

# Contractor and Owner Safety Program Implementation

API RECOMMENDED PRACTICE 2221  
THIRD EDITION, OCTOBER 2011



AMERICAN PETROLEUM INSTITUTE



# Contractor and Owner Safety Program Implementation

## Downstream Segment

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## Foreword

This guide is intended to assist refining and petrochemical industry facility owners and contractors to implement or improve an effective contractor safety and health program. This guide supplements the American Petroleum Institute's (API) Standard 2220 *Improving Owner and Contractor Safety Performance*. These two documents identify elements of contractor safety and health programs, and provide guidance and examples to refinery and petrochemical plant owners for designing and implementing effective programs. Contractors can also benefit from understanding the owner's program and by establishing a complementary program of their own.

A number of annexes are included in this document as samples of approaches used at some facilities or as supplemental information. Except where indicated in the text, these annexes are informative; implementation of informative annexes is not required for a program to be in conformance with these guidelines.

This information is provided to help owners of (and contractors working at) refinery and petrochemical facilities to understand the process of managing contractor safety and health programs. Neither API nor this document can replace the necessary professional judgment needed to recommend the specific strategy to apply. This information should be applied as necessary to reflect the needs of the owner, facility or particular activity. Each user shall analyze the particular situation, apply the information in this document to the situation as applicable and necessary, and obtain appropriate technical and legal assistance. This manual is not designed or intended to create legal rights or obligations. All employers (owners and contractors) are expected to comply with federal, state and local laws and regulations, and should consult legal counsel concerning such matters.

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# Contractor and Owner Safety Program Implementation

## 1 Scope

Many facilities in the refining and petrochemical processing industries employ contractor personnel for a wide range of activities, from administrative support to equipment repair, maintenance, and construction. Contractor activities that involve work in or around process equipment can have an increased potential to place both contractor personnel and owner personnel at risk.

This guide is intended to assist refining and petrochemical industry facility owners and contractors to implement (or improve) an effective contractor health and safety program. In the petroleum segment, API 2221 applies to downstream activities only. This includes refineries, pipelines and marketing and distribution terminals, but not exploration and production or marine. This document provides guidance for applying the principles outlined in API RP 2220, *Improving Owner and Contractor Safety Performance*. Security issues maintain a high profile in all aspects of industry, including the contractor screening and selection process; however, security is outside the scope of this standard and is mentioned as a reminder of the need for many facilities to include security in their contractor processes.

### 1.1 General

This publication intends to preserve the independent contractor relationship while helping both owners and contractors improve contractor safety performance. It is based on experience in the petroleum and petrochemical industries and experience of firms that perform contract work for these industries. Since owner facilities, equipment, sites and contracted work are diverse, this publication may not be applicable to operations at all facilities or to all contract work performed in these operations. This publication may not apply to contractors working in low risk environments that generally do not affect facility safety, such as those that provide incidental or supplementary services such as janitorial, beverage or laundry.

#### 1.1.1 Owner Commitment to Improved Contractor Safety Performance

The owners' commitment and continued support of a health and safety process are the essential elements of all successful contractor safety programs. Effective contractor safety programs require owners to focus resources on safety and to maintain processes to review how contractor safety is being managed. To emphasize their commitment, many owners incorporate the need for contractor safety in senior management safety, health and environmental policy statements.

#### 1.1.2 Contractor Commitment to Improved Safety Performance

The success of contractor safety initiatives requires commitment from the contractor as an employer in addition to the commitment of facility owners. Owners should encourage contractor management commitment by sharing information regarding the success of effective health and safety performance as cost-effective "good business."

## 1.2 Purpose

The purpose of this publication is to assist owners and contractors to improve their safety programs. Joint commitment and support of safety program initiatives are essential in minimizing incidents and preventing injuries and illnesses. The nature of the work performed by contractors within the petroleum and chemical industries varies greatly. Some contractors perform construction and turnaround activities; other specialty contractors provide skills and services that are not typically found within an owner's work force. Other contractors may provide services to augment the peak loads and skills of owners' work forces, such as in maintenance and operation of facilities. These diverse functions and uses of contractors share a common need for effective safety programs to protect owner and contractor personnel from workplace injuries, illnesses and losses associated with incidents arising out of contractor work.

This publication originated with an API task force comprised of representatives of owner companies and contracting firms involved in downstream operations including refining, petrochemical, pipeline, wholesale marketing and distribution. Application of any section of this publication by management should take into account the type of work, the level of risk, and safety performance expectations of the contractor personnel.

### 1.3 Benefits of a Contractor Health and Safety Program

Owners and contractors benefit when they work together to enhance the management of contractor related health and safety programs. These benefits include, but are not limited to:

- improved health and safety performance;
- better working relationship between owner and contractor;
- improved health and safety training for both owner and contractor personnel;
- improved quality and productivity; and
- improved plant and equipment reliability.

Improved quality and productivity are inherent benefits because a comprehensive contractor safety program requires that workers be properly trained for their job tasks and be familiar with their job requirements. Fewer incidents result in reduced regulatory inspections and provide for better control of project costs. The potential for damage to the owner's facility and the contractor's equipment is also reduced, thus improving productivity and reliability.

### 1.4 Concept of Hazard versus Risk

Hazards are conditions or properties of materials with the inherent ability to cause harm. Risk involves the potential for exposure to hazards that may result in harm or damage. For example, a hot surface or material can cause thermal skin burns or a corrosive acid can cause chemical skin burns, but these injuries can occur only if there is contact exposure to skin. A person working at an elevated height has "stored energy" and a fall from a height can cause injury, but there is no risk unless a person is working at heights and is thus exposed to the hazard. There is no risk when there is no potential for exposure.

Determining the level of risk for any activity involves understanding hazards and estimating the probability and severity of exposure that could lead to harm or damage. While the preceding examples relate hazards to the risk to people, the same principles apply to property risk. For instance, hydrocarbon vapors in a flammable mixture with air can ignite if exposed to a source of ignition resulting in a fire which could cause injury and damage property.

These concepts are significant in order to understand and properly define the categories of potential risk associated with work done by contractors.

### 1.5 Contractor and Owner Relationship

Contractor health and safety programs are most effective when there is participation by both owners and contractors, each of whom has a distinct role in ensuring the ongoing safety of contractor activities. The contractor and owner relationship is significantly improved by clearly defining roles and responsibilities for both parties, establishing goals, objectives and expectations, and maintaining communication throughout the relationship. This document, supplemented by extensive material in the appendices, provides approaches for implementing those responsibilities.

Contractors frequently use subcontractors, both on large projects and for specialized work. Depending on the nature of the contract, a subcontractor is generally subject to either the owner's or contractor's health and safety requirements (or both). The major difference between a contractor and subcontractor is that a contractor who employs subcontractors assumes the role of "owner" with respect to the subcontractor. The owner and prime

contractor need to discuss and agree on the health and safety program requirements for subcontractors during the pre-award process.

