

Construction Industry Development: The Role of Clients in Contractor H&S

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October 2014

Overview: The Role of Clients in Contractor H&S

- **Introductory comments:**
 - 2009 Report on *Construction Health and Safety in SA*
- **H&S procurement driven focus:**
 - cidb *Best Practice Contractor Recognition Scheme*
 - cidb *Register of Professional Services Providers*
- **H&S client specification focus:**
 - cidb *Best Practice Project Assessment Scheme*
- **Concluding comments**

Under Development

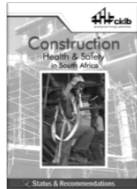
- **Subject to Regulatory Impact Assessments**
- **Stakeholder consultations**
- **Board approval**

- **Timelines:**
 - 2015?

Introductory Comments

Construction Health and Safety; 2009 (i)

- **Public Sector Procurement:** As in many countries around the world, it is recommended that public sector clients should use their procurement potential to achieve improvements in construction H&S – which would ultimately also achieve reductions in the cost of public sector infrastructure



Construction Health and Safety; 2009 (ii)

- Key elements of this strategy :
 - prequalify and/or select contractors with recognized H&S skills and competencies
 - prequalify and/or select contractors with recognized H&S Management System abilities applicable to the project risk
 - specify requirements for H&S Management Plans on construction projects
 - specify requirements for H&S Management Systems and Plans from designers employed by public sector clients
 - require the completion of assessment reports of contractors upon project completion and that this information will be made freely available and will be used in selecting contractors during tender evaluation

Construction Health and Safety; 2009 (iii)

- No recommendations wrt:
 - monitoring H&S performance of PSPs
 - monitoring H&S performance of clients

H&S Procurement Driven Focus

Procurement Driven Focus

- Public sector clients should use their procurement potential to achieve improvements in construction H&S
- Public sector clients should procure from PSPs and contractors that demonstrate required capabilities:
 - including H&S
- Establish standards to which PSPs and contractors should achieve or aspire to:
 - including H&S

Public Sector Procurement (i)

- PPPFA, 2000: Preferential Procurement Regulations, 2011;
 - Section 4: Evaluation of Tenders on Functionality
 - **functionality**: ... capability and ability of a tenderer
- cidb Standard for Uniformity in Construction Procurement (SFU);
 - Section 4.3; Quality (functionality)
 - Section 4.3.1;
 - introducing quality into the eligibility criteria
- H&S capabilities or track record can be included as functionality and eligibility criteria

Public Sector Procurement (iv)

- Clients will be encouraged to use the recognition information within the *cidb PSP Recognition Scheme / Contractor Recognition Scheme* as input into eligibility or functionality criteria:
 - including H&S
- **Avoid restrictive and exclusionary practices:**
 - cidb Practice Notes

cidb Focus; Public Sector Procurement

- **cidb Register of Contractors:**
 - eligibility
- **cidb Contractor Recognition Scheme:**
 - functionality

cidb Focus; Public Sector Procurement

- **cidb Register of Contractors:**
 - eligibility
- **cidb Register of PSPs:**
 - eligibility
- **cidb Contractor Recognition Scheme:**
 - functionality
- **cidb PSP Recognition Scheme:**
 - functionality

H&S Procurement Driven Focus

cidb Register of Contractors

cidb Register of Contractors

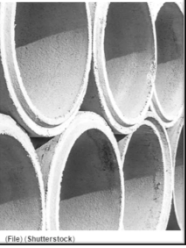
- **Eligibility requirement:**
 - financial capabilities
- **H&S Demerit System:**
 - consultation not yet initiated

Towards a cidb H&S Demerit System

Severity	Measure	Demerit Points
Potential Harm	Improvement Notice	1 point per notice from the 6 th notice onwards
	Contravention Notice	5
	Prohibition Notices	10
Harm	Reportable incident that led to serious injuries to any person	8
Severe Harm	Reportable incident that led to death of one person	12
	Reportable incident that led to death of more than one person	18

- If a contractor accumulates more than 30 demerit points over a three year period, the contractor's registration will be suspended for a period of one year

Towards a cidb H&S Demerit System

<p>Agency to probe boys' fatal pipe accident</p> <p>2014-10-22 08:53</p> <p>Johannesburg - The Johannesburg Road Agency (JRA) will investigate the cause of the accident in which two boys were killed when concrete pipes rolled over them in Braamfischerivle, Soweto on Tuesday, the agency said.</p> <p>"The JRA will investigate the cause of the accident and ensure that all necessary parties are consulted and involved, including the SAPS and the department of labour, to conclude all necessary processes," said managing director Skhumbuzo Macozoma.</p> <p>The boys, aged between 7 and 10, were killed when concrete pipes rolled over them at a construction site in Braamfischerivle.</p> <p>The Johannesburg emergency services said the boys were playing around the construction site when the accident happened. They were confirmed dead at the scene.</p> <p>Macozoma said a contractor appointed by the agency was installing an underground stormwater</p>  <p>(File Shutterstock)</p>	<table border="1"> <tr> <th>Demerit Points</th> </tr> <tr> <td>5</td> </tr> <tr> <td>10</td> </tr> <tr> <td>8</td> </tr> <tr> <td>12</td> </tr> <tr> <td>18</td> </tr> </table> <p>Demerit points over a will be</p>	Demerit Points	5	10	8	12	18
Demerit Points							
5							
10							
8							
12							
18							

