



CONTRACTOR MANAGEMENT POLICY AND PROCEDURE

(Internal Policy)

DOCUMENT VERSION CONTROL

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No. 4	<i>Marion Truscott Manager Corporate Governance</i>		MANEX 13.04.2017		Two Years
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INTRODUCTION

Narromine Shire Council is committed to ensuring that all the activities undertaken by Council and its contractors are undertaken in a safe manner without causing risk to Council's infrastructure, employees, contractors, or the community.

POLICY

This Policy is part of the Narromine Shire Council's Work, Health and Safety System and reflects Council's commitment to the NSW Work Health and Safety Act 2011. Council must ensure, so far as is reasonably practicable, the health and safety of workers engaged by Council and workers whose activities in carrying out work are influenced or directed by Council while at work at Council workplaces.

PURPOSE

The purpose of this policy and procedure is to ensure that:

- There is a standard approach and framework for the management of contractors and contracts.
- All contractors and contracts are managed in a way that facilitates Council business and minimises risk.
- Contractors and contracts are managed to ensure quality performance and value for money.

SCOPE

All Council project managers and authorised officers must comply with this policy and procedure. This policy and procedure apply to any work done by a contractor or their employees that is carried out at workplaces and public areas under Council's control or management. This policy and procedure will apply to a contract until all contractual obligations have concluded. Excluded from this policy are employment contracts and non-binding memoranda of understanding.

The policy and procedure also do not apply to the purchasing and supply of goods by or to Council, which is covered in the Procurement Policy.

DEFINITIONS

Worker - A person is a worker if the person carries out work in any capacity for a person conducting a business or undertaking, including work as—

- (a) an employee, or
- (b) a contractor or subcontractor, or
- (c) an employee of a contractor or subcontractor, or
- (d) an employee of a labour hire company who has been assigned to work in the person's business or undertaking, or
- (e) an outworker, or
- (f) an apprentice or trainee, or
- (g) a student gaining work experience, or
- (h) a volunteer,

Project Manager (Authorised Council Representative) - Project Manager/Authorised Council Representative has the responsibility of the planning, procurement and execution of a project, that employs contractors or their employees.

Contractor -Is a person or company that provides goods or services under the terms set out in a contract. (Contractors are not Council employees instead they carry out their own trade or business and contract with Council on that basis).

Principal Contractor - The Council when commissioning a construction project is the principal contractor unless Council appoints another business or undertaking to be the principal contractor and authorises such person to have management or control of the workplace and discharges the duties of the principal contractor.

Due Diligence Check - when an authorised Council representative takes all reasonable steps to investigate, identify, evaluate, and verify all available information on a contractor. Such checks are especially important when hiring a prospective contractor.

Construction Project - A project that involves construction work where the cost of the construction work is \$250,000 or more.

Construction Work - Any work carried out in connection to the construction, alteration, conversion, fitting-out, commissioning, renovation, repair, maintenance, refurbishment, demolition, decommissioning or dismantling of a structure.

High risk construction work (2017 NSW WHS Regulations Chapter 6 Section 291) – means construction work that:

- a) involves a risk of a person falling more than 2 metres, or
- b) is carried out on a telecommunication tower, or
- c) involves demolition of an element of a structure that is load bearing or otherwise related to the physical integrity of the structure, or
- d) involves or is likely to involve the disturbance of asbestos, or
- e) involves structural alterations or repairs that require temporary support to prevent collapse, or
- f) is carried out in or near a confined space, or
- g) is carried out in or near:
 - a shaft or trench with an excavated depth greater than 1.5 metres, or
 - a tunnel, or
- (h) involves the use of explosives, or
- (i) is carried out on or near pressurised gas distribution mains or piping, or
- (j) is carried out on or near chemical, fuel, or refrigerant lines, or
- (k) is carried out on or near energised electrical installations or services, or
- (l) is carried out in an area that may have a contaminated or flammable atmosphere, or
- (m) involves tilt-up or precast concrete, or
- (n) is carried out on, in or adjacent to a road, railway, shipping lane or other traffic corridor that is in use by traffic other than pedestrians, or
- (o) is carried out in an area at a workplace in which there is any movement of powered mobile plant, or
- (p) is carried out in an area in which there are artificial extremes of temperature, or
- (q) is carried out in or near water or other liquid that involves a risk of drowning, or
- (r) involves diving work

Safe Work Method Statement (SWMS) – is a document that details the high-risk construction work to be undertaken, the hazards and risks arising from these activities and the measure to be taken to control the risks.