## 1.6 Relationship to Process Safety Management

OSHA adopted 29 *CFR* 1910.119, *Process Safety Management (PSM) of Highly Hazardous Chemicals* in 1992. Paragraph (h) of the OSHA PSM standard applies to contractors performing maintenance or repair, turnaround, major renovations, or specialty work on or adjacent to a covered process. The OSHA PSM standard applies only to facilities that meet the relevant definitions. The PSM standard does not generally apply to contractors providing incidental services that do not involve or impact on process safety, such as janitorial, laundry and other similar on-site services.

The U.S. EPA also includes a contractor safety paragraph in their Risk Management Plan (RMP) regulation that is similar to the OSHA PSM standard.

This guide is general in nature and is not intended to provide, and does not provide, specific guidance for PSM compliance. However, elements in this guide may be of assistance in developing compliance programs for owners who have contractors working in facilities that are subject to the OSHA PSM or EPA RMP standard.

## 2 Normative References

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies. General safety standards appear in Annex N along with a bibliography of historical or useful references.

API/NPRA *Security Vulnerability Assessment Methodology for the Petroleum and Petrochemical Industries*

API Standard 2220, *Improving Owner and Contractor Safety Performance*

API *Security Guidelines for the Petroleum Industry*, Third Edition, April 2005

ASSE <sup>1</sup>/ANSI <sup>2</sup> Z490.1, *Criteria for Best Practices in Safety, Health and Environmental Training*

NCCI <sup>3</sup>, *ABC's of Revised Experience Rating*

U.S. DOT 49 <sup>4</sup>, *Code of Federal Regulations (CFR) Parts 190 to 199*

U.S. EPA <sup>5</sup>, *Accidental Release Prevention Requirements: Risk Management Programs Under the Clean Air Act*, 40 *CFR* Part 68, Section 112(r)(7)

U.S. OSHA <sup>6</sup>, 29 *CFR* Parts 1910 and 1926

U.S. OSHA 1904, 29 *CFR* 1904, *Occupational Injury and Illness Recording and Reporting Requirements*

U.S. OSHA 1910.119, *Process Safety Management of Highly Hazardous Chemicals*

<sup>1</sup> The American Society of Safety Engineers, 1800 East Oakton Street, Des Plaines, Illinois 60018, [www.asse.org](http://www.asse.org).

<sup>2</sup> American National Standards Institute, 25 West 43rd Street, New York, New York 10036, [www.ansi.org](http://www.ansi.org).

<sup>3</sup> NCCI Holdings, Inc. (formerly National Council on Compensation Insurance), 901 Peninsula Corporate Circle, Boca Raton, Florida 33487, [www.ncci.com](http://www.ncci.com).

<sup>4</sup> U.S. Department of Transportation, 400 7th Street, S.W., Washington D.C. 20590, [www.dot.gov](http://www.dot.gov).

<sup>5</sup> U.S. Environmental Protection Agency, Ariel Rios Building, 1200 Pennsylvania Avenue, N.W., Washington, D.C. 20460, [www.epa.gov](http://www.epa.gov).

<sup>6</sup> U.S. Department of Labor, Occupational Health and Safety Administration, 200 Constitution Ave. NW, Washington, D.C. 20210, [www.osha.gov](http://www.osha.gov). OSHA Regulations are posted on and may be downloaded from the OSHA web site, [www.osha.gov](http://www.osha.gov).

U.S. OSHA 1910.1200, *Hazard Communication*

U.S. OSHA Publ 2254, *Training Requirements in OSHA Standards and Training Guidelines* (1998—Revised)

### 3 Terms and Definitions

For the purposes of this recommended practice, the following definitions shall apply:

#### 3.1

##### **approved contractor list**

A list developed by owners that includes all qualified and approved contractors (and subcontractors).

#### 3.2

##### **contractor**

General contractors, self-employed contractors, subcontractors (general or self-employed) working on construction, maintenance and repair, major renovation, turnarounds, or specialty services in or around process equipment, laboratories, pipelines, terminals, utilities, and other petroleum and petrochemical facilities and equipment. For the purposes of the requirements of this standard, the term contractor includes subcontractors, short-term contractors and small contractors.

#### 3.3

##### **covered process unit**

A facility that meets the applicability requirements of the OSHA Process Safety Management rule (29 *CFR* 1910.119).

**NOTE** OSHA PSM specifically exempts oil and gas well drilling and servicing operations and the storage of flammable liquids in atmospheric tanks that are not directly connected to a process unit.

#### 3.4

##### **days-away case rate**

The number of injury or illness cases resulting in days away from work for each 200,000 hours worked.

#### 3.5

##### **EMR**

Workers Compensation Experience Modification Rate (EMR) is an insurance premium adjustment that anticipates future performance based on past experience. A low EMR (below 1.0) reflects good safety performance.

#### 3.6

##### **general contractor**

A general contractor undertakes overall responsibility for the specific work activity. General contractors might use one or more subcontractors to conduct various elements of the overall job.

#### 3.7

##### **hazard**

An inherent physical or chemical characteristic (flammability, toxicity, corrosivity, stored chemical, electrical, hydraulic, pressurized or mechanical energy) or condition that has the potential for causing harm or damage to people, property or the environment.

#### 3.8

##### **injury and illness incidence rate**

The number of OSHA recordable injuries and illnesses per 200,000 hours worked (the annual exposure base for 100 full-time workers).

**3.9****long-term contractor**

Contractors who are on-site for long-term projects. Long-term contractors provide services over an extended period of time in the facility.

**3.10****NAICS**

North American Industry Classification System (NAICS) is the replacement for the former Standard Industrial Classification (SIC) system.

**3.11****near-miss**

An incident or situation with the potential for injury or property damage that did not occur.

**3.12****OSHA**

U.S. Department of Labor Occupational Health and Safety Administration.

**3.13****overlay**

Owner or contractor added health and safety requirements that go beyond those required by OSHA or other regulatory agencies.

**3.14****owner**

Person or business entity responsible for a facility, including the health and safety requirements (sometimes referred to as host employer).

**3.15****PQF**

Pre-qualification Form (see Annex B).

**3.16****prime contractor**

The contractor given the contract by the owner to perform work. A contractor may employ subcontractors. See **contractor**.

**3.17****PSM**

Process Safety Management (most often based on OSHA regulation 29 *CFR* 1910.119).

**3.18****risk**

The probability of exposure to a hazard which could result in harm or damage.

**3.19****risk assessment**

The identification and analysis with judgements of probability and consequences, either qualitative or quantitative, of the likelihood and outcome of specific events or scenarios that result in harm or damage.

