



# **Auckland Transport**

## HS09-01 Supplier Health and Safety Management

(Procedure uncontrolled when printing)

Relating to Standard: HS09 Supplier HS Management

December 2016



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# 1 Background and Purpose

Auckland Transport (AT) has a duty under the Health and Safety at Work Act 2015 (HSWA) to ensure, so far as is reasonably practicable, that health and safety (H&S) risks in our business are considered, and that systems, processes and training needed to eliminate those risks are implemented, or where they can't be eliminated, minimised.

This process needs to be done collaboratively with the other businesses AT works with including suppliers.

AT as a person conducting a business or undertaking (“PCBU”) engages suppliers for services including consultancy, design and construction of transport infrastructure, operation and maintenance of public transport, mobility impaired transport and vehicle recovery.

The suppliers are also PCBUs, including those who are self-employed. A PCBU who is a self-employed person must also ensure, so far as is reasonably practicable, their own health and safety while at work.

The purpose of this procedure is to set out the overarching requirements for ensuring that there is a systematic approach to the management of suppliers across all work streams and undertakings of AT.

## 2 Scope

This procedure applies to all suppliers who work for AT and sets out the minimum H&S expectations for all AT divisions and their suppliers in order to ensure the effective selection and management of suppliers in relation to H&S.

This procedure shall be read in conjunction with the Procurement Strategy as well as the AT Project Management Framework.

The H&S team will work closely with the divisional departments, Project Management Office (PMO) and the procurement team in implementing this procedure.

## 3 Procedure

### 3.1 Procuring Services and the Procurement Strategy

When engaging a supplier please refer to Procurement Strategy and procurement processes. The nature of the services required, as well as the purchase value or procurement estimate will determine how we procure services. For purchase of goods where the value is less than \$25,000, the supplier will be engaged via a Standard Purchase Order.

For services where the risk is determined as high, regardless of the value, the supplier will be engaged via a contract.

Where a contract is required, AT will complete a due diligence process to determine the level of pre-qualification requirement for work to be undertaken, particularly High-Risk work.

This due diligence process is carried out by prequalifying suppliers through the H&S prequalification programme which is currently carried out via an external supplier called ISN (<http://www.ISNetworld.com>).

This process should not be confused with AT work category prequalification process that is carried out for construction category contracts (<https://at.govt.nz/about-us/procurement/pre-qualification-register-for-construction-category-contracts/>).



A H&S Risk Matrix shall be used to determine H&S prequalification requirements based on the project/ task activity of the supplier (and their workers) provided to AT.

## 3.2 Determining Health & Safety Risk for Supplier Engagement

Prior to supplier engagement the Project Manager (PM) will evaluate the Health & Safety Risks for the procurement of services.

Supplier risk tolerance shall be recognised within the following groups.



Where the PM is unsure if the services delivery should be in High Risk category, or feels that it is not a High Risk but it falls under High Risk category by using the H&S Risk matrix, then the PM will discuss with their H&S Manager, and if a decision cannot be agreed, the Group Manager H&S Safety will make the final decision.

## 3.3 Non-High & Negligible Risks

These risks are considered acceptable. Purchases with a value <\$25k and determined as Non-High Risk or Negligible Risk can be made with a Standard PO.

## 3.4 Low Risk Activities (LRA)

Non-High and Negligible Risks are "Low Risk Activities". Low risk suppliers are engaged in work activities that do not expose their workers and others to significant risk in the work they are undertaking. Examples include:

- Where work is office based, including administration and clerical activities.
- Where site visits might occur but do not involve undertaking high-risk activity.
- Trainer and student classroom activities.
- Visits to public areas of buildings, where the person is not exposed to high-risk activity.
- Access to construction sites when the person is guided by a host who is approved to work and fully inducted into the site.

AT Suppliers working on LRA are required to complete AT Supplier H&S Induction program which they will sign to acknowledge completion.

## 3.5 High Risk Physical Work

High-risk physical work suppliers are engaged in work activities that have the potential to cause serious injury or fatality if not adequately controlled. Risk control measures are necessary so that the risk is reduced to a tolerable or acceptable level.

The work activity shall not start until risk controls are implemented. If it is not possible to reduce the risk, the work shall remain prohibited.

AT will define High Risk Physical Work as work which creates significant risk to its workers, visitors or general public. Determination of high risk activity will be through the H&S Risk Matrix for Supplier Determination which determines high risk physical work based on the predominate work activity and the environment it is being completed in.



