

Contractor Safety Management Standard

Revision: 01

Applicable to: Generation and Transmission & Distribution

Revision Date January 26, 2015

Approved by: Mark Shortman, Global EHS Managing Director

Effective Date: July 25, 2015

1.0 Purpose

The purpose of this standard is to specify the requirements for managing safety when contracting work. The standard should be used to assist AES staff in the execution of their legal and corporate responsibilities throughout the life cycle of the contract.

Each AES Business must develop a site specific Contractor Safety Management program that, at a minimum, complies with this safety standard, and with applicable regulatory and other standard requirements regarding contractor safety management. AES Businesses may establish safety-related policies or practices that are more stringent than the policies and practices identified in this standard. An AES Business may need to adapt this standard to reflect their specific organizational and operational structure.

2.0 Scope

This standard applies to all AES Businesses and it describes the safety management requirements from the requisition of contracted work through to the contract closure and contractor evaluation. All elements of this standard must be implemented for any work that exposes contractor(s) to safety hazards which, should an incident occur, may result in a fatality or disability, either permanent or temporary. A work specific safety orientation and monitoring plan shall be implemented for Other Work.

This Contractor Safety Management Standard is not intended to be all-inclusive in the management of contracts and contractors, but rather is focused only on the safety aspects of contracted work.

The Contractor Safety Management Standard is not applicable to contractor work executed using an Engineering, Procurement and Construction (EPC) Project Contract agreement.

3.0 Definitions

AES Business - All AES locations which AES has overall management control, regardless of what percentage of equity control AES has in that location, business and/or site. This includes all AES Operational Businesses (Generation Businesses and Transmission & Distribution Businesses); Construction Projects; and Offices (including AES corporate headquarters, hubs and regional administrative offices).

Contractor – A person or company contracting with AES to supply products or services.

Contract Administrator – An AES employee or agent assigned responsibility for administering contracts. This includes preparation of the contract tender or request for proposal (RFP) documents, arranging pre-bid meetings, coordinating the bid/proposal evaluation process and recommending the awarding of the contract.

Contract Monitor – An AES employee or agent who reports to the Project Manager and is responsible for monitoring the contractor's safety performance and providing feedback to the

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Project Manager. The Contract Monitor will compare the contractor's work and work methods with the standards and expectations defined in the contract.

Contractor Prequalification – This process is an assessment of contractors wishing to work for AES. The process is independent of individual contracts and is carried out to ensure that only contractors with acceptable past safety performance and appropriate safety programs are awarded work.

Contractor Safety Orientation – A meeting at the start of each contract involving all contractor employees to discuss AES safety standards and the specific safety requirements applicable to the contracted work.

Contractor Evaluation – An evaluation of the contractor's safety performance during the execution of the work. The evaluation is completed at the end of the project and filed for future reference.

High Risk Hazards: Hazards which, should an incident occur, may result in a fatality or disability, either permanent or temporary.

High Risk Work: Work (including the whole work or a specific activity in the total work) that exposes AES People or Contractor(s) to High Risk Hazards. Examples of such work include, but are not limited to: line construction, line clearing (trees), high voltage electrical work, confined space entry, exposure to asbestos, work around water, diving operations, working at height, crane operation, hoisting & rigging, scaffolding, excavation, plant and facility maintenance, welding, carpentry, civil work, working inside a substation. Appendix 1 of this standard provides a list of activities which could expose contractors to High Risk Hazards and the Businesses are encouraged to use this list for identifying High Risk Work.

Hazard Assessment – An assessment of the contracted work to identify and document the hazards inherent to the work, work site and facility. The hazard assessment is provided to the bidders as part of the bid/request for proposal documents.

Job Safety Analysis (JSA) - As defined in the AES global safety standard for Job Safety Analysis and Pre-Job Briefing (AES-STD-S13).

Other Work: Any work (including the whole work or a specific activity in the work) that will not expose an AES Person or Contractor to High Risk Hazards.

Project Manager – An AES employee or agent who is given the overall responsibility and authority for the successful completion of a project. Their responsibilities include the assignment of the Contract Monitor, conducting the pre-construction site meeting, resolving contractor safety performance issues, final inspection of the work, conducting the closing meeting with the contractor and completing the Contractor Evaluation.

Project Safety Plan – A process to identify and document the sequence of tasks to complete a project and to analyze the safety issues for each task.

