurement process is provided at Appendix 1.

Risk management

Procurement should not introduce any risks to the health and safety of employees and third parties. Effective risk management lets agencies proactively identify and manage risks, opportunities and issues arising out of procurement.

The risk management strategies adopted to support procurement decisions should incorporate the assessment and management of identified OHS and safe design risks. Identifying potential OHS risks early and selecting the best option for managing those risks assists in achieving more favourable and reliable outcomes. It is important to note that each procurement requires its own risk assessment that is aligned with its own context. A guide on OHS risk management is provided at Appendix 2.

The following questions need to be considered at the procurement planning stage to ensure that an agency's OHS responsibilities are adequately addressed.

> Procurement of products

- What workers/users/other people will be affected by this product?


- Are there any design issues that have potential to impact on workplace health and safety?
- What are the hazards associated with the product?
- What risks do they pose?
- Are there any ongoing maintenance and service issues?
- If there are any contract transition requirements what are the OHS risks?
- What strategies need to be implemented to control all identified risks?
- Are there any special training requirements for employees?

> Procurement of services

- What workers/users/other people will be affected by this service?
- What activities will be undertaken?
- Are there any safe design issues that have the potential to impact on workplace health and safety?
- What hazards are posed by undertaking the required activities?
- What risks do they pose?
- What needs to be done to eliminate or minimise these risks?

The outcomes of any risk assessment and recommended risk treatment options should be documented and adequate measures addressing identified issues need to be incorporated into the tender documents.

Safe design

The design stage is critical to reducing OHS risk for procurement with specific design requirements. Such procurement should involve identifying and removing potential safety problems at this point to prevent introducing them into the workplace. The safe design process can eliminate OHS hazards, or reduce potential OHS risk, by involving decision makers and considering risks throughout the life of the designed product.

Safe design is a process defined as:

> *"the integration of hazard identification and risk assessment methods early in the design process to eliminate or minimise the risks of injury throughout the life of the product being designed. It encompasses all design including facilities, hardware, systems, equipment, products, tooling, materials, energy controls, layout, and configuration[3]".*

Costs associated with unsafe design can be significant (examples include retrofitting, workers' compensation premiums, environmental clean up costs, public liability). Key factors to consider in relation to design and procurement are:

> recognising LIFE CYCLE costs during the procurement of products and services. Good practice clients will use best value throughout the life of the product or service, in preference to lower initial cost. This means ensuring that health and safety is integrated into the design phase, as well as into manufacturing/construction, installation, operation, maintenance and disposal

> pre-tendering CONSULTATION and briefings

[3] *Guidance on the Principles of Safe Design for Work* Australian Safety and Compensation Council, May 2006

- providing GUIDANCE for designers to enable them to apply the concept of risk assessment in the design process. If it is not possible to eliminate the hazard, the designer should reduce the risk to the lowest level possible and provide information to the client or purchaser on the remaining or residual risk and the measures required to control this risk
- ensuring an effective OHS MANAGEMENT SYSTEM is in place, which has direct expectations and implications for suppliers and customers
- incorporating safe design requirements in SPECIFICATIONS for contracts and tendering/procurement documents. Tenderers should be required to demonstrate that an effective risk management approach has been used to identify and eliminate/control OHS risk during the design process
- reference to appropriate AUSTRALIAN STANDARDS and design rules

Further information on safe design can be found in *Guidance on the Principles of Safe Design for Work* available at ascc.gov.au.

Establishing a multi-disciplinary team

Depending on the complexity and level of risk of the procurement, consider establishing a multi-disciplinary team comprising subject matter experts (such as technical, procurement or OHS experts). For high risk and complex procurements, establishing a multi-disciplinary team at the planning stage, and involving them in the other stages of the procurement process, will assist in facilitating a favourable outcome.

STEP 2: Preparing to approach the market

Each procurement is unique and no single method suits all situations. Government procurement policies require the method chosen to be assessed on its merits and represent value for money. The method chosen should also provide an equal opportunity to all suppliers who want to tender for government business.

Select a procurement method

The selection of the procurement method is generally based on the complexity and value of the purchase. Procurement can be described as:

- Simple – includes most purchases against standing offers and low value, off-the-shelf items. Purchasing in this category is essentially routine and requires only basic decisions on simple processes
- Involved – includes many services and higher value purchases. Purchases in this category require a more comprehensive understanding of the concept of open and effective competition and more formal procurement processes, and
- Complex – includes large consultancies, some capital equipment and establishing standing offers. At this level open and effective competition is expected to be applied.

Under the *Commonwealth Procurement Guidelines,* the tender processes available for covered procurements (valued at $80,000 or more) are limited to:

- select tendering
- open tendering, and
- direct sourcing.

Regardless of the procurement method used, OHS and safe design considerations should be part of the selection process. The extent of such considerations would depend on the level of risk identified as a result of a risk assessment (provided at Appendix 2). Some OHS issues that may be considered include:

> identifying OHS risk associated with the procurement

> addressing differing OHS considerations that apply to the procurement of products versus procurement of services

> identifying OHS and/or safe design issues to be included in the tender documentation and the tender briefing, and

> determining the need to undertake site visits and obtain OHS references.

When undertaking simple procurement involving an off-the-shelf product, an OHS risk assessment should be undertaken to ensure that the procurement does not introduce hazards into the workplace. A procurement checklist for use for medium/high risk off-the-shelf procurement is provided at Appendix 3.

Prepare tender and contract documents

Agencies undertaking procurement through a tender process need to be satisfied that OHS risks identified during steps 1 and 2 above are appropriately managed during the procurement process. This will ensure that the potential supplier of the product or service clearly understands the technical requirements as well as the OHS and safe design issues associated with those requirements. It will also ensure that the most suitable supplier is selected and that the product or service being procured will not only be delivered in a complete and technically competent way but also that it will not create or increase risks to the health and safety of employees or others.

Agencies should be prepared to give suppliers, particularly small business operators, the necessary help, coaching and support required to raise their level of understanding of OHS management. Where it is intended that support will be provided, details should be included in the request documentation.

Define tender and contract specification

OHS requirements and details of hazards identified during the risk assessment process should be included in tender documents. OHS requirements should also be included as conditions of the contract. These need to cater to the purpose, the kind of risks involved and the characteristics of the supplier. Government suppliers may range from large international organisations to sole traders. Contract inclusions **may** cover one or more of the following conditions:

> compliance with OHS legislation, specific standards and codes of practice

> compliance with the agency's OHS policy, procedures and standards (identify these policies, procedures and standards at the time and commit to updating the supplier upon these being varied)

> compliance with additional 'special conditions', especially for high risk contracts. Examples of clauses for particular OHS requirements that might be inserted into contracts are at Appendix 4.

> compliance with specific safe design, technical and functional requirements relevant for this procurement

> compliance (at a minimum) with established good industry practice


- demonstrated evidence (including third party certification) of the tenderer's OHS management system, including management of sub-contractors and evidence of OHS performance records
- extent of subcontracting permitted
- the provision of an appropriate project-specific OHS plan
- penalties/ramifications for failing to comply with OHS aspects of the contract conditions, and/or
- other general conditions such as providing regular OHS performance reports, attending project management meetings, notifying incidents and accidents, investigation protocols for accidents (such as use of joint investigations), OHS management system auditing, project-specific audits, and procedures.

When collecting information, the agency must adhere to the Information Privacy Principles under the *Privacy Act 1988*.

High risk contracts – minimum requirements

For high risk contracts, established at Step 1 of the OHS in procurement model, the tender and contract should require the supplier to provide evidence of their OHS management system. An example of a questionnaire listing the information to be provided by tenderers is at Appendix 5.

The supplier should also be required to develop a health and safety plan before work commences. The health and safety plan should outline how the contractor will manage occupational health and safety for the term of the contract. The health and safety plan must cover specific OHS issues relevant to the contracted work and document the systems and methods that will be used to effectively manage OHS risks. Further information on health and safety plans is at Appendix 6.

The health and safety plan should include a risk assessment and safe work procedures. A risk assessment worksheet is provided at Appendix 7 and further information on safe work procedures is provided at Appendix 8.