WHS Management Plan

This is a plan prepared by the principal contractor for a construction project prior to work commencing. A construction project involves construction work where the cost of the work is \$250,000 or more.

The WHS Management Plan must include the following: -

- (a) the names, positions and health and safety responsibilities of all persons at the workplace whose positions or roles involve specific health and safety responsibilities in connection with the project,
- (b) the arrangements in place, between any persons conducting a business or undertaking at the workplace where the construction project is being undertaken, for consultation, co-operation, and the co-ordination of activities in relation to compliance with their duties under the NSW WHS Act and Regulation,
- (c) the arrangements in place for managing any work health and safety incidents that occur,
- (d) any site-specific health and safety rules, and the arrangements for ensuring that all persons at the workplace are informed of these rules,
- (e) the arrangements for the collection and any assessment, monitoring, and review of safe work method statements at the workplace.

RESPONSIBILITY

A Council representative is to be specified in the engagement and oversight of all contractors.

The authorised Council representative will:

- Be suitably qualified and have experience and knowledge in contract management where possible.
- Develop site specific specifications.
- Carry out initial risk assessments.
- Complete a due diligence check that contractors will work safely in Council workplaces and avoid harm to other persons and property.
- Be required to monitor, inspect, document, and give feedback on contractor performance.
- Have sufficient authority to shut down work.
- Complete a post-contract evaluation and make a recommendation to Council as to whether the contractor should be used again.
- Save all contractor engagement and oversight records to Council's electronic management system (CM9)

Project Manager/Authorised Council Representative will:

Authorise an "Authority to Work" permit once all documentation is recorded and a full induction by the Authorised Council Representative is completed.

Contractors will:

- Comply with any reasonable direction given by Council's authorised representative.
 - Maintain equipment to good working standard.
 - Ensure plant operators meet operator competency requirements.
 - Effect and maintain all registration, licence, and insurance requirements.
 - Make any equipment and operator available for inspection and interview when required to do
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so by council.

- If principal contractor must complete a WHS management Plan prior to commencing any works.
- Provide SWMS for high-risk construction works.
- Adhere to Work Health and Safety requirements.
- Adhere to any environmental requirements.
- Not make false warranty acknowledgement or representation required to be given by the contract.

BREACH OF POLICY

Council may give notice in writing to the Contractor requiring it to rectify the default within five (5) business days. If the contractor fails to rectify the default within the time stipulated, without just cause, Council may terminate the contract effective immediately.

Failure to comply with requirements of this policy by Council staff may result in disciplinary measures being undertaken in accordance with Council's disciplinary process.

REFERENCES

NSW Work Health and Safety Act 2011
NSW Work Health and Safety Regulation 2017

ANNEXURES

ANNEXURES

Annexure A – Narromine Shire Council Authority to Work Permit
Annexure B – Post-Contract Evaluation Form

CONTRACTOR MANAGEMENT PROCEDURES

Prior to Commencement of Works

1. Assess whether the contract is minor or major. This will be dependent on whether the work involves high risk construction work as defined by s.291 of the WHS Regulations 2017 and/or the contract is greater than \$250,000 (**see Table 1**)
2. Complete the Contractor Due Diligence Checklist (**Annexure A**)

It should be noted that all insurances are to be verified on the Damstra/Vault Contractor Module as part of the Contractor Due Diligence Checklist.