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Pre-Job Briefing (PJB) – As defined in the AES global safety standard for Job Safety Analysis and Pre-Job Briefing (AES-STD-S13).

Sub-Contractor - A person or company employed by the prime or general contractor who is contracting with AES to supply products or services.

Workplace Hazard - As defined in the AES global safety standard for Incident Management (AES-STD-S12).

4.0 Guiding Principles

1. Contractors are an extension of the AES workforce and an essential resource required to complete AES work programs. AES has the moral obligation, and in some jurisdictions a legal requirement, to take the necessary measures to prevent contractor Incidents. It is incumbent upon each AES Business Leader to ensure that the provisions of this AES Safety Standard are effectively implemented within their area of responsibility.
2. The principle components of the safety program will include:
 - a. Contractor Prequalification
 - b. Contract Administration
 - c. Project Management
 - d. Contract Monitoring

5.0 Requirements

Each AES Business must develop and implement a Contractor Safety Management Program that at a minimum contains the following elements:

5.1 Written Program Elements

1. The written program must be legible, readable, and accessible by all people involved in the AES Business' Contractor Safety Management Program.
2. The written program must identify the person who is ultimately responsible for the implementation and maintenance of the AES Business' Contractor Safety Management Program.
3. The written program must clearly and specifically outline the scope, purpose, responsibility, authorization, rules, and techniques to be applied to Contractor Safety Management and the measures to enforce compliance with the program, including:
 - a. A specific statement of the intended use of the program;

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- b. Specific procedural steps for contractor prequalification, contract administration, project management and contract monitoring.
 - c. Monitoring the quality and effectiveness of the application of the Contractor Safety Management Program in their organization.
4. The written program must establish:
- a. Mandatory requirements to implement all elements of this Standard for High Risk Work;
 - b. Project specific orientation and monitoring of Contractors as a minimum requirement for Other Work. An AES Business may opt to implement Contractor Prequalification, Contract Administration, or Project Management for Other Work as necessary.
5. The written program must include a specific process to be followed for identifying:
- a. All probable hazard exposures of Contractors due to the contracted work activities and/ or specific environment in which they perform the contracted work activities
 - b. Potential consequences of identified probable hazards should an incident occur during the work.

5.2 Procedural Elements

1. **Contractor Prequalification:** The Contractor Safety Management Program must have a Contractor Prequalification process to assess a Contractor's past safety performance and the quality of their safety management programs to determine if they qualify to work for AES. The Contractor Prequalification process will include:
 - a. Prequalification requirements may include but are not limited to:
 - Acceptable Health and Safety Management System and associated programs.
 - Trained and certified people on First Aid & Cardio Pulmonary Resuscitation (CPR) certification according to the type of service they perform.
 - Availability of competent people with relevant trainings and certifications according to AES standards and applicable regulatory requirements relevant to the type of work the Contractor may perform for the AES Business.
 - Availability of resources including tools, machinery, PPE, etc for completing the desired job safely at the AES Business.
 - Competency of the Contractor to perform hazard assessments and mitigate risk using sound methodologies and techniques meeting AES standards.

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- Proactive safety management practices.
 - b. Contractors wishing to provide services to AES must submit the information requested in a Contractor Prequalification Questionnaire. Appendix 2 provides a Contractor Prequalification Questionnaire that can be used to obtain appropriate information from the Contractor. AES Businesses may elect to use their own, business specific, Contractor Prequalification Questionnaire provided that the questionnaire contains, at a minimum, the information contained in the sample in Appendix 2.
 - c. If there is insufficient information to complete the assessment or if the AES Business questions the information provided by the Contractor, the AES Business shall use alternate appropriate methodologies to collect necessary information. The alternate methodologies may include but not limited to: field audit of the Contractor, work observations, facility and vehicle inspections, and/or interviews with key personnel.
 - d. The AES Business must designate a qualified person, committee or third party to conduct the prequalification assessment and determine if a Contractor is qualified for the work to be contracted. The person or committee assigned to perform the prequalification evaluation of the Contractor must have relevant knowledge and competency according to the profile of the job which the contractor may perform for the AES Business. If the prequalification is performed by third party vendors, a quality control process, such as periodic audit, must be established for the evaluation to make sure the third party vendor's prequalification process maintains adequate levels of quality as required by the AES Business.
 - e. A qualified contractor list must be developed and maintained by each AES Business. The contractor prequalification information should be reviewed and updated on a periodic basis not to exceed two years by the designate qualified person or committee.
- 2. Contract Administration:** The Contractor Safety Management Program must have a Contract Administration process that includes preparing the contract tender or request for proposal (RFP) documents, arranging pre-bid meetings, coordinating the bid evaluation process and recommending the award of the contract.
- a. The successful bidder must demonstrate to the Contract Administrator and Project Manager that they can meet the requirements of the tender/RFP. AES Businesses will only select contractors which:
 1. Are prequalified
 2. Provide satisfactory safety information
 3. Meet the project's safety expectations
 - b. The Contract Administrator has the following responsibilities:

