

# Procurement and the cost of Health and Safety on site

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**Proper planning costs nothing!**

**Planning to fail without proper  
planning costs time, money and lives**

**Behaving and acting safely costs  
nothing**

# Procurement a definition

- ▶ The act of obtaining or buying goods and services. The process includes **preparation and processing of a demand** as well as the end receipt and approval of payment. It often involves
  - (1) purchase planning,
  - (2) standards determination,
  - (3) specifications development,
  - (4) supplier research and selection,
  - (5) value analysis,
  - (6) financing,
  - (7) price negotiation,
- ▶ The process of procurement is often part of a company's strategy because the **ability to purchase certain materials will determine if operations will continue.**

Read more: <http://www.businessdictionary.com>



# Procurement leaders

- ▶ The client must make allowance for health and safety where specific issues arise outside of the requirements of the Act.
- ▶ The bill of quantities section C11 dealing with Preliminaries states the following:
- ▶ The contractor shall comply with the requirements set out in the Construction regulations issued under the Occupational Health and Safety Act.
- ▶ It is required of the contractor to thoroughly study the health and safety specification that must be read together with and is deemed to be incorporated under this section of the BQ.

# Procurement leaders

- ▶ Provisions for pricing of the OHS Act, Construction Regulations and health and safety specification is made under this clause and it is explicitly pointed out that all requirements of the aforementioned are deemed to be priced hereunder and no additional claims in this regard shall be entertained.
- ▶ The QS should include an extra over item for any issues outside of the norm, this would be set out as line items for pricing based on information received from the client before tender.
- ▶ There is ample opportunity for contractors to price for health and safety.
- ▶ Is the client comparing apples for apples when adjudicating a tender.
- ▶ Is sufficient information supplied in the spec for proper pricing.

# Client

- ▶ Needs to make a fair assessment of the contractor
- ▶ Must compare contractors on an equal footing
- ▶ Must make some allowance for the “unknown”
- ▶ Need to provide good information at tender stage
- ▶ Must make sure that the QS includes any special requirements in the BQ



# Client

- ▶ Understand the impact of your actions
  - ▶ Stopping a site
  - ▶ Demanding specific PPE i.e. color of hard hats etc.
  - ▶ Not providing information at tender stage
  - ▶ Must make sure the designer provides risk information
  - ▶ Understand the DMR requirements
  - ▶ Understand fall prevention
  - ▶ Understand OHS Act section 17 to 20



# Purchase planning

- ▶ Need clear information from the client regarding any unique and specific risks
- ▶ Contractor needs to understand the scope of the work and any specific health and safety cost
- ▶ Contractor needs to
  - ▶ Read the specification
  - ▶ Understand what the client wants
  - ▶ Price accordingly





# What do we need to plan for

- ▶ **PPE is not be all and end all**
  - ▶ Should be part of your normal day to day running costs P&G's
  - ▶ Need to cost for specialized PPE specific to tasks
  - ▶ Need to analyze the “pure cost” of PPE
  - ▶ **Must have real information in the safety spec**
    - ▶ Types of material specified
    - ▶ Specific risk related to unusual work processes
    - ▶ Atmospheric conditions at the site
  - ▶ **A proper analysis of the PPE required could save money**



# What do we need to plan for

- ▶ Cost of ablution facilities
- ▶ Eating and changing facilities
- ▶ Signage on site
- ▶ Notice boards and safety posters
- ▶ Safety program on site
- ▶ Training



# Standards determination

- ▶ Need to determine the standard of equipment and services to be procured
- ▶ Is the equipment fit for the specific purpose
- ▶ Spend more to save in the long run
- ▶ Spend more to ensure the health and safety of workers

# Specification development

- ▶ Need to determine what type of product or service is needed
- ▶ A thorough risk assessment based on methodology
- ▶ Outcome should determine the specification of the services or product to be used

# Conclusion

- ▶ Proper information is needed to cost efficiently (client H&S spec)
- ▶ Behavior costs nothing
  - ▶ Manage behavior
  - ▶ Train supervisors
  - ▶ Train employees
  - ▶ Get rid of poor behavior
- ▶ Buy right the first time
- ▶ Read the spec
- ▶ Engage with the client and design team

# Conclusion

- ▶ Clients must adjudicate properly
  - ▶ Health and safety costs must be shown
  - ▶ Take time out to determine the potential risk before jumping into a task
- ▶ **“ I didn’t price for that “**



# THANK YOU