**3.20****risk-based analysis**

A review of potential hazards and needs to eliminate or control such hazards based on a formalized risk assessment.

**3.21****SIC Code**

Standard Industrial Classification, now called North American Industry Classification System (NAICS).

**3.22****short-term contractor**

A contractor used for short-term highly specialized jobs or jobs of short duration.

**3.23****small contractor**

Contractors who employ less than 10 people company-wide, based on local circumstances.

**3.24****subcontractor**

Contractor employed by another contractor (usually the prime contractor) who works for an owner. For the purposes of the requirements of this guide, the terms contractor, subcontractor, short-term contractor and small contractor all are "contractors."

## **4 Management Overview—Putting it All Together**

### **4.1 General Contractor Safety Management Requirements**

Certain requirements shall be in place and implemented in order for a contractor health and safety program to be successful. This section addresses management requirements for owners and contractors in the implementation of a contractor health and safety program. It serves as a summary of the information in this publication and an overview on the development and implementation of contractor safety management requirements.

### **4.2 General**

Owners contribute to improved contractor safety performance through actions that include, but are not limited to the following:

- a) making a deliberate management decision to establish an effective ongoing program that uses specific safety performance criteria for selecting contractors;
- b) developing a management system to ensure that contractor safety performance is consistent with established program elements;
- c) including specific safety language in contracts between owners and contractors;
- d) conducting meetings with prospective contractors before bid submission to address specific contractor safety requirements;
- e) including site-specific health and safety requirements in contractor bid packages;
- f) requesting health and safety information from each prospective contractor and evaluating it during the selection process;
- g) establishing and verifying specific training requirements for contractors;
- h) conducting pre-job meetings that specifically address safety expectations;
- i) requiring formal contractor safety orientations;

- j) auditing and reviewing the health and safety performance of contractors working on the owner's sites;
- k) documenting any deviations from the established safety program and providing feedback to the contractor with the expectation of immediate corrective action, non-recurrence and continuous improvement;
- l) maintaining on-site copies of OSHA injury and illness statistics, or when OSHA statistics are not applicable, other measures of safety performance for all contractors at each location;
- m) using audit findings and safety performance information to evaluate the contractors and to evaluate the management system and program effectiveness; and
- n) taking corrective action to improve the management system and associated programs when deficiencies are noted.

### **4.3 Management Commitment**

Commitment from both owner and contractor management to support the program provides the essential driving force for a successful safety process. Management commitment begins with providing resources (both personnel and monetary) for implementing and maintaining an effective contractor health and safety program. Management commitment is demonstrated through the ongoing support of the program by communicating expectations, visibly participating in Health and Safety activities, measuring progress and making improvements when needed. Success is characterized by effective control and elimination of injuries, illnesses, damages and incidents (including "near-miss" incidents).

### **4.4 Policy Statement**

Management commitment is best expressed in a written policy that establishes the importance of contractor health and safety. The involvement and support of both senior management and line supervisors helps ensure the effectiveness of a contractor health and safety program. A sample facility policy statement on contractor health and safety is shown in Annex A.

### **4.5 Written Contractor Health and Safety Program**

A written program includes, but is not limited to procedures for the elements contained in Figure 1. An example of a facility written contractor health and safety program is shown in Annex K.

### **4.6 Responsibilities**

Responsibilities and accountabilities for both owners and contractors shall be established to support the overall contractor management system.

#### **4.6.1 Owner Responsibilities**

##### **4.6.1.1 General**

The owner should establish a contractor health and safety program which requires contractors to be as protective of their contract employees as the owner is of its employees. Both the owner's established health and safety program and that of the contractor shall require respect and consideration of the safety of each other's employees. Typical owner elements are shown in Table 1.

**Table 1—Possible Assignment of Owner Responsibilities**

| Tasks to be Assigned to Owner's Personnel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Department Assigned to |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>General:</b> <ul style="list-style-type: none"> <li>— develop a written contractor health and safety program containing the elements within this guide;</li> <li>— develop and implement a contractor facility orientation program; and</li> <li>— designate a person as focal point for the contractor health and safety program.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                           |                        |
| <b>Contractor Pre-qualification:</b> <ul style="list-style-type: none"> <li>— establish a pre-qualification program that includes the criteria a contractor shall meet;</li> <li>— develop and maintain an approved contractor list;</li> <li>— maintain a file on each approved contractor; and</li> <li>— review the contractor pre-qualification package and determine if health and safety criteria are met.</li> </ul>                                                                                                                                                                                                                                                                                                |                        |
| <b>Selection of Contractor:</b> <ul style="list-style-type: none"> <li>— verify the contractor personnel have the required health and safety training and have proven demonstrated skills for jobs for which they shall be assigned;</li> <li>— verify that contractors have a copy of owner's health and safety policies and procedures;</li> <li>— verify that all contracts have clauses that require the contractor to meet all government and owner-specific health and safety policies and standards; and</li> <li>— participate in pre-bid and pre-award meeting.</li> </ul>                                                                                                                                        |                        |
| <b>Pre-job Activities:</b> <ul style="list-style-type: none"> <li>— communicate to contractor the overview and hazards associated with the process;</li> <li>— verify that pre-job safety conferences are an integral part of the pre-planning process;</li> <li>— participate in reviewing the pre-work plan for appropriate health and safety activities;</li> <li>— monitor contractor's health and safety performance with owner's policies and procedures; and</li> <li>— participate in pre-work meetings and review of contractor's work plans.</li> </ul>                                                                                                                                                          |                        |
| <b>Work-in-Progress:</b> <ul style="list-style-type: none"> <li>— periodically review and document the health and safety performance of the contractor and provide feedback to the contractor;</li> <li>— coordinate work efforts between contractors to ensure jobs performed by one;</li> <li>— contractor shall not be a hazard to another contractor;</li> <li>— assist contractors in accident and incident investigation, as needed;</li> <li>— maintain injury and illness log for all contractors;</li> <li>— participate in inspections of the contractor's health and safety performance during the work; and</li> <li>— verify that emergency response procedures are carried out by the contractor.</li> </ul> |                        |
| <b>Performance Evaluation:</b> <ul style="list-style-type: none"> <li>— periodically evaluate and document the health and safety performance of the contractor and provide feedback to the contractor;</li> <li>— motivate and encourage contractors to expand development of their own health and safety programs, if needed;</li> <li>— participate in evaluation of the contractor's health and safety performance after the work is completed;</li> <li>— re-evaluate the approved contractor list; and</li> <li>— conduct audits of owner's contractor health and safety program.</li> </ul>                                                                                                                          |                        |

#### **4.6.1.2 Compliance with Regulatory Requirements**

The owner's contractor safety program shall be designed to include the required elements for compliance with applicable regulations such as OSHA PSM and EPA RMP. Responsibility for implementation of these requirements shall be defined in the contract as these can change from job to job and facility to facility.