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1. Ensure that the contract bidders are prequalified as applicable and that their prequalification information is current.
 2. Ensure that the legislated safety standards and AES specific safety requirements are included in the tender/RFP and contract documents.
 3. Exchange project specific hazard information, precautions, and site requirements with the Contractor. The Contractor shall provide the AES Business a project plan that details how the contract will comply with the site requirements and provide the AES Business with specific hazard information for hazards under the control of the Contractor. The plan will include the identification and control of site generated hazards, Contractor generated hazards, work coordination, mitigation of upstream and downstream hazards.
 4. Periodically update the prequalified contractors list, not to exceed two years.
 5. Transfer necessary information to the Contractor on existing characteristics and conditions of the project that are related to the safety of the work to be performed before starting the job. The AES Business may transfer this information to the Contractor as a part of the RFP documents in order for the Contractor to present an accurate bid or during the project plan review as applicable. Examples of such information may include but are not limited to:
 - Design and operation of the AES installation
 - The nominal voltage of lines and equipment
 - The maximum switching transient voltages
 - The presence of protective grounds and equipment grounding conductors
 - The locations of circuits and equipment, including electric supply lines communication lines, and fire-protective signaling circuits
 - The condition of protective grounds and equipment grounding conductors
 - The condition of poles
 - Environmental conditions relating to safety
 - Emergency Procedures and
 - Existing and known warning signs, emergency equipment, access restrictions and working area limitations
- c. Include requirements in the contractual terms and conditions to ensure that the Contractor:

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1. Establishes methods for safe work and addresses precautionary measures according to the AES Business specific contractor safety requirements.
 2. Ensures that each of its employees is instructed on the hazardous conditions relevant to the employee's work that the Contractor is aware of as a result of information communicated to the Contractor by the AES Business or from work site assessments performed by the Contractor.
 3. Any unique hazardous conditions found before the work begins or unanticipated hazardous conditions found during the contracted work that the AES Project Manager did not inform the Contractor, must be communicated to the AES Project Manager as soon as possible but not later than 2 working days after discovering the hazardous condition.
 4. Stop the work and inform the AES Project Manager immediately if the identified hazardous condition involves imminent danger and ensure that the Contractor does not proceed with the work until necessary and effective control measures are implemented to mitigate the risk.
3. **Project Management:** A Project Manager must be assigned to each contract to oversee the successful completion of the project. The Project Manager has the following responsibilities:
- a. Conduct a pre-bid site meeting with the Contractors' representatives to review the project including the safety hazards and AES policies, procedures and specific safety requirements.
 - b. Perform a Hazard Assessment of the project. Appendix 3 provides a sample Hazard Assessment form that can be used by the AES Business to identify the hazards associated with the work.
 - c. Review the Hazard Assessment report with the Contractor.
 - d. Review the Contractor's project safety plan. Appendix 4 provides a sample Project Safety Planning form that could be used by the Contractor.
 - e. Ensure that all Contractor employees attend a project specific Contractor Safety Orientation to review AES safety standards, as well as relevant procedures and project specific safety requirements; e.g. emergency plans, incident reporting, change management. Any Contractor employees joining the project must receive the safety orientation before they start work.
 - f. Confirm the certificates of qualification for Contractor's on-site employees, and the inspection & maintenance records for on-site equipment.
 - g. Ensure work coordination between site and multiple contractors working at the site.

