

QCO/DME COAL INDUSTRY SAFETY CONFERENCE

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CONTRACTOR SAFETY MANAGEMENT
AT TARONG COAL

Bernie Pegrem
Manager - Environment and Technical Services

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Summary

At Tarong Coal, a “Sitewide Checklist for Contracts and Contractors” has been developed and placed on the site’s computer network. Safety is embedded into the entire Contractor Process under a system of Risk assessments which ensure a proactive approach to contractor management in terms of Safety, Environment, Production, Property and Image. The Audit/Review stage of the process is tied back into the system via a Register of Contracts to ensure continuous improvement of contractor management.

Introduction

Tarong Coal operates the Meandu Coal Mine, 150km northwest of Brisbane, and is owned by Pacific Coal Pty Limited a wholly owned subsidiary of CRA. The Meandu Mine produces approximately 5.5 million tonnes of bituminous steaming coal per annum for the adjacent Tarong Power Station.

The CRA Safe Work System, based on the NOSA System, was introduced across the CRA Group to assist in achieving the goal of ensuring that all employees should be able to work without injury. The Tarong Safe Manual, comprising 73 elements, was introduced in January, 1994.

Subsequent to a two-day Tarong Safe training programme for all employees, a site-specific system for the Safe Work of contract and contractors was addressed. This paper outlines Tarong Coal's "Sitewide Checklist for Contracts and Contractors".

Discussion

The CRA Standard for the management of contracts and contractors states :

"We will ensure that Contractors work to the same standards for Occupational Health, Safety and Environment as our own operations. This starts with the assessment and preselection of contractors, the management of daily work activities, through to contract completion. In doing so, we will ensure that plant and equipment we purchase or which is used for contractor activities meets our standards for Safety and Environmental Performance".

Two workshops, involving personnel concerned with a wide variety of contracts, were held to determine the site's optimum method of achieving the standard. It was agreed that the basic premise for the management of contracts and contractors is to be proactive.

Other points agreed at these workshops included :

- Safety needs to be embedded into the entire Contractor Process and actually be a part of the process.
- The Contract Supervisor, usually the initiator of the contract, needs to perform a Risk Assessment of the contract to ensure this proactive approach.
- The most crucial need requested by all workshop participants was a step by step Checklist of actions for contract management.

The most important and essential outcome of the Checklist is TO HELP PEOPLE DO THEIR WORK - Safety is part of that work.

- A Register of Contracts should be kept to assist future Contract Selection. Safety and Environmental Performance WILL be used as selection criteria for future contracts.
- The Checklist and entire system needs to be available and up to date at all times. As a result the system has been placed on the “public drive” of the site’s computer network.

The Contractor Process

A flow chart schematic is included in the computer network to help the contract supervisor to be aware of the entire process at all times.

The process follows eight headings :

- Project Definition
- Contract Specification
- Contract Selection
- Award of Contract
- Contract Administration and Management
- Contract Variation
- Contract Monitoring
- Audit and Review

Risk Assessment

Under the heading Project Definition, the first question in the Checklist is :

1. *Has the Project been adequately defined? (Quantity, Quality, Resources, Time)*

The second question in the Checklist is :

2. *Has a Risk assessment been completed? (Safety, Production, Property, Environment, Image)*

The Risk Assessment is the key to proactive management, it needs to be made as soon as possible after the project is defined and certainly before any contractor activities.

The subsequent questions, which need to be answered (Yes/No format) in various sections of the Checklist, depend on the result of the Risk Assessment.

A list of potential hazards is supplied in the Appendices of the Checklist for each of the categories - Safety, Environment, Production, Property and Image. The Contract Supervisor circles any relevant hazards and determines the level of risk as :

- Very Low Risk
 - loss or damage to personnel highly unlikely
 - ◇ Complete Sections 1, 5 and 6.

- Low Risk
 - loss or damage to personnel is not likely to occur
 - ◇ Complete Sections 1, 2, 5 and 6

- Medium Risk
 - loss or damage to personnel is known to have occurred.
 - ◇ Complete Sections 1, 2, 3, 5 and 6

- High Risk
 - Loss or damage to personnel commonly occurs with this sort of work
 - ◇ Complete Sections 1, 2, 3, 4, 5 and 6.