#### **4.6.1.3 Incident Reporting and Investigation of Contractor Incidents**

The owner shall require the contractor to take the lead in investigations of injuries, damage, incidents and near-misses as defined in the contract.

#### **4.6.1.4 Inspection of Contractor Work Sites**

Owners shall develop a plan to inspect contractor job sites on both a formal and informal basis. Owners with either joint management and employee Health and Safety committees or Behavioral Safety teams (or both) shall consider them as a resource and include them in these inspections in accordance with facility practice or where required. Findings shall be documented and shared in order to improve performance and establish or revise best practices.

#### **4.6.1.5 Site Training**

Access and familiarization of owner personnel to training included in the contractor health and safety program shall be considered as part of the contractor and owner orientation process. More detailed participation or training shall be considered for owner personnel at the facility who are assigned responsibility to ensure that the contractor safety program is properly implemented. In particular, the personnel designated to monitor the health and safety of the contractor while on-site are candidates for such training. Consideration shall also be given to including Contractors or contractor personnel in relevant owner's safety meetings during a project or to having owner representatives attend relevant contractor safety meetings.

#### **4.6.1.6 Emergency Response Plans for On-site Contractors**

The owner shall share site emergency response plans with the contractor, explain site expectations for contractors and coordinate contractor plans so that they are consistent with site plans.

### **4.6.2 Contractor Health and Safety Program Responsibilities**

#### **4.6.2.1 General**

The commitment of the contractor's management and line supervisors to safety is critical because each contractor is in the best position to know how to attain their own improved safety performance. The actions described in 4.6.2.2 through 4.6.2.8 support this principle.

#### **4.6.2.2 Compliance with the Owner's Safety Expectations**

The contractor's ability to meet or exceed the safety expectations of owners has grown in importance in recent years. The recommendations provided in this standard shall help contractors meet owner expectations and identify steps that can be taken to improve contractor safety performance.

#### **4.6.2.3 Accident Investigation and Prevention**

Occupational injuries, illnesses and incidents shall be immediately reported to the owner. The contractor shall investigate and document accidents, injuries, illnesses, and near-misses. Where required by regulation (PSM or RMP) and where appropriate, use of a formal investigation procedure that seeks underlying causes shall be used. The owner shall reserve the right to either participate or independently investigate (or both) all incidents that occur on the owner's site or facility. The proximate causes shall be identified and actions shall be taken to prevent recurrence.

Investigation findings shall be shared with all affected parties. To prevent accidents, the contractor shall report any workplace hazards to the owner, irrespective of their cause.

#### **4.6.2.4 Safety Inspections**

Performing safety inspections of ongoing work is important to maintain contractor safety program success. Although the owner may conduct periodic surveys of the contractor's work, frequent and thorough safety inspections performed by the contractor are necessary.

#### **4.6.2.5 Safety Training**

The owner expects the contractor's personnel to be knowledgeable about and qualified to perform their assigned duties. This includes all applicable requirements for safety, health, and fire prevention associated with the performance of their work. The contractor upon request from the owner shall provide documentation of its employee training as evidence that personnel are trained to perform their assigned duties. The documentation shall include the names of those trained with a means of positive identification, the course content, the date the course was held, and the names of the instructors. The contractor shall review with the owner and shall ensure that contractor employees are aware of site-specific safety, health, fire protection, and emergency information relevant to the contractor's activities.

#### **4.6.2.6 Medical Care**

Proper treatment of occupational injuries or illnesses is a responsibility of every employer. All contractors shall provide information describing how they shall implement this responsibility. Contractors involved in large projects that may require greater medical response capability than basic first-aid training should consider using an on-site EMT, nurse, paramedic or physician with "occupational medicine" experience or arrange for similar off-site services with a capability for timely response. Familiarizing the medical support staff with the project, the type of work that shall take place, and the hazards that are anticipated facilitates improved medical care. As part of the pre-job package, the contractor shall provide the host employer with the names of medical providers, facilities and ambulance services it shall use in the event of a severe injury.

#### **4.6.2.7 Emergency Response Plans**

The contractor shall understand the potential emergency response needs associated with the work and site. Contractor emergency response plans should be developed in consultation with the owner and shall be consistent with the owner's site emergency response plans. Consulting with the owner as part of the development of emergency response plans increases the probability that the desired response shall take place. Periodic drills shall be conducted to practice and improve the plans. During large projects, specific plans may need to be developed to manage a large number of individuals. The designated shelter-in-place facilities used for normal response plans may not be sufficient to contain added personnel that could be present during construction or turnarounds. Therefore, planned evacuation or relocation of contract workers may be needed.

#### **4.6.2.8 Health and Safety Program Self-evaluation**

Self-evaluation by the contractors of their own programs shall assist them in understanding elements leading to success and areas where improvement is possible. The same tools used by owners for contractor evaluation may be used by contractor self-evaluation. These include maintenance of performance metrics as addressed in Annex H, job-site inspection sheets provided in Annex I and performance evaluation in Annex J.

### **4.7 Effective Health and Safety Communication**

Ongoing health and safety discussions between owners and contractors are necessary if the contractor safety program is to be effective. Special situations with health and safety implications may arise during the course of work that were not discussed or identified during the pre-bid and pre-job safety discussions, at safety meetings, in safety

manuals or in the written safety rules. Both owners and contractors should anticipate that situations such as these shall occur as work progresses. Open communication shall be maintained between the owner, the contractor and the contractor's work force. No limitations shall be placed on the identification and discussion of any health and safety issues by either the owner or by a contractor. The identification and discussion of relevant health and safety issues shall be emphasized throughout the performance of the contract. Both the owner and the contractor shall identify a key person for each to contact as the "go-to" person for any safety program concerns.

#### **4.8 Contractor Health and Safety Program Implementation**

A facility committee may be beneficial for designing and implementing the owner's contractor health and safety program. The committee can have a positive effect in culture relative to working with and managing contractors at the location. This committee may have representation from the following functions:

- health and safety,
- purchasing,
- engineering,
- construction,
- maintenance,
- training,
- security,
- operations, and
- management.

#### **4.9 Review of Owner's Contractor Health and Safety Program**

Owners shall establish a system for reviewing their contractor health and safety program, including verification that the required elements of the contractor health and safety program are:

- in place,
- effective, and
- do not conflict with owner's program requirements for the relevant facility.

A sample protocol for evaluating an owner's contractor health and safety program is contained in Annex L. This review shall be conducted by a team of individuals knowledgeable in both facility requirements and contractor health and safety programs. A review methodology typically should include reviewing documentation and conducting on-site interviews with various levels of facility and contractor personnel.

