

Loss Prevention Standards

Managing Contractors

Introduction

This document is intended to provide guidance for organisations in respect of the selection and management of contractors. A contractor is regarded as an individual or company who undertakes work on your behalf, but is not an employee; such as builders, joiners, electricians, caterers, etc. A lack of control regarding the selection and use of contractors can and does lead to property damage/losses as well as accidents and injuries, not only to contractors but also to your own employees. Whilst recognising that contractors can bring essential skills to a company, they can also introduce additional hazards given that they are generally less familiar with the workplace within which they are operating.



Accidents have resulted in both prosecutions and civil claims against the employing organisation, in addition to the contractor. The risks attaching to or arising from the activities of contractors will vary, and the approach to risk management should reflect this.

Contracting out a task does not mean you contract out the risk or exposure to your assets or your business activities.

Sites are most vulnerable to an incident/accident during change. The use of contractors in many cases constitutes a change to the normal.

Legal Duties

The Health and Safety at Work Act etc. 1974 (section 3), requires employers and the self-employed, to ensure that:

- Their activities do not endanger persons not in their employ, and
- Information is provided concerning potential health and safety hazards

Additionally, section 4 of this Act places duties on occupiers and/or owners of premises to ensure that:

- The premises, plant and substances contained in them are safe and without risks to health, and
- Reasonable measures are taken to provide safe access

Organisations must ensure that a contractor is not at risk from their business. Whilst the contractor must ensure that employees, tenants, residents and visitors to a business are not at risk from their activities.

If you manage contractors you also need to be familiar with the Occupiers Liability Acts of 1957 & 1984, Management of Health and Safety at Work Regulations 1999, Construction (Design and Management) Regulations 2015 and the Control of Substances Hazardous to Health (COSHH) Regulations 2002. Depending upon the type of work being undertaken by a contractor, examples of other safety legislation to be considered include:

- The Control of Asbestos Regulations 2012
- The Control of Lead at Work Regulations 2002
- The Control of Noise at Work Regulations 2005

Selecting a Contractor

Prior to employing the services of a contractor, it is essential that appropriate checks are completed, especially in respect of those contractors who will be undertaking hot work. The selection must take into account their competence to complete the work, including that of any sub-contractors, ensuring they fully understand the risks involved. Many organisations have a policy of only using contractors from an 'Approved List' of companies, whose capability and safety performance are already known. This may help to reduce the time spent on the selection process for each occasion that a contractor is required.

Areas to consider when selecting a suitable contractor include:

- Obtaining a copy of the contractor's Health and Safety Policy
- Requesting copies of risk assessments and safe systems of work
- Details of safety/operational training and qualifications of employees
- Information regarding recent safety performance
- Evidence of Employers' and Public Liability insurances with adequate limits of indemnity
 - at least £5m
- Confirmation of skills and experience in the type of work to be undertaken
- If sub-contractors are to be used, what is the selection criteria to confirm their competency
- References from other companies regarding work completed
- Membership of and accreditation by relevant trade or professional bodies

Planning the Work

Many property losses involving contractors occur due to a failure to plan the work properly. Ensure that the contract for the work to be carried out contains adequate information in respect of what the contractor is required to do, and your expectations of them with regards to the safety and operational procedures they are expected to adhere to whilst working on your premises. Risk assessments should be completed and communicated to all those involved. For higher risk activities including those involving hot work, contractors should be asked to prepare and follow method statements, confirming that all risks have been considered. Permits to work are an essential part of safe systems for operational and maintenance tasks and separate permit forms may be required for different tasks such as:

- Hot work
- Pressure systems
- Excavation works
- High voltage electrical work
- Work at height

The use of hot work is a major cause of losses within commercial premises, especially during construction schemes, maintenance or refurbishment projects. Strict supervision of hot work projects completed by contractors is critical, and it should be ensured that contractors use and follow the hot work permit authorising procedures and protocols outlined within the [Aviva Loss Prevention Standard: Hot Work Operations](#), especially in respect of the following:

- Ensuring that any contractors undertaking hot work are adequately monitored (i.e. regular checks to be carried out to ensure procedures are being followed), with appropriate permit authorisation and sign-off procedures throughout the duration of the contract
- Hot work permit to be managed and supervised by you (the host organisation employing the contractor), and not the contractor
- No hot work to be undertaken without your authorisation
- Continuous fire watch to be in place throughout the duration of the hot work operations and also for a minimum continuous period of at least 60-minutes plus further intermittent checks following cessation of the task (the exact length of the post-task fire watch should be determined by risk assessment), utilising individuals who have been trained to use fire-fighting equipment
- Emergency procedures

For further information in respect of the procedures and controls required for tasks involving the use of hot work, refer to the Loss Prevention Standard mentioned above.

Appoint an individual to manage the project and liaise with the contractors, both before the commencement and throughout the duration of the contract. Your own employees should be advised of when contractors are working on site including any specific arrangements required.

Contractor Management on Site

Prior to contractors commencing work, ensure they have undergone a formal recorded induction programme. The work to be completed, the areas in which the contractors can operate, together with what can and cannot be done, along with signing-in and signing-out procedures, should be clearly defined. A useful way to do this is in the form of a 'Site Rules for Contractors' leaflet which is issued to all contractors, with signatures sought from each individual to confirm that they have read and understood the publication.