Medium risk contract – minimum requirements

For medium risk contracts, established at Step 1, the tender and contract should require the supplier to develop a health and safety plan before commencing the work. The health and safety plan should include a risk assessment and safe work procedures.

Low risk contracts – minimum requirements

For low risk contracts, the supplier should be required, as a minimum, to undertake a risk assessment and develop a safe work procedure before commencing work.

For small, short-term, low-risk contracts, compliance with OHS legislation and the client's OHS policy and procedures may be the only requirement specified in the tender specifications and contract.

The following diagram[4] provides guidance on the requirements that may be sought from potential suppliers for procurements where the level of risk has been identified as high, medium and low.

[4] Adapted from NSW Government Occupational Health and Safety Management System Guidelines, 4th edition, June 2004, http://www.construction.nsw.gov.au/ohs/ (accessed 23 May 2006).

Prepare tender evaluation plan and OHS criteria

The tender request documents would normally include conditions for participation. Conditions for participation are basic requirements against which potential suppliers must be able to demonstrate compliance in order to participate in a tender. OHS and safe design considerations that were identified during the risk management process (refer to page 15) should form part of the conditions for participation, that must be satisfied for the submission to receive further consideration. If a condition for participation is not satisfied, the tenderer's submission can receive no further consideration. Where compliance will be assessed against requirements, they may be better suited to evaluation criteria in lieu of conditions for participation. Information on applying weightings to tender evaluation criteria is at Appendix 9.

Where the tender process provides for a tender briefing, OHS issues identified as part of the risk management process should be highlighted.

STEP 3: Evaluating submissions

The tender evaluation process requires agencies to assess tenderers' submissions against the request documentation requirements. Pay particular attention to evaluating the tenderer's capacity to comply with specific OHS and safe design requirements identified during the planning and associated risk management stage. This must have been expressed as either conditions for participation or evaluation criteria.

As part of the evaluation process, agencies should:

> examine the tenderer's OHS management system – policies, procedures, programs, safe work procedures, training/competency records, procedures for management of sub-contractor

> verify the operation of the tenderer's OHS management system. This may include evidence of third party certification and examination of the tenderer's records with regard to audits, inspections, plant records or accidents


- evaluate the tenderer's safety performance, including any infringements, fines or improvement notices, and
- conduct pre-award meetings where a tenderer is required to produce further evidence and/or to confirm their understanding of contract OHS requirements, specific OHS issues related to the contract and their ability to respond accordingly.

Agencies should consider the need to give advice and assistance to tenderers on how to document their OHS management system and present it in the tender.

STEP 4: Contract negotiation and award

The OHS considerations when awarding a contract depend significantly on the type of contract. For instance very different measures would be needed for a contract for labour sourced from a labour hire organisation, a contract for the supply of motor vehicles or maintenance and cleaning contract. Some examples of the actions that might be appropriate for some contracts of service might be to:

- develop a shared understanding about the safety issues associated with the project
- provide to the supplier, where the supplier will work with an agency, information about the hazards to which the supplier might be exposed and jointly review the hazards
- jointly review selected supplier's safe work procedures (for low risk contracts) and project specific health and safety plan (for medium/high risk contracts)
- jointly identify how the supplier will work together with the agency on OHS issues. This might involve aligning methods for incident reporting, joint auditing/hazard identification or arranging joint safety committee meetings, and
- provide tools to suppliers such as risk assessment worksheets, safe work procedure templates and pro-forma for reporting and recording activities.

STEP 5: Contract management

The purpose of contract management is to ensure that the supplier is adhering to the terms of the contract and providing the requested services/products that meet the needs of the project. Agencies must also monitor the supplier's OHS performance to ensure that OHS duties and responsibilities are met for the duration of the contract.

Contract monitoring and supervision

Monitoring and supervising the contract will ensure that the supplier's operations are conducted in accordance with:

- health and safety legislation, standards and codes of practice
- health and safety requirements outlined in contract documents, and
- contract-specific health and safety requirements as detailed in the risk assessment, health and safety plan and safe work procedure prepared by the supplier.


In order to do this, the supplier must have:

> appropriate contract supervision training and suitable health and safety knowledge and skill relevant to the contract, and

> access to relevant documents such as risk assessments, the health and safety plan, and additional OHS resources and expertise within or external to the agency as required.

The extent to which an agency should monitor and supervise suppliers will be influenced by several factors, such as the:

> type of hazards and the level of risk

> nature and complexity of the work to be carried out

> level of control that all parties have

> duration of the contract

> size and management systems of the organisation

> number of workplaces at which the contract will be performed

> number of subcontractors involved, and

> consultative and reporting mechanisms that are in place.

Supervision may need to be higher in special circumstances, such as if targeting specific key events during a contract. For example:

> ensuring that suitable systems and procedures are in place and the workplace is appropriately established at contract start-up

> monitoring conformance with safe work procedures and risk assessment control measures with high risk or complex activities

> reviewing coordination and notification systems operating at the workplace where there is a high level of interaction with other parties, and

> undertaking separate risk assessment and monitoring control procedures may be required when introducing new plant, equipment or systems of work.

Monitoring activities for complex and medium/high risk contracts

Effective monitoring activities, particularly for complex and medium/high risk contracts, may include:

> induction and training of suppliers and their employees on commencement, with refreshers for long-term contracts and project or site-specific training, if required. As a guide, an induction checklist is provided at Appendix 10

> inspecting licences and permits that are required for the type of work to be carried out

> inspecting plant and equipment associated with the licences

> regular internal and/or external audits of the supplier's OHS management system during the life of the contract (providing proof of implementation, including site inspections to monitor the supplier's compliance with health and safety procedures, their health and safety plan and legislation)

Note: inspections can be based on the control measures identified in the risk assessment


- providing advice to suppliers on unusual or unexpected risks and feedback on non compliance (such as from agency experience or inspections)
- all suppliers attending project management/contract review meetings (OHS should be a standing agenda item) and at supplier meetings (to improve project OHS coordination and problem solving)
- reviewing the supplier's OHS performance, including incident and accident records and regular reports (such as monthly reports) from suppliers on safety performance. An example of a monthly OHS performance report template is provided at Appendix 11
- providing feedback to suppliers on their OHS performance
- enforcing non-compliance and non-conformance. For example, withholding payment until the required action is taken
- periodic review and updating of the supplier's OHS plan and targets, and
- providing regular reports to senior management on OHS performance of suppliers as well as their employees.

STEP 6: Termination/transition

Termination

At termination of the contract the agency should ensure that:

- all OHS issues have been dealt with and there are no outstanding corrective actions or non-conformances
- all commissioning requirements have been implemented
- OHS issues that may arise after handover have been considered, and
- employees who may require training have been identified and, where required by the contract, given this training.

Transition

The transition stage of a contract may involve matters such as asset transfer, ongoing maintenance and service commitments by the outgoing supplier and the possible introduction of a new supplier. For instance, in the case of a building, it is important to pass on maintenance manuals, including information about lift maintenance, building maintenance units, hazards identified and resolved or safe work procedures which have been developed or modified. In some cases the transition stage may entail a period of parallel operations of old and new systems or suppliers. Carefully consider matters that may be involved during this stage with particular emphasis on identifying and assessing OHS risks and how these will be managed.

It may be appropriate to develop a transition plan during the planning stage of the procurement process. A transition plan would consider OHS issues and how these will be managed during transition operations from an existing system (if any) to a new system in a manner that does not create a health and safety risk. Where applicable, the plan should outline OHS requirements that apply when a supplier will be expected to transition to a new supplier. The plan should emphasise the need to keep proper records and retain this material.

Disposal

Disposal may not always form part of the procurement process. However, it is very important to consider it because procurement extends to the ultimate disposal of property at the end of its useful life. Prior to any disposal action, undertake an OHS risk assessment (provided at Appendix 2) and develop a disposal plan for medium/high risk disposals. A typical plan should provide information on how identified OHS issues will be managed.

