1.0 Policy

Subcontractors for Sunbelt Controls work sites shall be selected and managed in a manner consistent with the overall Sunbelt Controls safety objectives, policies, and procedures embodied in the other sections of this manual.

2.0 Purpose

To set forth a basis for the selection of safe subcontractors and to set forth procedures to assure that the subcontractor's safety activities are equal to or exceed those of Sunbelt Controls.

3.0 Scope

Applies to all Sunbelt Controls work sites that have occasion to use subcontractors.

4.0 Definitions

Experience Modification Rate (EMR) – is a term related to Workers' Compensation insurance and means a factor developed by measuring the difference between the employers' actual past claim experience and the average experience of the industry classification of the employer. Depending on the workers compensation program in which the subcontractor participates, the EMR may be determined by a single state entity or a multi-state agency such as the National Council on Compensation Insurance (NCCI) or the Workers Compensation Insurance Rating Bureau of California. (WCRIB) The EMR is based on a point scale where 1.0 means average losses for that type of industry classification. EMR's below 1.0 means below average loss history and EMR's above 1.0 mean above-average loss history.

Hours of Exposure – means the total number of hours that all of a company's employees are exposed to occupational injuries or illnesses during a normal work year. Both salaried and hourly employees are included. Straight-time and over-time hours are included.

Subcontractor – means a person or business, which has a contract, as an "independent contractor" (not an employee), with Sunbelt Controls to provide some portion of the work or services on a project for Sunbelt Controls.

5.0 Requirements

5.1 Subcontractor Selection

Form 8-A is a Pre-Qualification Questionnaire that shall be used, at a minimum, to capture the information noted within this section.

It is required that safety performance be considered in the selection of subcontractors using the following criteria:

5.1.1 Experience Modification Rate ("EMR")

Prospective subcontractors shall be required to furnish their EMR for the past three years. This information should come directly from the subcontractor's broker.

An EMR greater than 1.0 can indicate an employer with a high frequency and/or severity of workers compensation claims. In the event of an EMR greater than 1.0, a more detailed evaluation of their safety program is required by the Safety Manager.

5.1.2 OSHA Log

Prospective subcontractors shall be required to submit copies of OSHA logs for the previous three years and applicable hours of exposure. Incident frequency and severity rates should be examined and compared for acceptability with:

- Comparable incident rates for relevant Sunbelt Controls work sites
- Industry average incident rates for their Standard Industrial Code (SIC) as published by the Bureau of Labor Statistics
- An incident rate specified by the Sunbelt Controls Safety Manager

5.1.3 Evaluation of Subcontractor Safety Program

The prospective subcontractor shall demonstrate that his program meets or exceeds the Sunbelt Controls program. The following areas are a minimum that shall be addressed by the subcontractor:

- The program should be industry specific, not generic, and should be responsive to the exposures prevalent in the industry and anticipated on the prospective project
- There should be elements of supervisor accountability for safety, accidents, and claim costs
- Safety meetings should be held regularly, with documentation as to the subject, who attended, and a review of past losses
- Safety audits (inspections) should be conducted by the subcontractor on a regular basis. Audit results should be documented to identify deficiencies and corrective action taken
- The program should provide for employee safety training, including the documentation thereof

5.1.4 OSHA Citations

The prospective subcontractor shall be required to provide requested information including reason(s), corrective action, and fines regarding OSHA citations during the past three years.

5.2 Pre-job Planning

The understanding of Sunbelt Controls and the subcontractor on important issues should be written and signed by both parties. Examples of such issues would be:

- Provision of tools and equipment and inspection thereof
- Performance in accordance with OSHA and other regulatory bodies
- Provision of all necessary PPE, training on its use, and enforcement of usage at the worksite
- Responsibility for housekeeping and debris removal efforts
- Responsibility for utility mark out, maintenance, and protection of traffic on underground and road projects during the project

5.3 Typical Actions Recommended During Performance of Work

Include subcontractors in the following safety activities:

- Manager Audits
- Safety Meetings
- Training Sessions
- Safety Audits
- Work Observations
- Job Safety Analysis Systems
- Injury Intervention Processes
- Root Cause Analysis
- Client-Required Programs

6.0 References

National Council on Compensation Insurance (NCCI
Workers Compensation Insurance Rating Bureau of California (WCRIB)