H&S Procurement Driven Focus
cidb Contractor Recognition Scheme

cidb Contractor Recognition Scheme

21. The Board must establish a best practice contractor recognition scheme which:


- a) enables organs of state to manage risk on complex contracting strategies

cidb Contractor Recognition Scheme

- Standard for Contractor Performance Reports (August 2013)
- Competence Standard for Contractors
- Best Practice: Construction Management Systems (draft):
 - SANS 1393 (September 2013)
- Best Practice: Integrity Management System
- Standard for Financial and Project Management Systems (under development)



cidb Contractor Recognition Scheme

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cidb Competence Standard

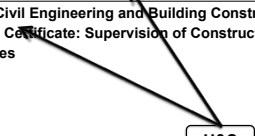
- cidb *Competence Standard for Contractors* establishes minimum acceptable standards necessary for running a contracting enterprise and for supervising building and construction works within the fields of:
 - business management
 - building and construction management (operational and supervision)
 - H&S
- cidb aims to recognise contractors that meet Standard
 - provision for assessment of prior learning (APL)

cidb Competence Standard; Grade 2 to 6

Grade	Minimum NQF Level	Recognised Qualifications
Business Management		
5 & 6	4	• [awaiting accreditation]
2 to 4	2	• National Certificate: Construction Contracting
Building and Construction Works Management		
5 & 6	5	• National Certificate: Management of Building Construction Processes
2 to 4	3	• NCV 4: Civil Engineering and Building Construction • National Certificate: Supervision of Construction Processes

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cidb Competence Standard; Grade 7 to 9

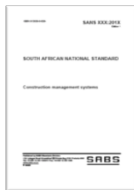
- PrCM recognised as recognises a minimum requirement for the management and supervision of construction works for contractors in Grades 7 to 9

Construction Management Systems

- cidb aims to recognise contractors with:
 - SANS ISO 9001, 14001 and/or OHSAS 18001
 - SANS 1393

SANS 1393

- ISO 9001, ISO 4001 and OHSAS 18001 often largely appropriate for large organisations (Grade 8 and 9)
- For (say) Grades 5 to 9, cidb developed an integrated CMS, based on recognisable industry minimum standards covering:
 - health and safety management
 - quality management
 - environmental management (covering air, water, land and waste)
- Published September 2013



Contractor Performance Reports

- cidb *Standard for Contractor Performance Reports (Grades 2 to 9)* published in Gazette in August 2013
- Uniform and consistent method of assessing performance of contractors:
 - time, cost and quality management
 - H&S management
 - management of site conditions
 - management of subcontractors
- Assessment:
 - Poor (-1); Adequate (0); Good (1); Excellent (2)
- Intended to be mandatory on public sector contracts



Skill and Commitment in Managing H&S

- Poor (-1):
 - H&S plans
 - No evidence of consistent review of H&S incidents
- Adequate (0)
- Good (1)
- Excellent (2):
 - Plan is fully implemented, in spirit and detail
 - Positive incentives built into plan
 - Active sharing and dissemination of lessons learned particularly down supply chain

Contract Completion Reports

- Close-out reports include:
 - any breaches of contract as well as non-compliance with mandatory cidb Best Practices, including the cidb Code of Conduct
 - reportable health and safety incidents
 - DoL improvement, contravention, prohibition notices:
 - H&S Demerit System
- Incorporated into Contractor Performance Reports

Functionality Requirements

Contractor Grades 5 & 6	Maximum Number of Bid Evaluation Points	
	Complex Projects	Simple Projects
Experience and past performance:	35	30
• cidb Contractor Performance Reports	X	X
• Other objective criteria (specify)	35-X	30-X
Organisation & staffing:	20	25
• cidb Competence Assessment	Y	Y
• Other objective criteria (specify)	20 - Y	25 - Y
Management Systems:	15	10
• cidb Best Practice: Construction Management Systems	Z	Z
• Other objective criteria (specify)	15 - Z	10 - Z
Plant and equipment	15	15
Programme schedule	15	20
Threshold (minimum out of 100)	60	50

Functionality Requirements

Contractor Grades 5 & 6	Maximum Number of Bid Evaluation Points	
	Complex Projects	Simple Projects
Experience and past performance:	35	30
• cidb Contractor Performance Reports	X	X
• Other objective criteria (specify)	35-X	30-X
Organisation & staffing:	20	25
• cidb Competence Assessment	Y	Y
• Other objective criteria (specify)	20 - Y	25 - Y
Management Systems:	15	10
• cidb Best Practice: Construction Management Systems	Z	Z
• Other objective criteria (specify)	15 - Z	10 - Z
Plant and equipment	15	15
Programme schedule	15	20
Threshold (minimum out of 100)	60	50