#### **4.10 Contractor Safety Management Elements**

A comprehensive contractor health and safety process contains, but is not limited to elements in the following sections as depicted in Figure 1.

#### **4.10.1 Develop Contractor Safety Management System**

A written plan shall be developed that identifies specific objectives and documents necessary procedures. This clearly defines and assigns accountabilities; establishes measurement and evaluation criteria; and provides a system for feedback and improvement.

#### **4.10.2 Pre-qualification of Potential Contractors**

There shall be a mechanism to pre-qualify contractors for consideration for work at a facility.

#### **4.10.3 Selection of Contractor**

Contractors selected to perform work shall be qualified to perform the type of work to be done. The selection process shall ensure that the contractor understands the scope of work, and that the contractor meets the site and regulatory health and safety requirements.

#### **4.10.4 Pre-job Verification Activities**

The owner shall verify that the contractor is familiar with the location, facility, personnel, facility contractor program, hazards, facility requirements and other work information before work begins.

#### **4.10.5 Monitoring Work-in-Progress**

The owner shall monitor contractor activities while the work is being conducted, including periodic evaluation of:

- contractor health and safety performance, and
- contractor's compliance with health and safety requirements.

#### **4.10.6 Evaluation**

At the completion of the contracted work, the owner shall evaluate the overall performance of the contractor and determine if the safety results qualify the contractor to remain on the "bid list" of pre-qualified contractors.

#### **4.10.7 Corrective Action**

After evaluating contractor performance the owner determines whether changes in the contractor safety program are necessary based on work evaluations of contractor performance, and then implements these as revisions of the basic contractor management system.

### **5 Getting Started with Contractor Safety Management**

#### **5.1 Beginning Contractor Safety Management**

The question "Where do I begin to manage contractor safety?" is often asked by owners. For contractors new to the site, the answer is "during pre-qualification." However, for contractors currently working at a facility, the answer is less clear. A suggested starting point is "monitor work" in progress (Figure 1 identifies these starting points for both new and existing contractors). Owners should review the remainder of this standard for a basic understanding of the general elements of a contractor health and safety program.

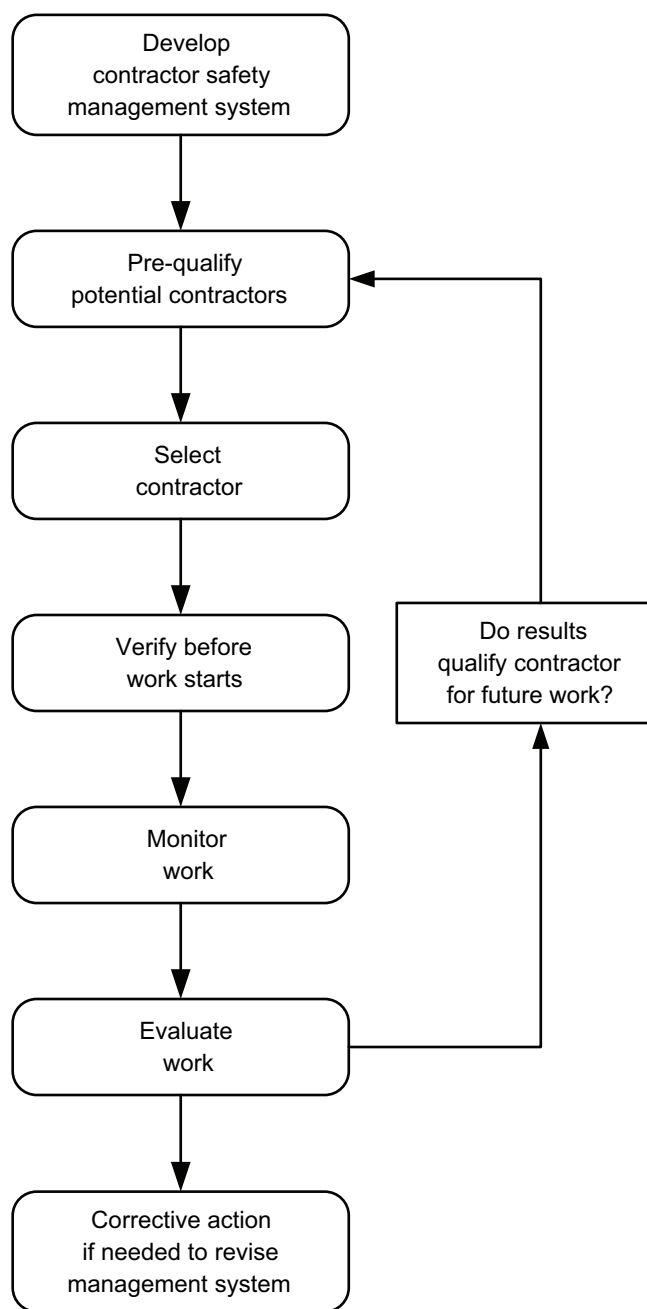


**Figure 1—Contractor Health and Safety Management Elements**

## 5.2 Evaluating Risk Levels for Contractor Work

The potential risk of injury or illness to contractor and owner employees is an important consideration in determining how to apply elements of a contractor health and safety program. Although the goal is to perform all work safely, some activities may encounter more hazards than others as indicated in the following examples.

- An administrative support person, employed through an agency providing temporary clerical support should not normally be exposed to operating machinery or process hazards. This type of contractor work should be classified as “lower potential risk.”
- A maintenance worker in a machine shop or performing work around process equipment may be exposed to physical hazard from the tools and equipment used, may be exposed to a release of hazardous material or may even cause the release to occur. This type of contractor work should be classified as “higher potential risk.”

Contractor health and safety programs shall be designed to reflect the different relative levels of potential risk associated with the work to be performed. Factors to consider include, but are not limited to the following:

- nature of the work to be performed;
- location of work to be performed;
- potential for exposure to work site and material hazards;
- potential for the contractor performing the work to expose themselves, other contractors, owner’s employees or the public to hazards;
- duration of the work to be performed; and
- contractor’s experience and expertise in performing similar type work.

This section outlines a system of classifying levels of potential risk which is estimated using Table 2 and Table 3. The development of these tables is described in the following sections. Owners may choose to use this system or develop their own.

### 5.2.1 Types of Contractor Work

Contractor work may be divided into the following six general types.

- 1) *Operation, Maintenance, and Construction in Process Units*—Contractors performing process operations, equipment maintenance, repair, replacement or construction in process units.
- 2) *Operation Support*—Specialty contractors providing specific, non-maintenance services to operations such as catalyst replacement and spent acid handling.
- 3) *Distribution*—On-site contractors providing support or services specifically related to the on-site distribution and handling of products and materials, non-process related equipment maintenance, and management of distribution.
- 4) *Technical and Administration*—Contractors providing clerical skills or technical expertise and knowledge in support of plant and business units.
- 5) *Site Services*—Contractors Providing Miscellaneous General Services for the Site.
- 6) *Grass Root Construction*—On-site contractors performing traditional construction with no hazardous material, temperature or pressure in systems.