STEP 7: Contract evaluation

It is good practice to evaluate the procurement process once a contract has been completed to identify weaknesses and strengths in the procurement process and lessons that can be applied to other procurement activities. A review of the safety performance on completion of the work, or periodically in the case of ongoing contracts, may include:

> the adequacy of OHS procedures and plans

> the extent to which OHS procedures and plans were implemented and complied with

> details of any accidents, incidents, near misses

> workers' compensation data (generally only for large contracts for services)

> the level of effectiveness of the consultation processes

> feedback from workers/users/other people as relevant

> whether OHS issues were readily resolved

> what OHS and safe design lessons were learned and documented, and

> how the plan can be improved.

A contract evaluation template is provided at Appendix 12.


APPENDIX 1

OHS considerations in the procurement process – Checklist[5]

Note: This is a broad checklist only and may be adapted to meet the needs of the particular procurement.

Procurement stage	OHS considerations	Has OHS been considered?
Planning	Likely OHS issues in the proposed procurement are identified.	☐yes ☐no ☐not applicable Action needed:
	An OHS risk assessment is undertaken by the person intending to procure the goods or service.	☐yes ☐no ☐not applicable Action needed:
	Specific OHS issues to be addressed by suppliers are identified.	☐yes ☐no ☐not applicable Action needed:
	People are identified who are known to be affected by the goods and services (for example, workers who make or build the item, workers who deliver the item, workers within the agency, members of the public or people affected when the item is reused or sold).	☐yes ☐no ☐not applicable Action needed:
	Consideration is given to how safe design principles can be applied.	☐yes ☐no ☐not applicable Action needed:
	OHS issues that may be present at the contract termination/transition stages are identified and treatment plans developed.	☐yes ☐no ☐not applicable Action needed:
	Consideration is given to OHS issues associated with disposal of materials, plant and equipment.	☐yes ☐no ☐not applicable Action needed:
Preparing to approach market	Required OHS performance standards are identified and included in the tender.	☐yes ☐no ☐not applicable Action needed:
	Consideration is given to whether the supplier is required to undertake an OHS risk assessment for the particular procurement.	☐yes ☐no ☐not applicable Action needed:
	There is a requirement for the supplier (and sub-contractors) to have an OHS management system in place.	☐yes ☐no ☐not applicable Action needed:
	There is a requirement for the supplier to provide project-specific OHS plans.	☐yes ☐no ☐not applicable Action needed:
	There is a requirement for the supplier to provide safe work procedures.	☐yes ☐no ☐not applicable Action needed:

[5] Adapted from NOHSC, *OHS in Procurement, Summary Report*, John Brain, March 2003

Procurement stage	OHS considerations	Has OHS been considered?
Preparing to approach market	A supplier OHS checklist isincluded in the tender specifications.	☐yes ☐no ☐not applicable Action needed:
	Safe design principles for production, delivery and disposal are included (where appropriate) in tender documentation.	☐yes ☐no ☐not applicable Action needed:
	Applicable Australian standards, legislation and codes of practice have been included in the tender documentation.	☐yes ☐no ☐not applicable Action needed:
	There is a requirement for the supplier to provide periodic reports in order to track OHS performance.	☐yes ☐no ☐not applicable Action needed:
	Appropriate OHS weightings are allocated in the tender selection criteria for the particular procurement.	☐yes ☐no ☐not applicable Action needed:
Evaluating submissions	Verification that the supplier's OHS management system meets the requirements of the particular procurement.	☐yes ☐no ☐not applicable Action needed:
	Appropriate reports are available from suppliers (and their sub-contractors) regarding their OHS management systems.	☐yes ☐no ☐not applicable Action needed:
	The supplier's (and their sub-contractors') past OHS records are reviewed and considered acceptable.	☐yes ☐no ☐not applicable Action needed:
	The supplier has identified OHS issues associated with the procurement.	☐yes ☐no ☐not applicable Action needed:
	The supplier has provided a plan to manage identified OHS issues.	☐yes ☐no ☐not applicable Action needed:
	The supplier has demonstrated an understanding of the penalties and processes if OHS performance standards are not met.	☐yes ☐no ☐not applicable Action needed:
Contract negotiation and award	Specific OHS performance requirements including reporting and monitoring are included in the contract.	☐yes ☐no ☐not applicable Action needed:
	Compliance with legislation, regulations and codes of practice are included in the contract.	☐yes ☐no ☐not applicable Action needed:
	Project-specific safe design requirements are included in the contract.	☐yes ☐no ☐not applicable Action needed:

Procurement stage	OHS considerations	Has OHS been considered?
	Penalties for non-compliance are included in the contract.	☐yes ☐no ☐not applicable Action needed:
Contract management	Induction of the supplier and their employees (and their sub-contractors) is undertaken.	☐yes ☐no ☐not applicable Action needed:
	OHS benchmarks for contract management are communicated to the supplier.	☐yes ☐no ☐not applicable Action needed:
	A project-specific health and safety plan is checked.	☐yes ☐no ☐not applicable Action needed:
	The supplier's OHS management system is monitored to ensure that it is operating properly and regular reporting systems are in place and working.	☐yes ☐no ☐not applicable Action needed:
	Effective communication channels are established.	☐yes ☐no ☐not applicable Action needed:
	Supplier reporting requirements are being monitored.	☐yes ☐no ☐not applicable Action needed:
Disposal (where applicable)	Benchmarks for safe disposal, incorporating OHS principles (for example hazardous chemicals or safe lifting) are established.	☐yes ☐no ☐not applicable Action needed:
Termination	All commissioning requirements are implemented including employee training.	☐yes ☐no ☐not applicable Action needed:
	There are no outstanding OHS issues or actions at the contract termination stage.	☐yes ☐no ☐not applicable Action needed:
Contract transition	OHS issues that need to be managed following contract transition are identified and appropriately managed.	☐yes ☐no ☐not applicable Action needed:
Contract evaluation	An evaluation is conducted on how the OHS aspects of contract delivery were managed.	☐yes ☐no ☐not applicable Action needed:
	An evaluation is conducted on how well the supplier implemented their OHS management system.	☐yes ☐no ☐not applicable Action needed:
	An evaluation is conducted on how effective the safe design principles were in influencing the procurement outcome.	☐yes ☐no ☐not applicable Action needed:
	An evaluation is conducted of the OHS and safe design lessons learned.	☐yes ☐no ☐not applicable Action needed:
	Improvement of these systems for future procurement is considered.	☐yes ☐no ☐not applicable Action needed:

APPENDIX 2

OHS risk management

An OHS risk assessment that the agency undertakes during the planning stage of the procurement process will help identify OHS risks early and select the best option for managing those risks. Each procurement will require its own risk assessment that is within its own context.

Hazard identification (What can go wrong?)

The essence of identifying hazards is to find potential problems. Hazards can be identified in a number of ways, including:

> Consultation – engage with workers, users or others who will be affected or have been affected in the past. Ask them what goes wrong and what problems occur.

> Hazard checklists/brainstorming – list the workplace hazards.

> Records – what injuries, diseases or incidents have previously been connected to this kind of procurement?

Risk assessment (How likely is it that something will go wrong?)

Having identified the risks involved, the next step is to assess the risks these hazards pose. An important part of risk assessment is to learn about the hazards, their effects and who is affected by the hazards. Risk can be thought of in relation to an entire project or a particular hazard. Risk is sometimes seen as comprising both the likelihood and consequences of an event. Some ways of assessing risk are through:

> Consultation – what do workers/users think are the most serious problems?

> Measurement and comparison to a guideline – risks can sometimes be measured against a known standard. For instance manual handling risk factors, noise, vibration, atmospheric contaminants and many other hazards can be compared to widely known guidelines, prescribed limits or exposure standards.

> Records – what has been the history of injury and disease associated with similar procurement or with similar activities conducted by others?

> Categorising and ranking – sometimes risks can be categorised and ranked. This is sometimes done by estimating the likelihood and harmful consequence of a possible event.

Risk control (How can the risk of something going wrong be minimised or eliminated?)

Risk control should be achieved using the most effective practicable solution. Sources of practicable solutions can be:

> Consultation – what do workers/users think about solutions for the problem. What solutions do they know have been used before?