The Checklist

At this stage a total of 79 questions comprise the Checklist. Sections 1 (Very Low Risk) contains 38 questions and includes essential questions for all contracts regardless of risk level. Some of the items covered in these questions include :

- Union Notification
- Accident/Incident Reporting and Investigation
- Safety Policy
- Environmental Policy
- Current Contractor Wage Rates
- Maintenance and Minor Construction Agreement
- Standard Conditions for Services or Minor Works
- Induction Requirements
- Public Liability Insurance
- Workers Compensation Details
- Superannuation Details
- Tickets of Trade
- Long Service Leave
- Union Membership

The Accident/Incident Reporting and Investigation process for contractors is the same as that used for our operations. Employees are encouraged to report all accidents/incidents - not for any concept of blame, but for understanding leading to prevention. Again potential risk is used for classification and another computer network system ensures actions, determined from any investigation, are followed through.

The last question (38) in Section 1 (Very Low Risk) asks “Have you checked the need to increase the risk Assessment to fit with Electrical, Chemical Substances Information System (CSIS), Personal Protective Equipment (PPE), or other, requirements?”

The Checklist provides minimum levels of proactive management, so that any Contract Supervisor who is uncertain of the risk level should raise the level.

Under a Low Risk Assessment (Section 2) a Contract Supervisor needs to be appointed in writing by the relevant Department Manager. The Low Risk level is characterised by the need to send the index for a number of site-specific requirements to all potential contracts (and ensure their understanding). Some examples include :

- Safe Working, Standards
- Electrical Requirements
- Chemical Substances Information System
- Personal Protective Equipment

The Medium Risk level (Section 3) specifically includes a Contractor Selection Checklist with 26 basic safety items covered by around 120 questions which must be completed by the potential contractors.

Contracts assessed at a High Risk level need the contractors to commit to a signed statement that ensures implementation of the complete Tarong Safe Work Standards.

Register of Contracts

Current and future contractors at Tarong Coal will need to work in a manner which includes due regard for Safety, Environment, Production, Property and Image. The critical part of the system, which will help to ensure that only contractors, who perform satisfactorily, will be used in the future, is the Register of Contracts.

Partnering has been, and will continue to be used at Tarong Coal for appropriate contacts. Similarly the concept of Preferred Suppliers is well underway. The Contractor Checklist system will strongly support these concepts.

At the Contract Monitoring and Audit/Review stages of the Contractor Process, the total performance of the contractor will be reviewed and a record entered into the Register of Contracts. At the Contract Selection Stage of the Contractor Process, the Contract Supervisor will check the Register of Contracts for past performances to assist in the Award of contract for the next contract.

As well as a review of the contractor’s performance, the Audit of the process will check the efficiency and suitability of the original Risk Assessment. It is hoped that over time this holistic system will assist our endeavours towards a continuous improvement approach to contract work.

Availability

The entire "Sitewide Checklist for Contracts and Contractors", comprising the Checklist and about 25 Appendices, is a "read only", controlled document on the sitewide computer network.

Instead of a manual "filed on the shelf", the concept of a dynamic - always up to date - document is preferred. The entire document can be accessed and read direct from a networked computer with the ability to print selected parts for a contractor. Ease of use continues to be the focus, with a "point and click" approach, and eventually a networked connection between this Checklist and the entire Tarong Safe Work Standards.

The Future

The system will require at least two years of use to iron out the currently invisible "bugs". Perhaps even longer may be required to build an adequate Register of Contracts for all of Tarong Coal's requirements.

The Checklist has been developed to help people do their work - it can not do their work for them. The key ingredient of Tarong Coal's "Sitewide Checklist for Contracts and Contractors" and the entire approach towards Safe Work continues to be the people involved with the work. No matter the time required to implement all our Safe Work Systems at Tarong Coal, we will continuously strive to improve and maintain our Safety Standards.