**Table 2—Contractor Potential Risk Levels Worksheet**

| Type of Work                                              | Examples of Work Activity (Not All Inclusive)                                                                                                                                                                                                                                                                                                                                 | Hazard Associated with Activity | Risk Factor                                |                       | Overall Relative Potential Risk Level |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|-----------------------|---------------------------------------|
|                                                           |                                                                                                                                                                                                                                                                                                                                                                               |                                 | Personnel Health and Safety Potential Risk | Process Safety Impact |                                       |
| Operations, Maintenance and Construction in Process Units | Abrasive Blasting<br>Coatings<br>Electrical<br>Safety and Fire Protection System<br>Heavy Equipment Operations<br>Hot Bolting<br>Hot Tapping<br>Instrumentation<br>Insulation<br>Leak Repair<br>Mechanical (Pipefitters, Millwrights and Riggers)<br>Operators<br>Scaffolding<br>Vacuum Truck Operations<br>Welders                                                           |                                 |                                            |                       |                                       |
| Operation Support                                         | Asbestos, and Lead Abatement<br>Catalyst Exchange<br>Chemical Cleaning<br>Container Cleaning (Barge, Railcar, Truck and Drums)<br>Container Movement<br>Dismantling<br>Environmental Services<br>Lab Technicians<br>Marine Diving<br>Process Operators, Product Handlers and Process Technicians<br>Remediation<br>Testing and Inspection<br>Water Blasting<br>Waste Disposal |                                 |                                            |                       |                                       |
| Distribution                                              | Independent Gaugers<br>Rail Repair and Construction<br>Marine Vessel Operators                                                                                                                                                                                                                                                                                                |                                 |                                            |                       |                                       |
| Technical and Administration                              | Clerical (Unless Located in Process Units)<br>Computer Support<br>Engineering Support<br>Medical Services<br>Technical Consultants                                                                                                                                                                                                                                            |                                 |                                            |                       |                                       |

**Table 2—Contractor Potential Risk Levels Worksheet (Continued)**

| Type of Work                         | Examples of Work Activity (Not All Inclusive)                                                                                                                                                                                                        | Hazard Associated with Activity | Risk Factor                                |                       | Overall Relative Potential Risk Level |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|-----------------------|---------------------------------------|
|                                      |                                                                                                                                                                                                                                                      |                                 | Personnel Health and Safety Potential Risk | Process Safety Impact |                                       |
| Site Services                        | Lawn Services<br>Communications Equipment<br>In-plant Drivers<br>Non-process Electrical<br>Office Equipment Repair<br>Security<br>Vehicle Mechanics                                                                                                  |                                 |                                            |                       |                                       |
| Grass Root (Green Site) Construction | Building Construction<br>Boiler Construction<br>Cranes and Lifting Equipment<br>Steel Erection<br>Demolition<br>Electrical<br>Excavation and Earthwork<br>General Contractors<br>Masonry<br>Mechanical<br>Painting<br>Vessel Construction<br>Welding |                                 |                                            |                       |                                       |

**Table 3—Potential Risk Factors and Overall Relative Risk Levels**

| Combining Various Risk Factors   |                       |                  |
|----------------------------------|-----------------------|------------------|
| Risk Factor                      |                       | Overall Relative |
| Personnel Health and Safety Risk | Process Safety Impact |                  |
| H-M-L                            | H                     | H                |
| H                                | M-L                   | H                |
| M-L                              | M-L                   | M                |
| L                                | L                     | L                |

### 5.2.2 Relative Potential Risk

One method for prioritizing the use of resources in designing a contractor health and safety program involves defining relative potential risk for different types of work.

The relative levels of potential risk for each type of work may be derived by completing Table 2. The relative level of potential risk should be categorized as Low (L), Medium (M) or High (H). The relative level of potential risk is generally influenced by the following two factors.

1. *Personnel safety or health potential risk*—Risks related to health and safety hazards normally associated with the work (for example, falls from elevated areas, noise exposure, heat stress, working with power tools and tripping)

*Non-process Work Activities with Associated Hazards:*

- a) confined space entry;
- b) elevated work;
- c) handling hazardous materials (such as asbestos, acids, caustics and molten sulfur); and
- d) inert entry.

2. *Process safety impact*—Potential hazards associated with the materials, activities or operating conditions in a process area that may affect employees or contractor employees (such as potential for fires, explosions and toxic releases). Additional hazards may be associated with the work location (for example, working in a process unit as compared to working in an open area away from hazardous materials).

*Typical Hazards Associated with Process Activities:*

- a) hazardous materials;
- b) operating equipment (fixed and mobile);
- c) elevated temperatures and pressures; and
- d) potential for exposure from releases:
  - releases may be caused by maintenance personnel—either contractor or owner, and
  - personnel may be working in area where there is a release unrelated to contract work.

The owner derives an appropriate risk level for a work activity by first filling in the two “risk factor” columns of Table 2. Table 3 then provides an aid for categorizing the “Overall Relative Potential Risk Level” by summing the two risk aspects which provides the value for the last column of Table 2. (Table 3 is included to show the logic used in the development of Table 2 and is provided for informational use only.)

Examples of how relative risk may be determined include, but are not limited to the following.

- a) A contractor is hired to do abrasive blasting and painting. The work could be either H or M for personnel health and safety risk, depending on the blasting methods and materials employed and the materials to be removed and used for painting. If the work was to be conducted on a process unit while in operation, then the process safety impact should generally be high. The relative level of risk should probably be H.
- b) A contractor is retained to do abrasive blasting and painting. The work could be either H or M for personnel health and safety risk depending on the blasting materials and methods as well as the materials to be removed and those used for painting. If the work was not conducted on a process unit, then the potential process safety impact would generally be M. The relative level of risk could probably be either H or M if on a process unit, depending on the process.
- c) An administrative person should generally have low personnel health and safety risk. For this person, the process safety impact should generally be L if working in buildings away from the process area or M if working in a building near or in the process area. Again, the relative risk should probably be L.

**5.2.3 Suggested Components of Contractor Health and Safety Programs**

The relative level of potential risk for the proposed work of the contractor should generally influence the depth of owner involvement in the contractor health and safety program. Table 4 provides a listing of program elements and sample applicability for each type of contractor work based on the level of potential risk.