> Good practice – good practices normally put in place with a procurement of this type/or within the applicable or comparable industry should be observed as a minimum. These might be outlined in guidelines, codes of practices, or industry standards (such as Australian Standards). Alternatively the good practices might not be documented but may be known and used. Broadly this means applying the ‘state of knowledge’ about solutions for this kind of risk.


- Other products, other industries – how do other industries tackle this kind of problem? Can ideas be employed or adapted from other industries?
- Hierarchy of control – An important model for thinking of solutions is the hierarchy of control. This model is often present in OHS regulations throughout Australia. The hierarchy of control is a creative thinking tool. It relies on good hazard identification. In applying the hierarchy, the first step is to ask how the hazard could be eliminated. If it is not possible to eliminate the hazard then a similar question is asked for each succeeding item down the hierarchy list. The terminology of the hierarchy of control varies but is generally along the following lines:
  - eliminating the hazard
  - substitute the hazard with a safer alternative
  - engineering (to prevent people being exposed to the hazard, such as guarding moving parts of machinery)
  - administrative controls (such as rules, procedures or signs), and
  - personal protective equipment (such as respirators, gloves, ear muffs or safety goggles).

Monitoring and review

A systematic monitoring and review process should be implemented as there is always the potential for new hazards to be introduced into a workplace. These hazards can be due to:

- use of new technology, equipment or substances
- implementation of new work practices or procedures
- a change in work environment (moving to a different office, employee reduction, etc) and/or
- the introduction of new employees with different skill/knowledge levels.

Example:

A practical step is to consider the life cycle and employ the hierarchy of control.

The photographs below show air conditioning installations in two public buildings. To avoid extra lengths of refrigerant piping it may be convenient to place equipment at height. Thinking about the life span of a procurement should identify the need for maintenance. The installation on the left will require access, probably with a ladder, hence creating the risk of a fall and very awkward manual handling at heights in both initial installation and subsequent maintenance.

Eliminating the hazard is the first stage in the hierarchy of control and the preferred choice. In the case of a fall, the hazard is the requirement for the maintenance person to work above the ground. This hazard can be eliminated in some cases, as shown in the photo on the right.

The manual handling that might be involved in the maintenance is not eliminated by the adaptation on the right. However, it is minimised by avoiding the need to work at height, for example by placing the units in a place where they can be accessed from the ground or designing a system that can be accessed with mechanical aids.

Photo: John Culvenor

Photo: John Culvenor

Risk assessment and control form

This form should be completed during the planning stage of the procurement process to identify potential OHS risks and the selection of the best option for dealing with those risks.

Name:	**Signature:** **Date:**
Procurement details:	
OHS risk level (please tick) ☐ **Low** ☐ **Medium** ☐ **High**	

What need will the procurement meet?	**What can go wrong?** (that may result in an injury or illness)	**How likely is it that something will go wrong?**	**What are the most significant risks?**	**How can the risk of something going wrong be eliminated or minimised?**

APPENDIX 3

OHS procurement checklist for off-the-shelf products[6]

This checklist should be used when procuring potentially hazardous off-the-shelf products to confirm that health and safety requirements have been considered prior to procurement. This checklist should be completed by the person or area requesting the procurement in conjunction with OHS personnel.

Description of procurement	
Intended use	
Supplier	
Person or area requesting procurement	

Pre-procurement

General considerations	yes	no	not applicable	comment / action
Has an analysis of technical and other information relevant to health and safety been completed prior to the procurement?				
Have any safety risks been identified? If yes, undertake a risk assessment and control process.				
Have the groups of workers/users/other people who will be affected been identified? (This might include employees, visitors, delivery people, public, installation people, maintenance workers or procurers who buy this second hand).				
If the equipment or materials are hazardous, can you use a less hazardous alternative?				
Do the procurement specifications include the requirement to comply with OHS legislation and relevant Australian Standards?				
Is a safe work procedure needed?				
Is the procurement is safely designed?				
Have employees, potentially affected by this procurement, been consulted?				
Has safe storage for the procurement been considered?				
Has safe transportation of the product been considered?				

[6] Adapted from University of Wollongong *Pre-Purchase Checklist and Confirmation,* http://staff.uow.edu.au/ohs/workingsafely/purchasing/OHS070-OHS_Purchasing_Guidelines.pdf (accessed 23 May 2006).


General considerations	yes	no	not applicable	comment / action
Has safe maintenance of equipment/plant been considered?				
Have potential training, instruction, work practice changes and supervision needs been considered for this procurement?				
Have any signage requirements been considered?				
Have licensing requirements, permits to operate or registration of equipment been considered (if required by legislation)?				
Have any potential emergency procedures associated with this procurement been considered?				
Has the need for personal protective equipment been considered (such as gloves or glasses)?				
Has disposal of the product been considered?				

Requisitioner's name:	Signature:	Date:
Procurer's name:	Signature:	Date:
OHS officer:	Signature:	Date:

Post-procurement

Considerations	yes	no	comment / action
Has the supplier provided all relevant safety, operation, inspection and testing information?			
Has the hazard identification information been provided to the users of the plant (for example, an operation manual)?			
Have hazardous substances been registered on a Hazardous Substances Register?			
Has a safe work procedure been written?			
Have the risk control measures identified been implemented?			
Has training been provided?			

Requisitioner's name:	Signature:	Date:
Procurer's name:	Signature:	Date:
OHS officer:	Signature:	Date:

APPENDIX 4

OHS contract clauses for contracts for services[7]

Safe Design – Model contract clause

It is important to incorporate an appropriate clause in the tender and contract which requires risk management, and more specifically, to cover whole of life OHS risks at the design stage. An example of a model clause enabling flexible modifications, depending on the nature of the service or supply, is:

> *"The [tenderer] shall detail in the design documentation the identification and assessment of whole of life occupational health and safety (OHS) risks (such as those related to the construction/manufacture, installation, commissioning, operation, maintenance, decommissioning and demolition/removal) and the methods used to eliminate and/or minimise these OHS risks via the design/redesign process."*

OHS specification and tender document requirements – Model contract clauses[8]

The following section outlines model clauses relating to OHS requirements which tenderers to be incorporated into specification and tender documents. The requirements should then be specifically incorporated into the contract. This can be easily achieved by a suitable clause in the contract that references the OHS specification requirements.

General OHS requirements

The agency is obligated to provide and maintain, where practicable, a working environment for its employees and members of the public, that is safe and without risk to health. As a condition of this contract, the agency requires that any contractors or subcontractors that may be engaged to perform a service on its behalf will at all times identify and exercise all necessary precautions for the health and safety of all persons including contracted employees, the agency's employees and members of the public who may be affected by the services. The contractor will inform itself of all occupational health and safety policies, procedures or measures implemented or adopted by the agency and/or the occupiers of any premises at or within which the contractor will perform works under this contract. The contractor will comply with all such policies, procedures or measures and in the event of any inconsistency, will comply with such procedures or measures as they produce the highest level of health and safety.

Legislative compliance

The contractor must comply with and ensure that its employees, subcontractors and agents comply with any acts, regulations, local laws and by-laws, codes of practice, Australian Standards and the agency's OHS policy and procedures which are in any way applicable to this contract or the performance of the services under this contract.

Note: this provision simply recites obligations that are independently imposed upon the party by force of law, particularly the operation of the relevant general duties provisions of the governing OHS statute.

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[7] While this section provides model clauses, they are examples only and will require legal scrutiny in the context of specific contracts.

[8] Adapted from Victorian Department of Human Services, *Capital Development Guidelines, 5.5 Managing Contractor Safety Risks,* July 2001, http://www.dhs.vic.gov.au/pdfs/capdev/managing_contractorOH&S.pdf (accessed 23 May 2006).


Contractor OHS management systems

The contractor must, when requested by the agency, submit a complete copy of the company's OHS management system documentation which must include as a minimum requirement:

> OHS policy and objectives

> organisational structure and responsibilities

> safe work practices and procedures

> OHS training and induction

> OHS auditing and inspection procedures

> OHS consultation procedures, and

> OHS performance monitoring.