A Contractor who is not registered on Vault/Damstra may be used **ONCE** to ensure continuance of Council business provided copies of the following insurance documents are supplied to Council prior to commencement of work: -

- Copy of Public Liability Insurance Coverage (\$20,000,000)
- Copy of Workers Compensation Certificate
- Copy of Vehicle and Plant Insurance Coverage

For major contracts in accordance with Section B Part (iii) (**see Table 1**), the Authorised Council Representative must ensure that Safe Work Method Statements and a Work Health Safety Management Plan (contracts of \$250,000 or more) are completed.

3. Complete the Contractor Work Health Safety Induction Checklist found on Damstra/Vault Check App (Narromine Council On- Site Contractor Induction)
4. Complete and sign the Narromine Shire Council Authority to Work Permit – to be authorised by the relevant Council Officer
5. Complete a purchase order. Signed by relevant Council Officer.

Contract Monitoring Requirements

1. Ensure works are supervised by Council Project Manager, Principal Contractor, or contractor.

For major contracts ensure there is onsite monitoring of the contract to ensure that work health safety requirements are met. The frequency and nature of the monitoring will be dependent on the risk associated with the activities being undertaken.

For major contracts (over \$250,000) ensure that the Work Health Safety Management Plan is updated as required.

2. Ensure incident management is followed up as required.
3. Ensure scheduled meetings with contractors are undertaken for major contracts as required.

For major contracts with work exceeding 1 month, complete the post evaluation form monthly

(Annexure B Post Contract

1. Complete Post-Contract Evaluation Form (**Annexure B**)
2. Ensure all documentation relating to the engagement and oversight of the contract are placed in Council's electronic recordkeeping management system. (CM9)

TABLE 1

Section A - Is the contract minor or major?	Section B – Prior to Commencement of Contract	Section C – Contract monitoring requirements	Section D – Post-contract
<p>Q1. What risk is involved with the contractor/ Sub-contractor?</p> <ul style="list-style-type: none"> ● Construction work or maintenance work involving structural alterations that require temporary support. ● Construction work near traffic or mobile plant ● Working over or adjacent to water where there is a risk of drowning. ● Working in confined spaces ● Work that involves the risk of falling – 2 metres or more ● Demolition work or working with Asbestos. ● Working with gas or electrical work ● Use of hazardous substances ● Construction work involving the use of explosives. ● Excavation Work, - depth greater than 1.5 metres ● Entry to a hazardous or restricted access area ● Any activity assessed as having high Work Health Safety risk. 	<p>Part (i) – Minor Contract</p> <ul style="list-style-type: none"> ● Complete due diligence checklist ● Complete WHS induction checklist Vault Check App) ● Issue Council Authority to Work Permit (Annexure A) ● Complete Council Order and attach copy of Authority to Work Permit <p>Part (ii) – Major Contract</p> <ul style="list-style-type: none"> ● Complete due diligence checklist ● Complete WHS induction checklist Vault Check App) ● Issue Council Authority to Work Permit (Annexure A) ● Complete Council Order and attach copy of Authority to Work Permit <p>Part (iii) – Major Contract</p> <ul style="list-style-type: none"> ● Complete due diligence checklist for each contractor and sub-contractor (Annexure A) ● Complete WHS induction checklist (Annexure B) ● Ensure Work Health Safety Management Plan completed by Contractor for Construction work and high-risk construction work over \$250,000. ● Ensure Work Health Safety Management Plan for demolition or asbestos removal. ● Issue Council Authority to Work Permit (Annexure A) ● Complete Council Order and attach copy of Authority to Work Permit 	<p>Part (i) – Minor Contract</p> <ul style="list-style-type: none"> ● Ensure works are supervised by Contractor. ● Incident management follow up as required. <p>Part (ii) – Major Contract</p> <ul style="list-style-type: none"> ● Ensure works are supervised by Contractor. ● On site monitoring of contract to ensure work health and safety requirements are being met. Frequency and nature will depend on the risks associated with the activities undertaken. ● Scheduled meetings with contractor as required. ● Incident management follow up as required. <p>Part (iii) – Major Contract</p> <ul style="list-style-type: none"> ● Ensure works are supervised by Contractor. ● On site monitoring of contract to ensure work health and safety requirements are being met. Frequency and nature will depend on the risk associated with the activities undertaken. ● Scheduled meetings with contractor as required. ● Incident management follow up as required. ● Work Health Safety Management Plan updated as required. ● Complete post-evaluation form monthly if works exceed 1 month. (Annexure B) 	<p>Part (i) – Minor Contract</p> <ul style="list-style-type: none"> ● Complete post-evaluation form (Annexure B) ● Ensure all records relating to the contract are placed in Council's electronic document recordkeeping management system. (CM9) Classification 04.04.01 Contracting out <p>Part (ii) – Major Contract</p> <ul style="list-style-type: none"> ● Complete post-evaluation form (Annexure B) ● Ensure all records relating to the contract are placed in Council's electronic document recordkeeping management system. (CM9) Classification 04.04.01 Contracting out <p>Part (iii) – Major Contract</p> <ul style="list-style-type: none"> ● Complete post-evaluation form (Annexure B). ● Ensure all records relating to the contract are placed in Council's electronic document recordkeeping management system. (CM9) Classification 04.04.01 Contracting out
<p>If the answer is NO to any of the risks, then the contract is MINOR (proceed to Section B Part (i))</p>			
<p>If the answer is YES to any of the risks, then the contract is MAJOR (proceed to Q2 for further classification)</p>			
<p>Q2. MAJOR CONTRACT</p> <p>Does the contract involve any of the following:</p> <ul style="list-style-type: none"> ● Construction work > \$250,000 ● High risk construction work < \$250,000 ● Demolition or asbestos removal 			
<p>If the answer is NO proceed to Section B Part (ii) If the answer is YES proceed to Section B Part (iii)</p>			