Establish regular dialogue with all contractors including confirmation of the arrangements with regards to the monitoring and supervision of the work, to confirm compliance with the standards outlined in the contract. Agree who and how often site inspections will be carried out, to confirm that contract or site-specific procedures are being followed, this is especially important for high hazard activities such as hot work, to ensure that procedures and controls detailed within the hot work permit are being followed. If contractors are seen to be not following procedures, they must be informed, and this action should be formally recorded.

Contractors should be encouraged to report all accidents and near misses, with appropriate reporting and investigative procedures in place.

Establish formal disciplinary procedures, at least consistent with that for your own employees. This should include criteria for when individuals and organisations will be excluded from site.

Contract Completion

Upon completion of the contract check that the work undertaken has been completed satisfactorily, and that all appropriate documentation and operational procedures have been fully explained, especially if the project involved the installation of equipment.

Where the work involves routine tasks, e.g. maintenance, ensure documentation is provided that supports and clearly describes the work completed, the results witnessed and recommendations forthcoming, etc., and not just an invoice or receipt. These should be reviewed and collated as appropriate.

Review the project to see what lessons could be learnt for the next occasion that a contractor is required.

Checklist

A generic Managing Contractors Checklist is presented in Appendix 1 which can be tailored to your own organisation.

Additional Information

[Managing Contractors: A guide for employers \(HSG159\) - Health and Safety Executive](#)

Further risk management information can be obtained from [Aviva Risk Management Solutions](#)

Please Note

This document contains general information and guidance and is not and should not be relied on as specific advice. The document may not cover every risk, exposure or hazard that may arise and Aviva recommend that you obtain specific advice relevant to the circumstances. AVIVA accepts no responsibility or liability towards any person who may rely upon this document.

Appendix 1 – Managing Contractors Checklist

Location	
Date	
Completed by (name and signature)	

	Contractor Selection and Planning of Work	Y/N	Comments
1.	Is there a formal contract in place for the works, stating the obligations of each party, including health and safety?		
2.	Have all appropriate insurances been reviewed?		
3.	Have reasonable checks been completed to ensure that the contractor is competent to undertake the proposed works?		
4.	Have the company's policies and procedures relevant to the works been passed to the contractor, including details of the hot work permit system?		
5.	Have copies of relevant risk assessments and method statements been requested and received from the contractor?		
6.	Have all relevant documentation been reviewed by a competent person?		
7.	Are the contractors' employees suitably trained?		
8.	Has the contractor identified where any sub-contractors will be used?		
9.	Is the contractor undertaking similar checks of any sub-contractors?		
10.	Has the area of the proposed work been inspected and any hazards considered?		

	Contractor Management on Site	Y/N	Comments
11.	Is a full time member of staff formally identified as being responsible for the contractor(s) on site?		
12.	Has an induction and site rules leaflet been provided for all those working on site?		
13.	Have all site rules including hazardous work management and permit systems been formally explained?		
14.	Have smoking rules been adequately explained?		
15.	Is the contractors' equipment in a safe condition and fitted with any necessary safety devices?		
16.	Is the contractor able to provide certificates of statutory inspections relating to their equipment?		
17.	Are all power tools and electrical equipment subject to portable appliance testing?		
18.	Have the risks of fire and explosion been properly considered in the risk assessment?		
19.	Where high hazard activities are being undertaken, are the necessary risk assessments and method statements in place, and the appropriate permits in use?		
20.	<p>If hot work is to be undertaken, will it be completed in compliance with the <i>Aviva Loss Prevention Standard: Hot Work Operations</i>, to ensure adequate procedures and controls in respect of the hot work tasks, including fire watch arrangements and period of fire watch, clearance from combustible materials, monitoring and supervision of contractors, use of trained fire watch personnel, etc. ?</p> <p>Has appropriate training been provided to those individuals responsible for issuing and signing-off hot work permits?</p>		
21.	Has a property/business impact fire risk assessment been undertaken, both for the works and how the works may affect the rest of the site?		
22.	Are contractors aware of the procedures for reporting any near misses, injuries sustained or damage caused?		

	Contractor Management on Site	Y/N	Comments
23.	Is the contractor aware of the Joint Code of Practice for the Prevention of Fires on Construction Sites?		
24.	Is the contractor able to contact an appropriate person in the case of emergency?		
25.	Is there a procedure for signing contractors in and out of the premises each day?		
26.	Do those responsible for the contractors monitor what work is being undertaken and where, on a daily basis?		
27.	Are those responsible for monitoring the contractors competent to do so?		
28.	Are the contractors maintaining good housekeeping standards and clearing all debris and waste materials as work progresses?		
29.	Are inspections and stop audits undertaken to ensure the contractors are working in a safe and competent manner?		
30.	Is there a planned programme of meetings between the company and the contractor before and during the contract, to ensure that any problems are identified and resolved?		
31.	Where necessary, have security arrangements been modified to accommodate the contractors and their activities/equipment?		
32.	Additional comments:		