### 3.6 Health and Safety Matrix for Suppliers

The procurement planning process will require the PM to consider these questions:

- What are we asking the supplier to do?
- What is the risk level of the project/task?
- What will we put in the contract to hold the supplier accountable for doing the project in a safe and healthy way?

First, the PM should use the Risk Assessment Matrix to determine the risk grouping for the project to confirm that it has a Low Risk or High Risk Rating. Once the PM has confirmed that the project as a whole has a Low Risk or High Risk, they will implement the supplier approval process.

Severity of exposure		Severity of Work Activity	Predominate Work Activity				
			1	2	3	4	5
		Professional Services Organisations.	Cleaning & Janitorial Services Auditors or Inspectors Project Engineers/consultants	Maintenance Staff Supervisory & Management Surveying	Asset Construction and Physical Works Traffic Management Control Safety Watch	Heavy Equipment Operation eg. requires special licence or Transport Mode Operator (Skipper, Driver etc)	
Work Environment	1	Low Risk Environment * Non-operations sites * Office Based * Non-public facing	<b>NON-HIGH RISK ACTIVITY</b>			<b>NOT APPLICABLE</b> Introduction of heavy or specialised equipment would change work environment designation to construction and therefore likely determination of High-Risk	
	2	Minor Risk Environment * Public facing * Ticketing * Information					
	3	Medium Risk Environment * General Public Spaces	High - if activity includes frequent notifiable work, otherwise decision is to be made by PM and the H&S Manager		<b>HIGH RISK PHYSICAL WORKS</b>		
	4	High-Risk Environment * Road Corridor * Construction Site * Marine Environment * Rail Corridor	Decision to be made by PM and the H&S Manager				
	5	Critical Risk Environment (notifiable works) * Tunnelling or excavation * Specialised height work * Enclosed space environment	Decision to be made by PM and the H&S Manager				

Table 1. Health and Safety Risk Matrix



### 3.7 Contract Variations

If at any point during the contract the activity changes, there is an expectation that the Project Manager captures the change in the Contract Variation Assessment.

A change in the contract H&S risk from low to high, or high to low must be recorded in the SAP system.

### 3.8 Prequalification process for suppliers prior to working on High Risk Activities

When the project is considered as high risk the supplier should be prequalified through the H&S Prequalification System. This process will be completed via ISN.

The Supplier must have subscribed to the ISN, and must complete the prequalification process through ISNetwork prior to entering into the contract, unless such requirement is waived by AT in its sole discretion. Please refer to Supplier Approval Process Flow Chart.

During the term of the Contract, the Supplier shall maintain an active subscription, hold '**Accepted**' grade and provide complete and accurate information within ISNetwork.

In the event the Supplier's ISN rating falls below the minimum grade it shall take all steps necessary to improve its rating within 30 working days.

The above prequalification process requirements will be included as terms in all supplier contracts

