PRESENTATION PREPARED FOR:

ACHASM 2018 SUMMIT

SUBCONTRACTOR HEALTH & SAFETY CHALLENGES

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01 OCTOBER 2018
COMPLIANCE LANDSCAPE

Increasing use of contractors global trend
SUB CONTRACTOR CHALLENGES

1. Poor H&S Culture
2. Competence
3. Cost / burden of Compliance
4. Poor or no standard
SUB CONTRACTOR CHALLENGES
DIFFERENT PERSPECTIVE

The definition of insanity is repeating the same behaviors and expecting a different outcome.

Albert Einstein
ABC of traditional safety (People are the PROBLEM)
A - Always
B - Be
C - Careful

ABC of Safety Differently (People are the SOLUTION)
A - Autonomy and self-determination
B - Behaviours changed by setting, not rules
C - Collaboration
D - Design
   Looks risky: safer behaviours
E - Engagement
DIFFERENT PERSPECTIVE

Sidney Dekker – Safety Differently
DIFFERENT PERSPECTIVE

Sidney Dekker – Safety Differently

Traditional safety uses a small portion of the total experience base.

What about the 99.999% of the times in which things go right?

Do we understand why success is the rule and not the exception?

Unwanted outcomes vs. Positive Surprises in a balanced perspective.
DIFFERENT PERSPECTIVE

Sidney Dekker – Safety Differently

A VISION FOR ‘DOING SAFETY DIFFERENTLY’

24 Sep 2015

- Safety changes have helped make the Australia Hub the best-performing part of the business in terms of accident frequency rates
- New approach includes focus on activities associated with most serious risk
- Implementation in Europe has begun with a series of roadshows around the UK

John Green, Health and Safety Director

“Safety is an ethical responsibility not a bureaucratic activity.”

John Green, Health and Safety Director

Language
Incident Investigations
Risk Assessment

Health and safety director John Green has returned to Laing O’Rourke’s Europe
1. Establish a clear communication strategy
2. Are designed to measure performance
3. Incorporate a risk-ranking process
4. Follow a three-step due-diligence process
5. Maintain a qualified contractor list
ISN WHITE PAPER
BEST-IN-CLASS CONTRACTOR ELEMENTS

6. Establish consequences
7. Address subcontractor management
8. Follow standardized and transparent guidelines
9. Integrate with internal business processes
10. Leverage technology
Incorporate a risk-ranking process

- Contractors come in various sizes, capabilities, risk profiles
- Classify risks according to pre-set criteria and matrix
  - Potential adverse consequences
  - Frequency, duration and/or scope of work
  - High, Medium, Low
- Re-evaluate/adjust contractor risk periodically
Incorporate a risk-ranking process

### Risk Screening Matrix

<table>
<thead>
<tr>
<th>JOB FUNCTION</th>
<th>Green – Job function/work location criteria DO NOT FALL into Contractor Management System (CMS)</th>
<th>Blue – Job function/work location criteria DO FALL into CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>rep. (Inspector, Consultant, etc)</td>
<td><img src="image1" alt="Table Row" /></td>
<td><img src="image2" alt="Table Row" /></td>
</tr>
<tr>
<td>Manual labor</td>
<td><img src="image3" alt="Table Row" /></td>
<td><img src="image4" alt="Table Row" /></td>
</tr>
<tr>
<td>Technician/Supervisor</td>
<td><img src="image5" alt="Table Row" /></td>
<td><img src="image6" alt="Table Row" /></td>
</tr>
<tr>
<td>Clerical/Administrative</td>
<td><img src="image7" alt="Table Row" /></td>
<td><img src="image8" alt="Table Row" /></td>
</tr>
<tr>
<td>Office cleaning, delivery person, vending machine, etc</td>
<td><img src="image9" alt="Table Row" /></td>
<td><img src="image10" alt="Table Row" /></td>
</tr>
<tr>
<td>WORK LOCATION</td>
<td>Offsite, Contractor Shop</td>
<td>Office</td>
</tr>
</tbody>
</table>

*Image 1, Image 2, Image 3, Image 4, Image 5, Image 6, Image 7, Image 8, Image 9, Image 10*
1. Prequalification
2. Pre-job Task and Risk Assessment
3. Contractor Training and Orientation
4. Monitoring the Job
5. Post-job evaluations
MY OWN EXPERIENCE

2005 – 2010 : Group SHEQ Manager at NMC

MBASA National winners; FEM award for Lowest Incident Rates in the industry

- Genuine Respect for People, co-contractors not sub-contractors
- Simple 10 non-negotiable standards
- Alliance / Partnering
- NMC Business School
MY OWN EXPERIENCE

2011 – 2016: Group SHEQ Manager at NMC

Peacock Trial; ISO certification; major incidents in Gauteng covered in media; Zero Fatalities (2005)

- CMS trial with cidb (now SANS 1393)
- ISO 9001, 14001 and OHSAS 18001 certified
- ‘Speed Cop Syndrome’; Cargo Cult / ‘Safety Cult’
- Cost of Compliance (average R150mil Building site has anything from 20 to more than 55 contractors)
- SUSA Conversations (Safety Differently)
MY OWN EXPERIENCE

2017 – 2018 : Consultant Essential SHEQ

- Under-the-radar contractors
- Cost of Compliance, smaller contractors
- Cargo Cult / ‘Safety Cult’ / One-size-fits-all approach
MY VISION FOR THE FUTURE

- Free Health and Safety to smaller contractors (cidb Grade 5 and below)
- Health and Safety not a competitive advantage during tenders, i.e. set prices for H&S in BOQ
- SMME and Subcontractor Management approaches has elements of both the best practice examples presented as well as the Safety Differently approach by Sidney Dekker
- Other approaches;
  - Plus One (Australia)
  - Safety 3rd (America)
THANK YOU

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Essential SHEQ

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DMS
QUESTIONS