Annexure A

NARROMINE SHIRE COUNCIL AUTHORITY TO WORK PERMIT

(To be completed for all Contracts prior to commencement of work)

Contractor: _____

Contractor's Supervisor _____

Supervisor's Contact Number _____

Subcontractor: _____

Scope of contract or engagement: _____

Location of works _____

Contract start: _____ **Contract completion:** _____

Authorised Council Representative: _____

Council Order Number: _____

ITEM	COMPLETED
Authorised Council Representative has completed the Contractor Due Diligence Checklist and all required documentation has been retained	<input type="checkbox"/>
Authorised Council Representative has completed a Work Health and Safety Induction with Contractor and all required documentation has been retained Vault Check App	<input type="checkbox"/>
All Contractor inductees have signed the Work Health and Safety Induction Checklist Vault Check App	<input type="checkbox"/>
All safety issues have been fully clarified with the Contractor	<input type="checkbox"/>
A purchase order has been completed by Council's Authorised Officer	<input type="checkbox"/>

I believe all required documentation has been completed and the Contractor has been fully inducted to the worksite.

PERMIT NO _____

Valid To: _____

Signed by Narromine Shire Council Director

Name

Signature

Date

Annexure B

POST CONTRACT EVALUATION FORM

(To be completed at the end of each contract and monthly for long term major contracts)

Contractor: _____

Scope of contract or engagement: _____

Location of works:

Contract start: _____ **Contract completion:** _____

Authorised Council Representative: _____

Date of Evaluation : _____ **Next Evaluation:** _____

WORK PERFORMANCE	SATISFACTORY		COMMENTS
Quality of Work	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Meeting, Time Deadlines	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Housekeeping	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Kept Within Budget	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

CONTRACTOR SUPERVISOR AND EMPLOYEES	SATISFACTORY		COMMENTS
Responsiveness	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Availability	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Health and Safety Attitude	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Qualifications Supplied	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

HEALTH AND SAFETY	SATISFACTORY		COMMENTS
Incident Reporting/Recording	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
No and nature of Incidents Reported			
PPE Compliance	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Hazard ID and Controls	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Follow Procedures/Council Policies	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

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ENVIRONMENT	SATISFACTORY		COMMENTS
Environmental Impacts	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

Based on the above assessment, would you recommend using this Contractor again ?

Yes No

Evaluation completed by :-

NAME

SIGNATURE

DATE