### 3.9 Supplier Approval Process Flow Chart

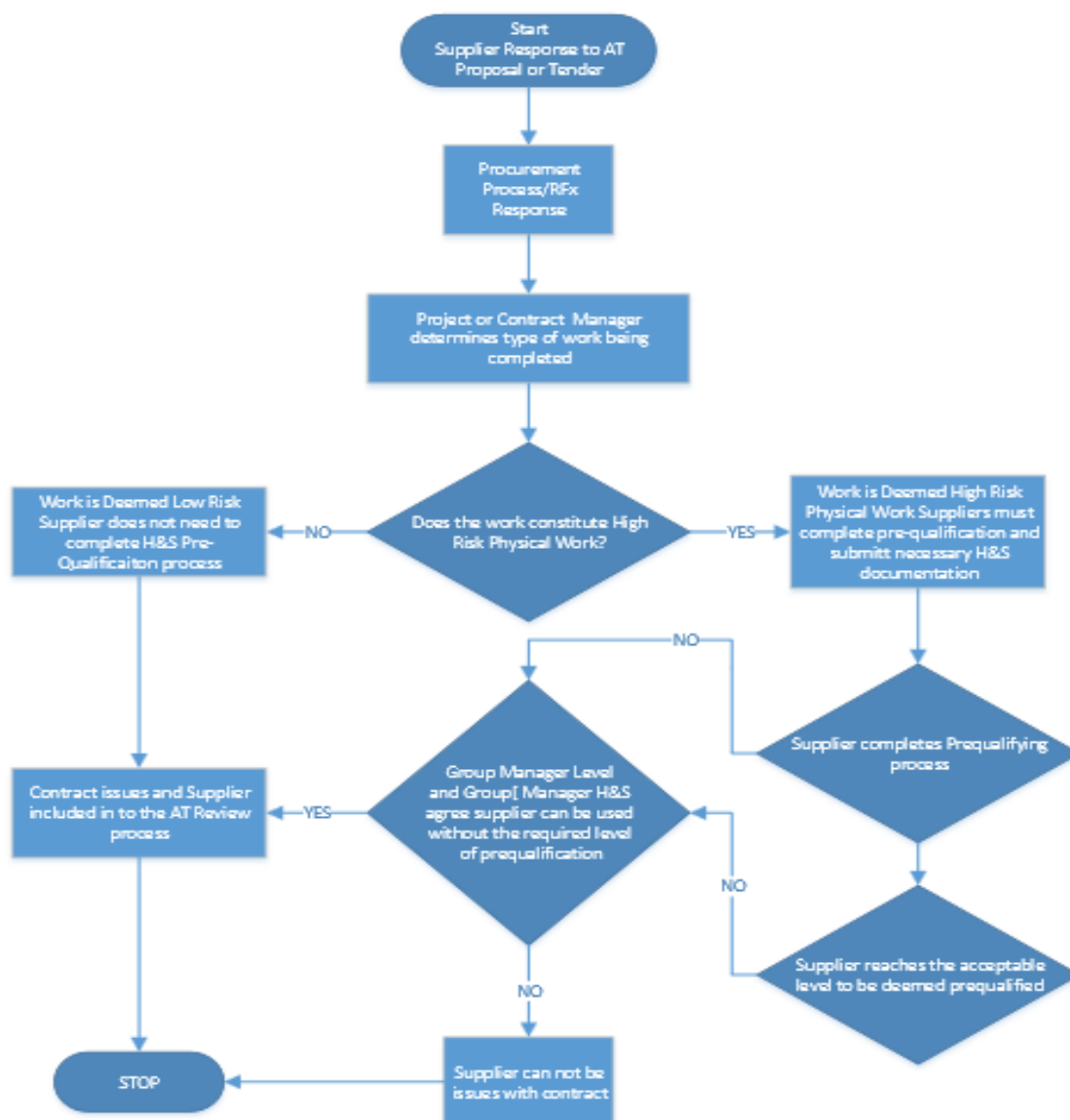


Figure 1. Supplier Approval Process

### 3.10 Contract Implementation

All AT Contract templates have included an H&S clause referring to HSWA for purchasing of services. Where contract H&S risk is high, the PM should consider inserting project specific H&S requirements.

When AT have approved the supplier, AT shall negotiate and agree a contract for the work.

This shall include clauses which set up agreed processes for:

- Meeting the requirements of H&S legislation and approved codes of practice.
- Consultation, co-operation and co-ordination.
- Participation and engagement of workers.
- Prevention processes.
- Ensuring responsibility and accountability of all PCBUs.
- Review of the project so that both parties can monitor progress; and a dispute resolution process for the project.
- Review of identified risks.