Tenderer OHS management system questionnaire

[May be incorporated in conditions of tender]

Tenderers shall complete the tenderer OHS management system questionnaire and incorporate the completed questionnaire with their tender submission. Tenderers who do not complete the questionnaire shall be ineligible for selection. Tenderers will be required to verify their responses noted in the questionnaire by providing evidence of their ability and capacity in relevant matters. By submission of the tender and questionnaire the tenderer acknowledges and confirms as accurate all details contained in the questionnaire and any verifying documents.

Risk Assessment

The contractor shall prepare and submit a risk assessment prior to commencing the works under the contract. The risk assessment form shall be used to record the risk assessment and risk control methods to be employed by the Contractor. The completed risk assessment shall be submitted to the agency for review and approval prior to commencement of works under the contract.

Health and safety plan

Prior to commencing the works under the contract the contractor shall submit to the agency a health and safety plan (provided at Appendix 6) specific to the contract and works. The contractor shall complete the health and safety plan in conformance with requirements set out in the agency's guidelines for preparing health and safety plans. The health and safety plan shall consider and respond to the specific OHS hazards and issues relevant to the contract works and shall document the systems and methods to be implemented for the term of the contract. The agency shall review the health and safety plan and formal approval to commence the contract shall be provided subject to acceptance of the health and safety plan.

OHS performance reporting

The contractor must, when requested by the agency, provide evidence of ongoing performance of the contractor's OHS management system. Without limiting the requirements of this obligation, the contractor shall provide the following information on a monthly basis in the form of a contractor OHS performance report:

> number of lost time injuries

> working days lost due to injury

> current status of any injured personnel, damaged property or environmental damage or pollution

> status of the implementation and outcomes of corrective actions undertaken as a result of OHS inspections and risk assessments, and

> status of OHS management system audits undertaken.

The OHS performance report shall be submitted by the contactor using the contractor monthly OHS Performance report form (provided at Appendix 11). The contractor shall, when requested by the agency, provide reports on OHS inspections, audits or assessments undertaken during the course of the contract.

Incident notification

The contractor must notify the agency within 24 hours of any accident, injury, property or environmental damage that occurs during the duration of the contract. All lost time incidents shall be immediately notified to the agency. The contractor must provide a report of any such incident within three days, giving complete details of the incident, including results of investigations into its cause, and any recommendations or strategies for prevention in the future. This requirement is in addition to, and independent of, any incident notification duty required by law.

Non compliance

If, during the performance of works under the contract, the agency informs the contractor that it is the opinion of the agency that the contractor is:

> not conducting the work in compliance with the contractor's health and safety plan, health and safety management system procedures, relevant legislation or health and safety procedures provided by the agency from time to time, or

> conducting the work in such a way as to endanger the health and safety of contractors' employees or the agency's or its contractors' and subcontractors' employees, plant, equipment or materials, the contractor shall remedy that breach of health and safety promptly.

The agency may direct the contractor to suspend the work until such time as the contractor satisfies the agency that the work will be resumed in conformity with applicable health and safety provisions.

During the periods of suspension referred to above, the agency shall not be required to make any payment whatsoever to the contractor.

If the contractor fails to rectify any breach of health and safety for which the work has been suspended, or if the contractor's performance has involved recurring breaches of health and safety, the agency may, as its option, terminate the work forthwith, without further obligation to the contractor. In this event, the agency's liability shall be limited to payment for the work performed and costs incurred by the contractor up to the time of termination or an earlier suspension of works.


Subcontracting

Except where a subcontractor is one of the specified personnel, the contractor must not, without the prior written approval of the agency, subcontract the performance of any part of the consultancy services. In giving written approval, the agency may impose such terms and conditions as it thinks fit.

The contractor will not enter into any subcontract for the purpose of directly or indirectly fulfilling its obligations under this contract unless such a subcontract obliges the subcontractor to comply with equivalent provisions to those contained in clause [INSERT clause number(s) with which subcontractor must comply] and in this sub-clause.

The contractor is fully responsible for the performance of the consultancy services notwithstanding that the contractor subcontracts the performance of any part of those services.

Despite any approval given by the agency under clause 1, the contractor is responsible for ensuring the suitability of a subcontractor for the work proposed to be carried out, and that the work carried out meets the requirements of this contract.

The contractor must ensure that a subcontractor is aware of all terms and conditions of this contract relevant to the subcontractor's part in the provision of the consultancy services.

The contractor must pay the subcontractors in accordance with the terms of the relevant subcontract.

APPENDIX 5

Tenderer OHS systems management questionnaire[9]

This questionnaire is to be completed by the supplier and should be submitted with their tender documentation.

OHS legislative requirements

1 Has the enterprise been the subject of any OHS enforcement activities in the past five years? (Enforcement activities include a notice from an inspector and/or prosecutions)

☐ yes ☐ no

If yes, provide details of the litigation and the measures implemented to rectify these problems:

_____

_____

_____

OHS policy and management

2 Does your enterprise have a written company OHS policy and associated programmes and procedures?

☐ yes ☐ no

If yes, attach a copy of the policy and a list of associated programmes and procedures.

Comment: _____

_____

_____

3 Is there an OHS management system or plan for your enterprise?

☐ yes ☐ no

If yes, attach a copy of contents page(s).

Comment: _____

_____

_____

4 Are OHS responsibilities and accountabilities clearly identified for all levels of employees in your enterprise?

☐ yes ☐ no

If yes, provide an example at each level(s).

Comment: _____

_____

_____

[9] Adapted from NSW Government Procurement Guidelines, Occupational Health Safety and Rehabilitation, May 2000, http://www.supply.dpws.nsw.gov.au/nr/rdonlyres/efxtycbtexzihzty3nnlyxzob2ktnrpdlojq6gsaft4hybie4s2tzvlgcvvaneaugupzschzvlkslbkx5fqpr4nqoka/occupational+health+safety+and+rehabilitation.pdf (accessed 23 May 2006).


Safe work procedures and practices

5 Does your enterprise have safe work procedures (sometimes called safe operating procedures) or specific health and safety instructions in place relevant to its operations?

☐ yes ☐ no

If yes, attach a summary listing of procedures or instructions.

6 Does your enterprise have any permit to work systems?

☐ yes ☐ no

If yes, provide a summary listing or copies of permits:

_____

_____

_____

7 Are there documented accident, incident and hazard investigation reporting procedures in place?

☐ yes ☐ no

If yes, provide or attach an outline of these procedures.

_____

_____

_____

8 Are there procedures for maintaining, inspecting, assessing and controlling the risks of plant operated/owned by the enterprise?

☐ yes ☐ no

If yes, provide details

_____

_____

_____

9 Are there procedures for handling, storage, packaging and delivery of chemicals and/or hazardous substances?

☐ yes ☐ no

If yes, provide details

_____

_____

_____


10 Are there procedures for identifying, assessing and controlling risks associated with manual handling?

☐ yes ☐ no

If yes, provide details

11 Who in your enterprise has the authority to stop unsafe operations?

Name:

Position:

OHS training

12 Describe how OHS training is conducted in your enterprise?

13 How does your enterprise identify the OHS training needs for management and employees?

14 Is OHS training given to managers and employees on a formal or informal basis?

15 Is OHS training delivered by suitably qualified persons?

☐ yes ☐ no

If yes, provide details:

16 Are language and literacy barriers addressed in your training programmes?

☐ yes ☐ no

If yes, provide details:


17 Are all personnel given OHS training upon their induction?

☐ yes ☐ no

If yes, provide details:

18 Are employees given necessary task training to conform to OHS standards?

☐ yes ☐ no

If yes, provide details:

19 Is OHS refresher training provided regularly?

☐ yes ☐ no

If yes, provide details:

20 Is a record maintained of all OHS training and induction programmes undertaken for managers and employees in your business?

☐ yes ☐ no

If yes, provide examples of health and safety training records.