H&S

Functionality Requirements

Contractor Grades 7 to 9	Maximum Number of Bid Evaluation Points	
	Complex Projects	Simple Projects
Experience and past performance:	35	30
• cidb Contractor Performance Reports	X	X
Performance Level greater than 1,5	X * 1,0	X * 1,0
Performance level greater than 0,5, but less than or equal to 1,5	X * 0,75	X * 0,75
Performance level greater than -0,5, but less than or equal to 0,5	X * 0,50	X * 0,50
Performance level greater than -1,0 but less than or equal to -0,5	X * 0,25	X * 0,25
• Other objective criteria (specify)	35-X	30-X

H&S Procurement Driven Focus

Register of Professional Service Providers (PSPs)

cidb Register of PSPs

- Under development
- Categories of professional services on construction and building projects:
 - below R40 million
 - R40 million and above
- Eligibility criteria:
 - financial criteria

Categories of PSPs

- 1) Development Manager
- 2) Project Manager
- 3) Architectural Professional
- 4) Principal Consultant:
 - Architecture
 - Quantity Surveyor
 - Engineering Management Services
- 5) Principal Agent:
 - Architecture
 - Quantity Surveyor
 - Engineering
- 6) Quantity Surveyor
- 7) Project Monitor (Quantity Surveyor)
- 8) Engineer
- 9) Landscape Architect
- 10) Health and Safety Agent

H&S Procurement Driven Focus
cidb PSP Recognition Scheme

- cidb PSP Recognition Scheme**
- cidb Competence Requirements:
 - professional registration
 - cidb Management System Requirements:
 - > R40m
 - including H&S management systems (e.g. OSHAS 18001)
 - cidb PSP Performance Reports:
 - interim reports; H&S

- cidb PSP Recognition Scheme**
- cidb Competence Requirements:
 - professional registration
 - cidb Management System Requirements:
 - > R40m
 - including H&S management systems (e.g. OSHAS 18001)
 - cidb PSP Performance Reports:
 - interim reports; H&S
- H&S
-

Performance Reports

	Poor (-1)	Adequate (0)	Good (1)	Excellent (2)
Definition	Well below acceptable performance	Meets acceptable performance	Exceeds acceptable performance	Well above acceptable performance
Stage 0 – Project initiation				
Stage 1 - Inception				
Stage 2 - Concept and Viability				
Stage 3- Design Development				
Stage 4 - Documentation and Procurement				
Stage 5- Construction				
Stage 6 - Close-Out				

Performance Reports				
	Poor (-1)	Adequate (0)	Good (1)	Excellent (2)
Definition	Well below acceptable performance	Meets acceptable performance	Exceeds acceptable performance	Well above acceptable performance
Stage 0 – Project initiation				
Stage 1 - Inception				
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Stage 3 - Design Development				
Stage 4 - Documentation and Procurement				
Stage 5 - Construction				
Stage 6 - Close-Out				

H&S Client Specification Focus

Construction Regulations (2014)

- Section 7.1(l):
 - A client shall discuss and negotiate with the principal contractor the contents of the health and safety plan ... and thereafter finally approve the health and safety plan for implementation
- Section 7.1(a):
 - A principal contractor shall provide and demonstrate to the client a suitable and sufficiently documented health and safety plan, based on the client's documented health and safety specification

cidb Best Practice Project Assessment Scheme

23.1) The Board must establish a best practice project assessment scheme, based on the best practices identified by the Board

23.2) After a date determined by the Minister ... all construction contracts ... are subject to an assessment ... of compliance with best practice standards

H&S Plans & Auditing Requirements

- *cidb Standard for Health & Safety Plans and Auditing Requirements:*
 - a uniform and consistent assessment of a contractor's H&S plan by the client prior to the beginning of a construction works project
 - auditing of the implementation of the contractor's H&S plan by the client during the construction period
- Aim is to introduce mandatory requirements on public sector contracts, within tender values Grades 5 to 9
- (Draft available on request)

Construction Regulations (2014)

- Section 3.1:
 - who intends to have construction work carried out, must apply to the provincial director in writing for a construction work permit to perform construction work ...
- CID Regulations, Section 18.1A:
 - intend to introduce requirements for construction work permit to be referenced in cidb Register of Projects

Concluding Comments

Summary; Client Driven

- *cidb approach; Public sector clients should:*
 - use their procurement potential to achieve improvements in construction H&S
 - procure from PSPs and contractors that demonstrate required capabilities
 - approve the H&S plan in a uniform and consistent manner, and audit compliance against this plan
 - provide evidence of the construction work permit to the cidb

Concluding Comments

- Looooong journey;
 - 2009 – 2014+
 - actually 2006 – 2014+
- Is H&S a minimum requirement or a differentiator?
 - eligibility and/or functionality
- Is cidb 'over-regulating':
 - public sector clients
- Will this enhance construction H&S?

Thank You