### 3.11 Lifecycle of Supplier Engagement

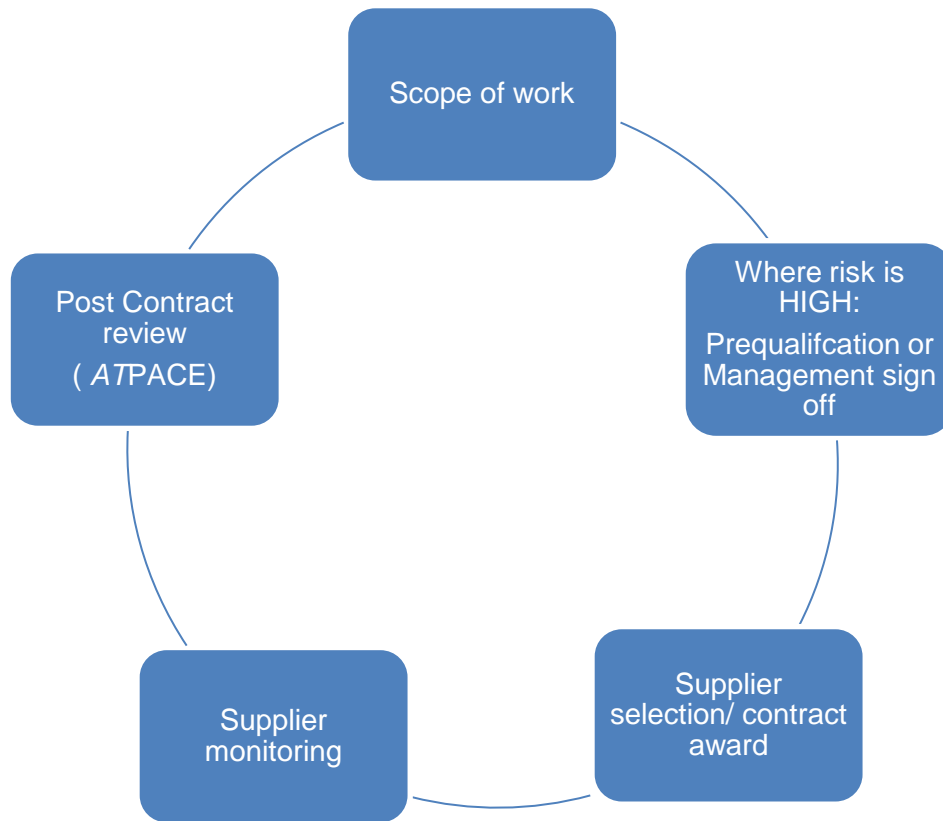


Figure 2. Lifecycle of Supplier Engagement

### 3.12 Supplier Performance Evaluation

Supplier H&S compliance will be reviewed as part of ongoing supervision. However, when the work is finished (or at periodic intervals in a lengthy or ongoing contract), AT will review the quality of the work against the job safety specifications and the supplier’s H&S performance. This will consider, among other things:

- the effectiveness of the original choice of supplier;
- how well the supplier fulfilled the H&S plan and managed H&S while completing the contract;
- any improvements that could be made to equipment, safe work methods etc.; and
- Whether the supplier is suitable for further contract.

Supplier and contracts reporting requirements:

- Monthly reporting via Synergi Life
- Project manager reporting
- External H&S advisor site inspections
- ATPACE where H&S is one of the criteria among Production, Management and Administration (Note: currently ATPACE only applies to Professional Services Engineering and Asset Construction contracts).





## 4 Responsibilities

### Chief Executive

- Accountable for the overall company's compliance with AT H&S policies/procedures including allocation of resources and responsibilities across the business.

### Divisional Managers

- Appoint competent person(s) as contract manager, and monitor and review their performance regularly.
- Confirm there is a process in place to monitor and manage suppliers while they are working for AT or on AT's premises.

### Managers

- Provide input to the supplier management process.
- Provide support to the contract manager in managing supplier H&S performance.
- Audit suppliers' compliance with AT's H&S policies, procedures and standards.

### Procurement Manager

- Incorporate relevant H&S information in tender documents.
- Review and verify H&S information provided by the supplier.
- Ensure Suppliers' H&S Management System documentation is compliant with risk grouping

### Contract Manager/Owner

- Competent to undertake their role as set out in this procedure.
- Incorporate project/contract specific H&S information, including identified hazards, in the tender documents and contract information.
- Confirm from the tenderer that they have the capacity to deliver H&S requirements as per the tender document.
- Confirm all suppliers have a signed contract in place prior to commencing work.
- Confirm all suppliers are competent and inducted into AT's business prior to commencing work.
- Provide information to suppliers in order that they can undertake their work safely.
- Demonstrate that all requirements of this procedure have been met before suppliers commence work/activity with AT.
- Ensure all projects have assessed and mitigated risk as far as reasonably practicable at design stage.
- Monitor and record suppliers' H&S performance.

### Legal Counsel

- Provide appropriate H&S contract clauses to ensure hazards and risks are identified and managed to prevent harm to suppliers, employees and others.
- Provide contract clauses relevant to H&S reporting requirements.

### Health and Safety Manager

- Assist the business units to follow this procedure and guide them where necessary.
- Provide professional assistance as required.
- Review procedures and relevant standards as required.



## 5 Other Information

- H&S Definitions (HS01-01-01).
- Full table of Procedures (HS01-01-02).
- Safety in Design Standard (HS08).

## 6 Document Control

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