21 Who is the designated manager responsible for the compilation and maintenance of these records?

Name:

Position:

22 How are your OHS training programmes evaluated?

Comments:

Health and safety workplace inspection

23 Are health and safety inspections at the work place conducted on a regular basis?

☐ yes ☐ no

If yes, outline regularity:

24 Are employees consulted during workplace inspections?

☐ yes ☐ no

If yes, provide details:

25 Are standard workplace inspection checklists used to conduct health and safety inspections?

☐ yes ☐ no

If yes, attach examples:

26 Who receives reports on these health and safety inspections?

Name:

Position:

27 Is there a procedure by which employees can report hazards at their workplace?

☐ yes ☐ no

If yes, provide details:

28 Is quick corrective action taken to control health and safety risks revealed by workplace inspections and hazard reports?

☐ yes ☐ no

If yes, provide details:

29 Are records of workplace inspections, hazard reports and corrective actions maintained?

☐ yes ☐ no

Health and safety consultation

30 Does your enterprise have OHS committees?

☐ yes ☐ no

Comments:


31 Are there employee health and safety representatives?

☐ yes ☐ no

Comments:

32 Are employees consulted and involved during the process of hazard identification, risk assessment and risk control?

☐ yes ☐ no

If yes, provide details:

33 Are employees consulted when risk control measures are evaluated to see if they are working properly?

☐ yes ☐ no

If yes, provide details:

Procurement policies

34 Does your enterprise ensure that all plant (machinery, tools, equipment, appliances and containers) and substances comply with relevant Standards and OHS legislative requirements?

☐ yes ☐ no

If yes, provide details:

35 Does your enterprise include OHS requirements of manufacturers and suppliers in all specifications and for plant and equipment?

☐ yes ☐ no

If yes, provide details:

36 Does your enterprise ensure that any potential item to be procured has an appropriate OHS assessment prior to procurement?

☐ yes ☐ no

If yes, provide details:

37 Does your enterprise have written organisational procedures covering OHS requirements in equipment procurement?

☐ yes ☐ no

If yes, provide details:

Sub-contracting

38 Does your enterprise ensure that all sub-contractors you use in your business understand and agree to comply with their legal responsibilities under the applicable Occupational Health and Safety legislation, and any other relevant OHS requirement?

☐ yes ☐ no

If yes, provide details:

39 Is there documentation to ensure that the sub-contractor understands and agrees to comply with all of your health and safety rules and procedures?

☐ yes ☐ no

If yes, provide details:


OHS performance monitoring

40 Does your enterprise have a system for recording and analysing OHS performance?

☐ yes ☐ no

If yes, provide details:

41 Are employees regularly provided with information on company health and safety performance?

☐ yes ☐ no

If yes, provide details:

42 Are records maintained of accident statistics (for example lost time, frequency rates and duration rates)?

☐ yes ☐ no

If yes, provide data for previous 3 years

Note: the data provided must not contain personal information (such as names) that would enable individuals to be identified.

43 Are other measures used to measures safety (for example, hazard inspections conducted, hazards identified, hazards rectified or OHS training figures)?

☐ yes ☐ no

If yes, provide data for previous 3 years

APPENDIX 6

Suppliers' health and safety plan[10]

In high/medium risk contracts, the successful tenderer should prepare and submit a health and safety plan before beginning the contracted work. The health and safety plan should outline how the contractor will manage occupational health and safety for the term of the contract. The health and safety plan must cover specific OHS issues relevant to the contracted work and document the systems and methods that will be used to effectively manage OHS risks.

A supplier's health and safety plan should contain the following elements:

> a description of the contract

> an OHS structure and system for the work to be performed under the contract

> induction and safety training procedures for the supplier's employees

> safe work practices and procedures for the work to be performed under the contract

> a risk assessment for the work to be performed under the contract

> a workplace inspection schedule for the duration of the contract

> OHS consultative processes to be followed for the duration of the contract

> emergency procedures to be followed during the contract period

> incident recording and investigation procedures to be in place during the contract period, and

> health and safety performance monitoring arrangements to be implemented during the contract.

Contract description

A brief description of the work associated with the contract should be documented. The description should be sufficiently detailed providing persons unfamiliar with the contract an overview of the type of work being carried out and under what conditions.

As a minimum, the description of work should include the following details:

> a summary of major activities and types of work to be performed

> a list of tasks or specialist procedures that may require detailed health and safety work procedures and training, and

> a list of areas of the contract requiring special consideration from a health and safety perspective, for example:

  - where members of the public may be present
  - traffic management
  - work restrictions, such as times of work or confined spaces, or
  - exposure to hazards, such as noise, dust or elevated heights

[10] Adapted from *A Practical Guide to Integrating OHS into Effective Contractor Management,* June 2000, Comcare.

Contract OHS structure and system

A supplier's health and safety plan should be established around their existing OHS management systems and associated procedures and controls. Reference should be made in the health and safety plan to existing procedures and documentation. This will also assist in minimising the size of the document.

The supplier should outline the management structure, responsibilities, standards and control systems applicable to the contract to ensure OHS requirements are adequately addressed. The following information should be included:

> the supplier's health and safety policy to be displayed at all worksites

> an outline of the supplier's health and safety organisation and structure, including names and/or positions of those with specific health and safety responsibilities

> a summary of OHS roles and responsibilities of the supplier's employees involved in the contract, and

> the position and/or name of a senior person who will liaise with the agency on health and safety matters.

Induction and safety training procedures

An agency should request that suppliers document their safety-training program ensuring that they have appropriately skilled employees, suitable training programs and adequate supervision for the contract works.

The following information should be provided:

> an outline of the contract induction procedures for employees and sub-contractors

> details of the content of the induction course

> a register of personnel who have satisfactorily completed the contract induction

> details of employee health and safety training relevant to the contract requirements that has been or will be provided

> a register of names and/or positions of contract employees with authorisations, permits, competency certificates and licenses who may be required to supervise or undertake specialist work activity.

The risk assessment

A risk assessment is an integral part of the health and safety plan and should take account of the following:

> identifying the hazards associated with contract tasks and activities

> determining the level of risk, and

> establishing appropriate risk control measures.

Each major or significant task or activity associated with the contract should be assessed in terms of the associated hazards. When all hazards have been identified the most likely outcome of an incident can be determined. Generally, a risk assessment worksheet is compiled. Using the worksheet, assessments of consequence and likelihood can be translated into levels of risk. Areas of high risk can be given first priority for elimination or control in the workplace. An example of a risk assessment worksheet is provided at Appendix 7.


Additional risk assessments may be performed during the course of the contract as required. For example, work performed by subcontractors might be the subject of a risk assessment.

Safe work procedures and practices

It is essential that relevant safe work procedures and practices should be developed for the contract. Where possible, the supplier's existing health and safety procedures should be used. However, contract-specific safe work procedures may need to be developed on the basis of particular contract hazards. These may be identified when undertaking the risk assessment.

Further information on safe work procedures is provided at Appendix 8.

Workplace health and safety inspections

Health and safety inspections play an important role in identifying hazards at the workplace and in developing control measures. The health and safety plan should outline the procedures and methods by which contract workplaces will be inspected.

The following information should be provided:

> details of how workplace health and safety inspections will be performed during the contract, considering:
  - checklists to be used
  - frequency of inspections
  - team members
  - actioning of inspection findings
> details of hazard reporting procedures for the contract, including hazard report forms, and
> details of specific activities or areas targeted for inspection (such asplant, hazardous materials or electrical safety).

Health and safety consultation

Consultation with employees provides an important mechanism for health and safety issues to be dealt with in a manner that promotes ownership and prompt resolution.

The following information should be documented:

> a list of current health and safety representatives
> details of the membership and operation of any Health and Safety Committee, and
> details of the supplier's issue resolution processes.


Emergency procedures

There is the potential for a range of emergency situations to occur both on-site and off-site in relation to contract works. These situations need to be identified and specific emergency procedures developed and made known.

The following information should be documented:

> overall emergency plan and structure for the contract

> register of emergency equipment and locations (such as first aid equipment or fire extinguishers)

> register, and clear identification on site, of first aid officers with current qualifications, and

> arrangements for coordination with other worksite occupants in the event of an emergency.

Incident recording and investigation

All incidents associated with the contract including near misses, personal injury, medical treatment or property damage should be recorded and investigated.

