



Contractor Safety Program



September 22, 2014



Contractor Safety Benchmarking

- > Identify best practices for the contractor safety pre-qualification process
- > Benchmark against peer utilities to enhance PG&E's overall Contractor Safety Program





History of the Contractor Safety Program

2013:

- Piloted the pre-qualification process with 25 contractors
- Conducted benchmarking
- Pre-qualifications expanded to new and existing “high” and “medium” risk contractors
- Developed a guidance document to help define program elements and roles and responsibilities
- PG&E’s Executive Safety Steering Committee approved the Contractor Safety Program elements-October 2013

2014:

- Commenced pre-qualification rollout to over 500 contractors
- Drafted formal Contractor Safety Procedure that includes four main elements
 - Pre-Qualification
 - Contract Terms
 - Safety Oversight
 - Performance Appraisals



Pre-Qualification Process

- Acceptance Criteria:
 - Managed by a ThirdParty Administrator – PICS
 - Safety manual audits, drug/alcohol programs & disciplinary program
- Differentiate pre-qualification criteria by contractor industry classification:
 - Collect and review safety performance data including auditing of safety manuals to ensure compliance to regulatory standards
 - Indicate contractor pre-qualification status by Flag
- Sub-contractor management:
 - Contractors must require sub-contractors to pre-qualify with PICS
 - Sub-contractors must meet the same pre-qualification criteria as Primes
- Governance process:
 - Summary of business need, contractor improvement plans and the measures that will be taken by the assigned PG&E representatives to demonstrate compliance with the improvement plan shall be submitted to the Senior Directors of the LOBand Safety for approval



Contract Terms

- Current State Standard Terms (not including legacy contracts)
 - Contractor is obligated to:
 - Recognize and agree that safety is of paramount importance
 - Perform the work safely and in compliance with PG&E's contractor safety program
 - Safeguard persons and property from injury
 - Comply with all applicable federal, state, and local laws, rules, and regulations, including all CPUC rules and regulations
 - Train their employees and subcontractors on safety and health rules and standards
 - Inspect all materials, tools, equipment, and facilities for safety
 - Require that workers be fit for duty and comply with the drug and alcohol programs of both PG&E and, if applicable, the DOT
 - PG&E has the right to:
 - Designate safety precautions in addition to those in use or proposed by the contractor
 - Stop work to ensure compliance with safe work practices and applicable federal, state, and local laws, rules and regulations
 - Require the contractor to provide additional safeguards beyond what the contractor plans to utilize
 - Terminate the contractor for cause in the event of a serious incident or failure to comply with PG&E's safety precautions.
- Additional safety terms are added as specific conditions depending on the nature of the work, including:
 - Review and approval criteria for work plans, which includes safety plans
 - Work specific safety requirements
 - Cooperation and assistance with regulatory investigations and inquiries
- These terms and requirements for the Contractor Safety Program will become the standard terms for all existing high and medium risk contracts



Contractor Job Oversight

- Implementing standardized safety observation tool and database
- LOB establishes frequency of safety observations based on risks associated with the work
- Higher frequency of safety observations for high-risk work
- This program is in addition to the oversight provided by Project/Contract Management
- Site-Specific Health & Safety Plans required for high-risk work
- Centralized database (PICS) for collecting contractor hours and injury counts specific to PG&E work
- Contractor safety performance metrics reported monthly to executive level



Contractor Performance Appraisal

- Implementing standardized post-project evaluation document
- Utilize PG&E specific safety performance data for future contractor comparisons or contract award decisions
- Facilitate open and honest discussions with contractors of what worked well and what needs improvement
- Post-project feedback drives safety improvements and cultural change
- Provides opportunities to capture lessons learned that can be shared with internal and external stakeholders



Appendices



Red/Amber/Green- Acceptance Criteria

3-year averages (except fatalities)	Acceptable (Green)	Not Acceptable without Governance Review (Red)	Acceptable pending governance process (Amber)
Number of OSHA citations within the previous 3 full years plus current year	No more than 3 serious OSHA citations with no willful or repeat citations	More than 3 serious, or 1 or more willful or repeat OSHA citations	More than 3 serious, or 1 or more willful or repeat OSHA citations
Experience Modification Rate	Equal or less than 1.10	Greater than 1.10	Greater than 1.10
Fatalities within 5-years	Zero	Greater than zero	Greater than zero
Total Recordable Incident Rate	Equal or less than Industry Average	Greater than Industry Average	Greater than Industry Average
Days Away Restricted/Transferred Duty	Equal or less than Industry Average	Greater than Industry Average	Greater than Industry Average



Risk Assessment and Segmentation-App. A

Create Risk Matrix to determine pre-qualification criteria for contractors

Risk Category	Service Contract Types	Minimum Field Oversight Expectations
<p>Low Risk : Work requires minimal advance planning, preparation, formal training, work controls.</p> <p>Risks: slips, falls, cuts, incidental driving, low environmental compliance impact</p>	<ul style="list-style-type: none"> • Vending Machine Personnel • Office area workers • Classroom instructors • Technical or consulting services • Engineering – short-term where work is limited to non-plant access 	<ul style="list-style-type: none"> • Contractor expected to report any incidents or injuries to onsite PG&E representative • Communication of general compliance expectations
<p>Medium Risk : Work requires advance planning, preparation, formal training, work controls, and audit/oversight.</p> <p>Risks: extensive driving, limited trenching and shoring, moderate environmental compliance impact</p>	<ul style="list-style-type: none"> • Landscaping • Lighting installation/repair • Non-hazardous spill cleanup • Pesticide/Herbicide Spraying • Erosion Control • Siting/Surveying • Station Mowing • Precipitator/Boiler Inspections/Repair • NDE Operations • Plumbing Work • Sandblasting • Ash Removal 	<ul style="list-style-type: none"> • Routine meetings with supervision with discussion on significant issues • Documented random field inspections by PG&E contract managers/project managers • Contractor Supervision routinely on site • Documented Contractor post-job evaluation completed



Risk Assessment and Segmentation (cont'd)

Risk Category	Service Contract Types * Reference Utility Standard LAW-2001S	Minimum Field Oversight Expectations
<p>High Risk: Work requires advance planning, preparation, formal training, robust work controls, and professional regular audit/oversight.</p> <p>Risks: incidental exposure to secondary voltage, digging into other utilities, exposure to energized electrical conductors, electrical flash, demolition work, work excavations and trenches, work in confined spaces, work at elevated locations, use of cranes and heavy equipment, work with chemicals and solvents, work requiring grounding and bonding, rigging and hauling, asbestos removal, disturbance of lead-based coatings/surfaces and any work with potential significant impact to environmental compliance.</p>	<ul style="list-style-type: none"> • Heavy earthmoving equipment operation • Complex System Construction, Rebuild, and Repair • Transformer Retrofit • Asbestos Abatement • Lead Abatement • Scaffold Erection/Dismantling • Nuclear/Hazardous Materials cleanup, disposal, testing or transportation • Demolition/explosive work • Construction • Commercial Diving Operations • Aviation services • Abrasive or hydro cleaning • Vegetative management 	<ul style="list-style-type: none"> • Routine meetings with supervision with discussion on significant issues • Routine observations of contractor work by PG&E contract managers/project managers • Documented random field inspections by PG&E contract managers/project managers • Contractor Supervision required on site • Documented Contractor post-job evaluation completed