**Table 4—Example of Contractor Type and Typical Contractor Health and Safety Program Elements**

| <b>Contractor Health and Safety Program Element</b> | <b>Operational and Process Maintenance and Construction</b> | <b>Operation Support</b> | <b>Distribution</b> | <b>Technical and Administration</b> | <b>Site Services</b> | <b>Grass Root Construction</b> |
|-----------------------------------------------------|-------------------------------------------------------------|--------------------------|---------------------|-------------------------------------|----------------------|--------------------------------|
| Pre-qualification                                   | X                                                           | X                        | X                   |                                     |                      | X                              |
| Listing on approved contractor list                 | X                                                           | X                        | X                   | X                                   |                      | X                              |
| Health and safety requirements identified           | X                                                           | X                        | X                   | X                                   | X                    | X                              |
| Health and safety requirements in bid package       | X                                                           | X                        |                     | X                                   | X                    | X                              |
| Pre-bid meeting                                     | X                                                           | X                        |                     |                                     |                      | X                              |
| Pre-award meeting                                   | X                                                           |                          |                     |                                     |                      | X                              |
| Required training identified                        | X                                                           | X                        | X                   | X                                   | X                    | X                              |
| Review contractors health and safety program        | X                                                           | X                        |                     |                                     |                      | X                              |
| Site visit by contractor                            | X                                                           | X                        |                     |                                     |                      | X                              |
| Identify communication requirements                 | X                                                           | X                        | X                   |                                     |                      | X                              |
| Verify training of contractor employees             | X                                                           | X                        |                     |                                     |                      | X                              |
| Emergency response involvement                      | X                                                           | X                        | X                   | X                                   | X                    | X                              |
| Health and safety performance reporting             | X                                                           | X                        | X                   | X                                   | X                    | X                              |
| Contractor health and safety inspections            | X                                                           | X                        | X                   |                                     |                      | X                              |
| Owner health and safety inspections                 | X                                                           | X                        | X                   |                                     |                      | X                              |
| Accident and incident investigations                | X                                                           | X                        | X                   | X                                   | X                    | X                              |
| Owner evaluation of contractors                     | X                                                           | X                        | X                   | X                                   | X                    | X                              |

## 5.3 Job-Specific Specialty, Temporary and Small Contractors

### 5.3.1 Job-specific Specialty and Temporary Contractors

Contractors may be on-site for job-specific specialty work (such as inert entry, scaffolding or hydroblasting), short-term (temporary) work or long-term work (general contractors) based on the nature of the job being performed and the facility policy. The specific requirements of the contractor health and safety program may vary for contractors doing different types of work but the basic requirements for safe work shall be the same. The hazards associated with each specific job determine the type of safety program required to maintain an acceptable and protective risk level.

Examples of how relative risk may be used to determine the need for some safety program elements include, but are not limited to the following.

- a) A catalyst exchange operation scheduled for a duration of three days to be performed by a job-specific contractor. The hazards associated with this work are significant because the work shall be conducted in an inert confined space requiring the use of special supplied air respiratory systems and protective suits. In addition, the catalyst to be removed is pyrophoric. Although the specialty contractor shall be at the facility only for a short time, the special precautions required to obtain an acceptable level of risk require this contractor to meet specific and more stringent contractor health and safety requirements (in addition to those that the general on-site contractors shall meet). Each contract company and contractor worker shall meet requirements appropriate for the work being done and the area in which the work is done.
- b) A contractor performing lower risk work, such as a lawn service contractor working outside the process areas, may not require as comprehensive a contractor health and safety program. The probability of exposure of this contractor to potential hazards is low and occurs over a short duration of time, both of which reduce the level of risk. The requirement to work safely is the same; however, the activities, potential exposure and protective measures are different.

### 5.3.2 Small Contractors

A small contractor may need assistance to meet the requirements of an owner's contractor health and safety program. An item such as the injury and illness rate may prevent a small contractor from being included on the owner's approved contractors list. The contractor may be so small that one injury or illness could distort the injury and illness rate. A contractor with fewer than 10 total employees may not be required by OSHA to maintain injury and illness records. Small contractors may not have the resources or experience to interpret regulations or develop and implement some or all of the elements of the owner's contractor health and safety program. Owners shall be aware of these possibilities and discuss alternate methods of meeting the owner's health and safety requirements with small contractors.

## 6 Contractor Pre-qualification

### 6.1 Qualifying a Contractor

The selection of a qualified contractor is the first step toward obtaining safe contractor performance. Owners shall evaluate contractor's safety programs by using the safety information furnished by the contractors in response to the pre-bid request. Items that may be used to indicate the quality of a contractor's safety performance include, but are not limited to the following.

- a) The contractor's commitment to safety as demonstrated by an ongoing safety program that is supported by its top management and line supervisors.
- b) The contractor's safety programs completeness and appropriateness for the work site and the safety standards of the owner.

- c) The contractor's response to pre-bid safety requests (see Annex B), which may include, but are limited to the following.
- 1) Injury and illness incidence rates (from OSHA Log or equivalent).
  - 2) EMR, if applicable.
  - 3) The contractor's safety staffing plan naming the on-site person or persons designated by the contractor and subcontractor who shall be responsible for safety including a description of their expertise and authority.
  - 4) a description of the safety orientation program to be provided by the contractor to all contractor employees on-site.
  - 5) The contractor's enforcement and disciplinary action program regarding safety violations.
  - 6) The contractor's policy and programs regarding alcohol, controlled substances and firearms.
  - 7) A list of safety equipment that shall be provided by the contractor.
  - 8) A narrative from the contractor's viewpoint that identifies the significant hazards of the job and a listing of the steps that shall be taken to eliminate, control or minimize the potential for accidents.
  - 9) A description of the contractor's programs to comply with applicable regulatory requirements [for example, OSHA, U.S. Department of Transportation, The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) and state governments].
  - 10) A description of the contractor's employee training program.