The following details should be documented:

> incidents which have been reported, the investigation system and the procedures followed

> how incident reports would be notified to the agency, and

> how incident statistics are to be compiled and distributed.

Note: The agency may be required to notify specific incidents to their OHS Regulator.

Health and safety performance monitoring

The following information should be recorded:

> details of how health and safety performance statistics associated with the contract are reviewed

> details of how periodic health and safety performance reports will be compiled for review by the agency

> nature of health and safety performance information presented to employees on a regular basis, and

> outline of an auditing process to evaluate the effectiveness of the health and safety plan.

APPENDIX 7

OHS risk assessment worksheet[11]

A risk assessment worksheet is a useful tool to identify hazards associated with work activities, the risk control measures that can be implemented and the people responsible. It should be a minimum requirement for all contracts and should be completed by the supplier and submitted with the tender submission documentation.

Six steps to using the risk assessment worksheet

Step 1. Document the activity

Using the risk assessment worksheet, write down in step by step form the tasks that make up the activity.

Step 2. Identify the hazards

Next to each task, identify what part of the task may cause injury or illness to those engaged in the task or others in the vicinity—or others involved throughout the item's life. This includes those upstream in manufacturing or delivery, or those at the workplace for installation, use, maintenance, cleaning, members of the public. This also includes those downstream, such as further users or those who procure the item second-hand.

Step 3. Assess the risk

For each identified hazard, assess the level of risk to those involved. The level of risk is assessed by taking into consideration the extent (severity) of the injury or ill health were it to occur (such as fatality, serious injury, minor injury, negligible injury) and the chance (possibility) of each of the situations or events actually occurring (whether it is very likely, likely, unlikely or highly unlikely).

Step 4. Establish appropriate control measures

Determine and list the appropriate control measures required to eliminate or minimise those risks and record those measures on the worksheet. Areas of high risk should be given first priority.

Step 5. Identify who is responsible

Document the name of the person responsible for implementing the control measure.

Step 6. Monitor and review

Make sure the activity is supervised to ensure the documented process is being followed. The documents should be reviewed whenever a documented activity changes, when there is a change of personnel or after an appropriate period of time.

[11] Adapted from Victoria WorkCover Authority, Job Safety Analysis Worksheets, http://www.worksafe.vic.gov.au/wps/wcm/connect/WorkSafe (accessed 23 May 2006).


Risk Assessment worksheet

This worksheet should be completed by the Supplier and submitted with their tender documentation.

Supplier's name:	**Agency's name:**
Procurement details:	
Licence requirements? **yes no**	**Permit to work requirement?** **yes no**
Signature:	**Date:**

Activity List the tasks required to perform the activity in the sequence they are carried out.	**Hazard** List the hazards that could cause injury against each task when the task is performed.	**Level of risk** High, medium, low	**Risk control measures** List the control measures required to eliminate or minimise the risk of injury/illness arising from the identified hazard.	**Who is responsible** Name of person responsible for implementing the identified control measure.

APPENDIX 8

Safe work procedures[12]

(For the procurement of services)

Safe work procedures are sometimes called safe operating procedures and fulfill several purposes. They:

> outline a safe method of work for all activities in a specific job

> provide an induction document that workers must read and understand before starting the job

> help meet legal responsibilities for such requirements as hazard identification, risk assessment and risk control

> help to effectively coordinate the work, the materials needed, the time required and the people involved to achieve a safe and efficient outcome, and

> can be used as a tool in quality assurance.

Safe work procedures should be prepared for all activities assessed as having a safety risk. Particular attention should be paid to activities with a high safety risk (for example working at heights, and with or near hazardous substances).

As a minimum, safe work procedures should include:

> a description of the work to be undertaken

> the step–by–step sequence involved in doing the work

> identification of the potential hazards associated with the work, and with each step of the work

> an assessment of the risk posed by the hazard

> the safety controls that will be in place to eliminate or minimise the risk

> all precautions to be taken to protect health and safety

> all health and safety instructions to be given to persons involved with the work

> identification of health and safety legislation, codes or standards applicable to the work, and where these are kept

> the names and qualifications of those who will:

  - supervise the work
  - inspect and approve work areas, work procedures, protective measures, plant, equipment and power tools

> a description of what training is given to people involved with the work

> the names of those who will be or have been trained in the work activities described in the Safe Work Procedures, and the names and qualifications of those responsible for training them

> identification of the plant and equipment that will most likely be used in the workplace, and

> details of the inspection and maintenance checks that will be or have been carried out on the equipment listed.

[12] Adapted from Roads and Traffic Authority of NSW, Developing Safe Work Method Statements, http://www.rta.nsw.gov.au/doingbusinesswithus/downloads/contractor-ohs/ohs_policies_dl1.html (accessed 23 May 2006).


Safe work procedure template

Supplier's name	
Supplier's registered office address	
Project/job	
Area/building	

Description of work to be undertaken.	
Health and safety instructions to be given to persons involved with the work.	
Health and safety legislation, codes or standards applicable to the work, and where these are kept.	
The names and qualifications of those who will supervise the work.	
The names and qualifications of those who will inspect and approve work areas, work procedures, protective measures, plant, equipment and power tools.	
A description of the training given to people involved with the work.	
The names of those to be trained in the work activities described in the safe work procedures, and the names and qualifications of those responsible for training them.	Workers: Trainers:
Details of the materials, plant and equipment that will most likely be used in the workplace.	
Details of the inspection and maintenance checks that will be, or have been, carried out on the equipment listed.	


Step-by-step work procedures	Possible hazards	Safety controls
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
Name of person preparing safe work procedure		
Supplier's senior management representative	Signature:	
	Name:	Date:

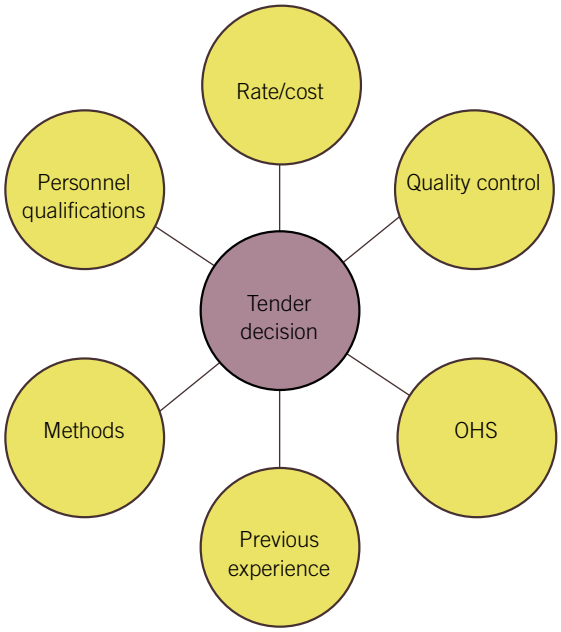
To be printed on the supplier's company letterhead


APPENDIX 9

Example: Evaluating OHS criteria

The weighting of evaluation criteria provides one way to integrate OHS in a procurement decision along with other criteria according to its relative importance. This is shown in the figure below.

Example criteria for a tender decision



Each criterion feeds into the decision in parallel. The score for each of the criteria is multiplied by these weights to provide the weighted score which is then added to provide the total score. The overall evaluation criteria and weightings must be agreed prior to issuing the tender. Scores can be determined according to any convenient scale, for example:

0 Does not address requirement

1 Marginally fails to meet major requirements

2 Appears to be suitable for requirement

3 Exceeds overall requirement

4 Best practice

	Example criteria	Score	Weight	Weighted score
1	Methodology, process, approach to the service			
2	Rate, basis of remuneration, overall cost			
3	Quality control and assurance			
4	OHS			
5	Previous experience, ability, references			
6	Personnel qualifications/proposed roles			
	Total score			

APPENDIX 10

Induction checklist [13]

Induction training should be provided to suppliers, subcontractors and their employees before they commence work. This induction checklist should be completed for all suppliers, subcontractors and their employees.