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- h. Ensure all people involved are qualified or are under the direct and continuous supervision of a qualified person. Qualified people are expected to be competent in identifying the hazards and mitigating them using the most effective methods.
 - i. When activities rely on approved procedures to mitigate hazards, ensure that the people conducting the activities are knowledgeable of the procedures.
 - j. When personal protective equipment (PPE) is used as a control measure, ensure that the PPE is in proper working condition; the people involved have been trained and are knowledgeable on the proper use of the PPE, and they agree to use it in the correct manner.
 - k. Identify the person responsible for Contractor Monitoring. A Project Manager may decide to perform the responsibilities of Contract Monitoring by him/herself.
 - l. Provide periodic feedback to Contractor management on the safety performance including any Unsafe Actions and Unsafe Conditions that require corrective actions.
 - m. Complete the final evaluation of the Contractor's safety performance and make a recommendation as to whether or not, or under what circumstances, the Contractor should be considered for future work at AES. In completing the evaluation, the Project Manager should seek input from the Contract Monitor and review the work observation forms to assess:
 - Safety deficiencies observed,
 - The degree of co-operation in correcting deficiencies,
 - Accident and incidents that occurred during the project,
 - The Contractor's work methods, housekeeping practices and equipment condition, and
 - Deviations from the original plan.
4. **Contract Monitoring:** Contract Monitoring is the process that helps ensures that the contractors are complying with the safety requirements of the contract. The Contract Monitor has the following responsibilities regarding Contractor Safety Management:
- a. Conduct at a minimum the work observations and workplace inspections of the Contractors as defined in the monitoring requirements table below. (The work observation should include an assessment of the Contractor's daily job safety plan, critical work methods, use of protective equipment, and emergency plans)

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Level of Risk	Minimum Monitoring Requirements
High Risk Work	<p>Weekly documented work observation by the assigned Contract Monitor.</p> <p>Minimum one documented work observation if contracted work lasts more than a day but less than a week.</p>
Other Work	<p>Bi-weekly documented work observation by the assigned Contract Monitor. Minimum one documented work observation if contracted work lasts more than 2 days.</p> <p>Exemption: Short duration spot checks or inspections, office work, and classroom training are exempted from a documented work observation requirement.</p>

- b. Contractor Monitor shall provide immediate feedback to the Contractors in the field to reinforce positive behavior and correct any unsafe situation.
- c. Document work observations on a designated form.
- d. Provide feedback to the Contractor’s supervisor on Workplace Hazards that require corrective action.
- e. Submit work observation reports to the Project Manager as described section 5.2.4.a.

5.3 Program Administration

1. **Enforcement:** The AES Business specific Contractor Safety Management Program will list the enforcement policies. The enforcement policies will describe how the AES Business will monitor the Contractor Safety Management Program implementation and the method for ensuring that Contractors are held accountable for meeting AES safety-related performance expectations.
2. **Clearly Defined Roles and Responsibilities:** General responsibilities of the Contract Administrator, Project Manager and Contract Monitor are defined in this standard. The AES Business specific Contractor Safety Management Program will clearly define the specific roles and responsibilities of each person involved in contracting work. An AES Business may opt to assign multiple roles to one person according to the complexity of the job and organizational structure.
3. **Auditing:** The Contractor Safety Management program shall be audited according to the AES Internal Audit Standard requirements and schedule.
4. **Employee Training:** The AES Business will provide training to ensure that employees and agents involved in Contractor Prequalification, Contract Administration, Project

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Management and Contract Monitoring have the knowledge and skills required to fulfill their responsibilities. The person or persons conducting the prequalification should receive training on safety program management in order to be able to assess the quality of the contractors' safety programs. Training must include initial training and periodic refresher sessions. Training must be logged with name and date of training

References:

This AES Safety Standard was developed using the following publications as the source of the requirements contained herein:

1. Occupational Safety and Health Administration (OSHA) 29 CFR 1910.119 paragraph (h) Contractors Requirements and 29 CFR 1910.269
2. Det Norske Veritas. Managing Contractor Safety 1997
3. Brookfield Power, Contractor Safety Management Policy and Program
4. Salt River Project, Contractor Safety Management Program
5. Ontario Power Generation, Safety Environment & Quality Requirements for Contracted Work.