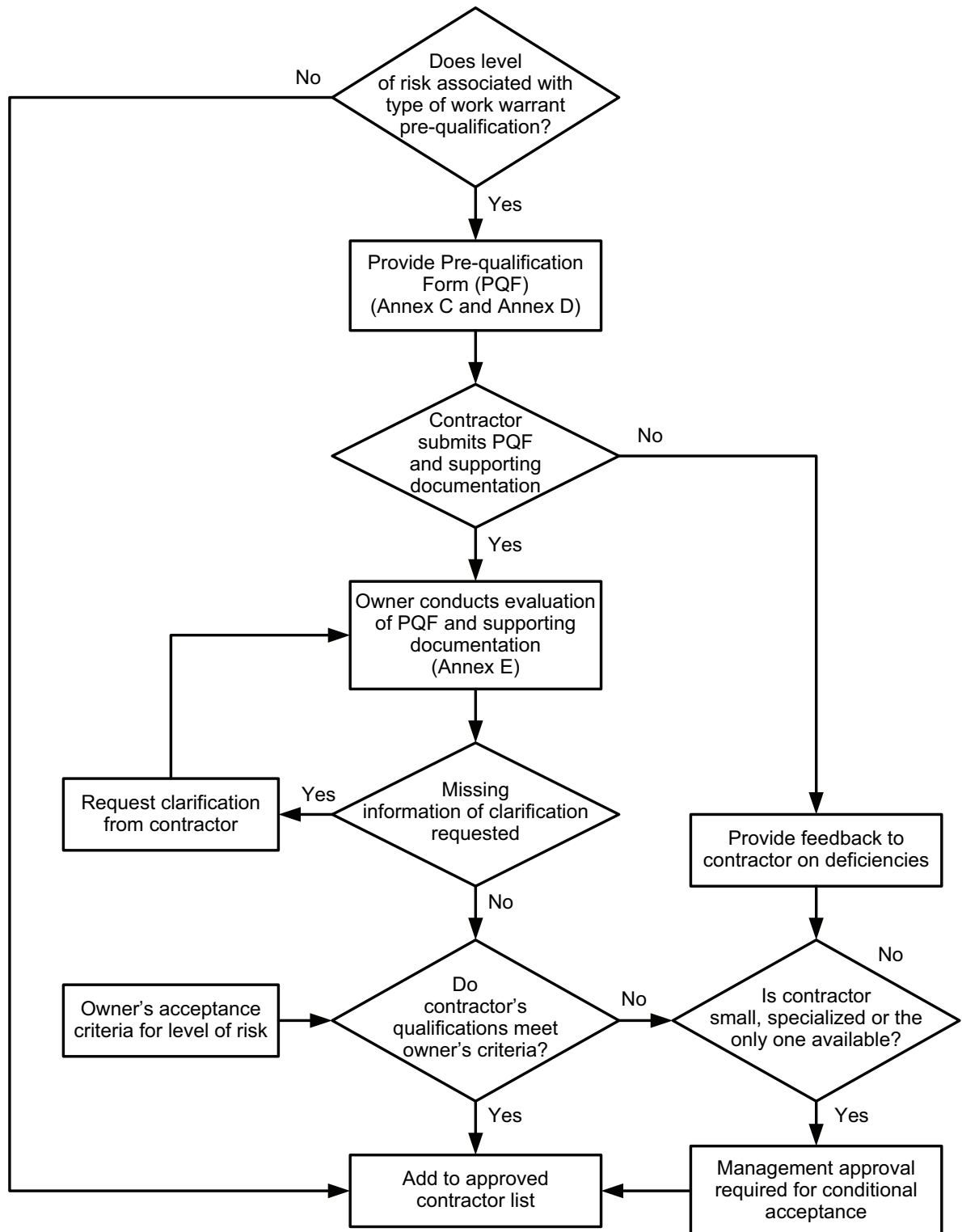
As part of the commitment described in 1.3.1, an owner's management shall make it clear that high-quality safety programs and high safety performance are key elements in the selection and post-work evaluation of any contractor.

Generally, pre-qualification is the initial step undertaken by owners to evaluate a new contractor or contractors who have not worked in the facility recently. Pre-qualification is recommended for contractors who work on-site and whose work activities may have the potential to expose their employees, other contractors, owner employees or the community to reasonably foreseeable health and safety hazards. This should be determined by the level of risk associated with the contractor's work on-site (see 5.2). Pre-qualification evaluates the prospective contractor's ability to meet the owner's health and safety performance criteria and requirements.

Figure 2 illustrates the process (with its sub-elements) used to implement a pre-qualification system. Each element and sub-element corresponds to the structure of this guide. It is important to note that the process depicted in Figure 2 includes decision points which provide a feedback mechanism for continuous improvement of the contractor health and safety program.

In some cases, contractors cannot meet the owner's pre-qualification health and safety criteria because they are small or are the only contractor available. The flowchart suggests, as an option, that in these cases owners may provide conditional acceptance of such contractors. This conditional acceptance shall provide a specific time period and specify additional requirements and administrative controls necessary for the relative level of risk for the work to be performed. While there may be a compromise regarding pre-qualification, it shall be made clear to the contractor that there shall be no compromise of the owner's safety performance requirements during conduct of the contracted work.

Contractors that use subcontractors shall establish a pre-qualification system for subcontractors similar to that used by the owners to qualify contractors.

**Figure 2—Sample Contractor Pre-qualification Process**

## 6.2 Pre-Qualification Form (PQF)

Owners may utilize a PQF completed by the bidding contractor to determine whether a contractor's health and safety qualifications are adequate for performing work at the facility. The primary purpose of a PQF is to obtain and evaluate information about a prospective contractor. A sample of a PQF is provided in Annex B.

A PQF prompts the contractor to provide some of the necessary information for an owner to complete an initial evaluation of the contractor's health and safety performance and ability to comply with health and safety requirements. Major sections of a PQF and the purpose of each section may include:

- a) *General*—Provides basic information on the contractor including location and contacts.
- b) *Organization*—Provides basic financial information, services provided, and work requiring subcontractors.
- c) *Health and Safety Performance*—Provides information on the contractor's past and current health and safety performance, including injury and illness data and workers compensation claims.
- d) *Health and Safety Programs and Procedures*—Identifies the contractor's health and safety programs and policies and provides information on the contractor's substance abuse program.
- e) *Health and Safety Training*—Identifies the type of training given to contractor employees and supervisors regarding health and safety issues specific to the processing industries.
- f) *Health and Safety Coordination*—Provides information on health and safety staff available to support the contractor, health and safety support structure, and reporting relationships.
- g) *Company Work History*—Identifies both current and previous job safety performance history for the specific types of work that shall take place. If the company has changed ownership without a change in management the performance of the former company should be examined.

A sample cover letter for a PQF is included in Annex C. A cover letter should generally state the owner's minimum requirements for acceptance to the owner's approved contractors list as discussed in 6.3.1.

## 6.3 Owner Review of Contractor Qualifications

The owner shall establish and implement a method of reviewing and determining whether a contractor can meet the owner's health and safety requirements and should be considered for work at the facility. This evaluation shall be based on the contractor's representations and knowledge of safety performance on the owner's projects.

Security issues maintain a high profile in all aspects of industry, including contractor screening and qualification. While security is outside the scope of this standard, it is an issue which owners should address as part of their selection process. Legislation in the future may establish mandatory requirements. Many owners already have written into their contracts a requirement for background security screening of all contractor personnel who may be on-site in any capacity, and those off-site personnel who have access to facility data.

### 6.3.1 Acceptance Criteria

Owners shall establish appropriate health and safety performance acceptance criteria. Typical acceptance criteria may include, but are not limited to the following.

- Workers Compensation Experience Modification Rate (EMR) as determined for each state.
- Lost Workday Cases involving Days Away from Work, as defined by OSHA in 29 CFR 1904 and recorded on the OSHA Log Form 300.