Supplier's company name	
Name of supplier's representative	
Name of employer representative providing induction	

Supplier to indicate whether the following information has been provided and sign as acknowledgement.

		Yes	Comment
1.	Introduction – why the employer takes contractor safety seriously		
2.	Organisational overview and provision of site map – outline of nature of site		
3.	Employer's OHS policy		
4.	Outline of project/site rules		
5.	Outline of permit to work system (if applicable)		
6.	Emergency procedures		
7.	Hazard and incident reporting		
8.	First aid		
9.	Use of personal protective equipment		
10.	Security and access arrangements		
11.	Hazardous areas – particularly those relevant to the contractor's work or work areas		

Supplier's signature		**Date:**

Employer's signature		**Date:**

This induction is valid for a period of two years from the date above, unless the nature of the supplier's work substantially changes. In this case another brief project/site induction should be completed.

[13] Adapted from University of Wollongong, *Contractor Safety Guidelines,* last review January 2006, http://staff.uow.edu.au/ohs/workingsafely/contractor/index.html (accessed 23 May 2006).

APPENDIX 11

Supplier's OHS performance report[14]

The following form may be completed by the contractor where they are required to provide a periodic report to the agency on their OHS performance.

Contract name:	**Report for the month of:**
Contract number:	**Prepared by:**
Supplier:	**Date:**

OHS performance

Indicator	Current Month	Monthly Average	Total
Positive indicators include, number of hazard inspections conducted, problems resolved, job safety analyses prepared, job safety analyses audited, safety training person-hours conducted, safety walks conducted and toolbox meetings conducted.			
Number of lost time injuries.			
Working days lost due to injury.			
Workers' compensation payments made relating to injuries on this project.			

Status of injured personnel and property damage

Name/item	Injury/damage	Date of incident	Days lost		Return to work	
			Current Month	Total	Forecast	Actual

[14] Adapted from Sydney Water, *Contractor Safety Management System Manual,* October 2003.


OHS corrective actions

Nature of corrective action	Risk class	Status		Comments
		Open	Closed	

Outcomes of OHS audits/inspections

Comments/outcomes:

Comments on OHS performance

Agency's representative:

Supplier's representative:


APPENDIX 12

Contract evaluation report[15]

This evaluation report should be completed at the conclusion of the contract by the person within the agency responsible for monitoring and supervising the contract.

Contract name:	
Contract number:	Prepared by:
Supplier:	Date:
Project specific risks:	

Supplier's performance	
	Total
Number of lost time injuries	
Number of days lost due to injury	
Number of deaths	
Number of hazard inspections conducted	
Number of non-conformance reports issued	

Contractor OHS performance	Comments
Contract OHS structure and system	
Contract induction and safety training	
Safe work practices and procedures	
Risk assessment	
Workplace health and safety inspections	
Incident recording and investigation	
Health and safety performance monitoring	
Emergency procedures	

Name:

Signature: Date:

[15] Adapted from Sydney Water, *Contractor Safety Management System Manual*, October 2003.

GLOSSARY

Term	Definition
Safety terms	
Certified OHS management system	An OHS management system verified by an independent party.
Design	The conceptual process used to bring together innovation, aesthetics, and functionality to plan and create an artifact, a product, a process or a system to meet an artistic or industrial requirement of an individual or group. It includes research and development, conceptual design, general design, drawings, plans, systems, quantities, method of construction or manufacture, detailed cost and risk analysis (including analysis of OHS risks), feasibility, detailed design, technical specification and redesign.
Hazard	A source or situation with the potential for harm in terms of human injury or ill health, damage to property, environment or a combination of these.
Hazard disclosure statement	Information disclosed in accordance with an agreed schedule by a supplier of an item of plant, equipment or hazardous substance for use at a workplace regarding the hazards associated with the plant, equipment or hazardous substances (such as noise emitted by plant, ingredients of the hazardous substance).
Hazard identification	The process of identifying potential causes of injury, illness or damage. Different methods may be used to identify hazards including observation, consultation with workers, clients or other users, trial of models or prototypes, review of technical standards and other information sources, monitoring and measurement.
OHS legislation	Individual legislative enactments in each jurisdiction (State/Territory/ Commonwealth) in the area of occupational health and safety.
OHS plan	A strategic document that gathers information and sets objectives or goals for all relevant areas of occupational health and safety. This plan must be able to be revised when the need arises, for example, in setting new goals or re-prioritising resources.
Risk	Arising from exposure to a hazard. Risk is measured by the probability and consequence(s) of injury, illness or damage occurring from any exposure to that hazard.
Risk assessment	The process of analysing the probability and consequences of injury, illness or damage arising from exposure to identified hazards.
Risk management	A systematic process to identify and understand the risks inherent in a given project and to develop strategies to eliminate or minimise them.
Safe design	The integration of hazard identification and risk assessment methods early in the design process to eliminate or minimise the risks of injury throughout the life of the product being designed.

Safe work procedures	A statement, developed after a full risk assessment has been completed and all reasonable risk control measures put into place, which communicates agreed work practices to all employees in a work group.
Standards	Published documents that set out specifications and procedures designed to ensure that a material, product, method or service is fit for its purpose and consistently performs the way it was intended to.
Procurement terms	
Business case	Sets out the information needed to enable a manager to decide whether to support a proposed project before significant resources are committed to its development. The core of the business case is an assessment of the costs and benefits of proceeding with a project.
Contract management	The process of actively managing the relationship with a supplier over the term of the contract to ensure that both parties meet their obligations and that value for money is achieved through satisfactory completion of the contract.
Covered procurement	A procurement, other than one that is specifically exempt, where the value of the goods or services being procured exceeds the relevant procurement threshold specified in the *Commonwealth Procurement Guidelines*.
Direct sourcing	A procurement process in which an agency may contact a single potential supplier or suppliers of its choice and for which only a limited set of mandatory procurement procedures apply.
Exempt procurement	A procurement or class of procurement which is exempt from the mandatory procurement procedures of the *Commonwealth Procurement Guidelines.* Such procurement is not a covered procurement irrespective of the value of the goods or services being procured. Exempt procurements remain subject to other requirements of the *Commonwealth Procurement Guidelines,* including the core principle of value for money.
Life cycle	All phases in the life of a designed-product. Specific phases depend on the type of product but may include design, development, manufacture, construction, assembly, import, supply, distribution, sale, hire, lease, storage, transport, installation, erection, commissioning, use or operation, consumption, maintenance, servicing, cleaning, adjustment, inspection, repair, modification, refurbishment, renovation, recycling, resale, decommissioning, dismantling, demolition, discontinuance, disposal.
Open tendering	A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Procurement	Encompasses the whole process of acquiring goods or services (including disposal). Procurement takes many forms and includes the acquisition of consumables (goods), real property, capital equipment such as computers, built assets such as hospitals, schools, roads and major facilities and services such as office accommodation, cleaning and security.
Request for tender	A published notice inviting businesses who satisfy conditions for participation to submit a tender in accordance with the requirements of the request for tender and other request documentation.
Select tendering	A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. For covered procurements, a select tender process may only be conducted in accordance with certain procedures and circumstances set out in Division 2 of the *Commonwealth Procurement Guidelines.*
Specifications	A detailed description of the public authority's procurement requirement and consequently what the supplier is required to comply with in order to provide the goods or services.
Technical and functional requirements	Operational requirements necessary to fulfill a contract.
Tender	A submission from a potential supplier making an offer to perform a procurement in response to a request for tender or invitation to tender.
Transition plan	The need for a transition plan where it is anticipated that the service requirement is to extend beyond the contract period.
Value for money	The core principle underpinning Australian Government procurement. In the procurement process this principle requires a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle (whole-of-life costing). Whole-of-life assessment would include considering factors such as: > the maturity of the market for the property or service sought > the performance history of each prospective supplier; > the relative risk of each proposal > the flexibility to adapt to possible change over the lifecycle of the property or service > financial considerations including all relevant direct and indirect benefits and costs over the whole procurement cycle > the anticipated price that could be obtained, or cost that may be incurred, at the point of disposal, and > the evaluation of contract options (for example, contract extension options).
Whole-of-life	See value for money definition.

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