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Appendix 1: AES High Risk Activities

	Activity
1	Activities on or near equipment with the potential to cause Arc Flash
2	Activities in a road way potential to be struck by vehicles (Does not include driving or travelling on a public road way.)
3	Activities with drowning potential
4	Activity involving work at height above 1.8 meters (6 feet) and any pole climbing
5	Handling of hazardous substance which can cause acute injury, exposure to ionization sources or potential to cause explosion
6	Activities with potential for live voltage exposure \geq 50 Volt
7	Activities on or around pressurized safety valves or other energized energy relief devices where there is the possibility of exposure to the stored energy if released
8	Hoisting and Rigging
9	Hot Work outside of its designated locations
10	Activities involving Confined Space entry or potential for entrapment/engulfment such as work inside a trench, tunnel, etc
11	Tree Trimming and related activities with the potential to cause injury by tree trimming equipment and or hit by falling tree or limb
12	Activities involving operation or working in vicinity of operating plant equipment
13	Activities in explosive areas due to potential accumulation of combustible dust or vapor
14	Activities on or near rotating, rolling or moving equipment or its parts with potential to causes cut, entrapment, crushing or caught by injuries
15	Activities with potential to cause hit by falling objects

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Appendix 2 AES Contractor Prequalification Questionnaire

This questionnaire must be completed in its entirety and accompanied with all requested attachments for AES review, prior to any opportunity to contract work with AES.

Note: Omitting information or reporting false information on this questionnaire could result in the disqualification or removal from AES's list of qualified contractors. AES reserves the right to conduct random or for-cause audits of the information stated in this questionnaire. Additional documentation may be requested by AES to support statements made on this questionnaire.

Company: _____
(Name)

(Street Address or Postal Box Number)

(City, State & Zip Code)

(____) _____
(Phone Number)

Safety History

Please provide data for the previous three (3) calendar years

Years			
Number of accidents requiring medical attention			
Number of lost time accidents			
Total number of days off work due to accidents			
Number of fatalities			
Workers' Compensation Board (WCB) Performance rating or equivalent (Cost and accident frequency report)			
Number of regular and overtime hours worked			

In the past three years has your organization received written orders to comply or convictions under Occupational Safety & Health Administration (OSHA) or an equivalent safety regulatory organization? Yes _____ No _____

If yes please provide an explanation of the nature of each order to comply or conviction.

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Appendix 2 AES Contractor Prequalification Questionnaire (Continued)**Written Safety Programs, Policies and Procedures**

1. Does your company have a written health and safety policy? Yes___ No ___
If yes, attach a copy of the policy to the questionnaire.
2. Does the company have specific health and safety programs? Yes___ No ___
If yes, attach a copy of the programs to the questionnaire.
3. Does your company hold separate meetings to address safety issues? Yes___ No ___
If yes, who attends these meetings?
 - All employees
 - Field employees only including supervisor
 - Field employees only excluding supervisor
 - Supervisors/Foremen/Crew Leaders only

If yes, what is the frequency?
4. Do you conduct a pre-project hazard analysis? Yes___ No___
If yes please provide a copy of a completed hazard analysis
5. Do your crews conduct Pre-Job Briefing before the start of each shift/job? Yes___ No___ If yes, provide three (3) examples of completed Pre-Job Briefing forms.
6. Does your company conduct safety orientations for all newly hired employees? Yes___ No___
If yes, provide a copy of orientation materials.
7. Does your company provide safety training to your employees? Yes___ No___ If yes, provide a list of the safety training courses provided and participants, in the last three (3) years.
8. Does your company maintain certificates of training for technical training received by your employees? Yes___ No___ If yes, provide a list of the technical training certificates maintained on your companies files.
9. Does your company conduct accident and incident investigations? Yes___ No___
If yes, does the investigation identify the root cause of the accident/incident? Yes___ No___
10. Does your company conduct valid drivers' license verification checks on all company employees? Yes___ No___

I declare that the information provided here and in all attached documents is correct and complete and fully discloses all information relevant to the above questions.

Signed, sealed and submitted on behalf of: _____ Company name: _____

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Signature: _____

Name & Title: _____
(Please Print or Type)

Dated at _____ this __ day of _____, _____.

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Appendix 3 - Sample Hazard Assessment Form

Task / Job Step	Describe the Specific Hazard Present	AES's Actions to Control the Hazard	Contractor's Actions to Control the Hazard

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Appendix 4 - Sample Project Safety Plan

Date:		Project Title:					
Supervisor:		Crew Members:					
No.	Task / Job Step	Major Hazards	Control Measures				
			Elimination	Substitution	Engineering	Administrative	PPE
1							
2							
3							
4							
5							