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WHS-PRO-016

Purchasing and Contractor Management Procedure

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PURPOSE

This procedure is to provide a framework for the Sydney Harbour Federation Trust to:

1. Ensure that materials, equipment, machinery and substances that are purchased and brought onto the sites are assessed and do not present a hazard to employees, contractors or visitors.
2. Detail the process to be followed when appointing and managing external contractors.

This procedure is intended to apply to Contractors who provide building, construction and/or maintenance services. For Contractors engaged for other services (i.e. events, office based services, etc.) refer to the relevant procedure.

SCOPE

This procedure covers the requirements associated with the purchasing of equipment and materials, including selection of suppliers. It also covers the process to be followed in appointing and managing external contractors.

REFERENCES

- AS/NZS 4801:2001 OH&S Management Systems – 4.4.6 Hazard Identification, Hazard/Risk Assessment and Control of Hazards/Risks
- WHS Regulation 2011 - Chapter 4 Hazardous Work

DEFINITIONS

Contractors

Individuals, organisations or legal entities engaged under a contract to perform any work, provide any service, or supply any goods at an agreed price or rate.

Manager

For the purposes of this procedure, the term 'manager' refers to either the Building and Site Services Manager, Projects Manager, or the Volunteer Manager. The manager responsible will be dependent on the site on which the works are being undertaken

Officer

For the purposes of this procedure, the term 'officer' refers to a team member of either the Building and Site Services team, Projects team, or the Volunteer Manager. The officer responsible will be dependent on the site on which the works are being undertaken

Pinnacle

The asset management system used by the Sydney Harbour Federation Trust to log and manage maintenance and other works requests.

Safe Work Method Statements (SWMS)

A Safe Work Method Statement (SWMS) is a document that outlines the construction work activities to be carried out at a workplace, the hazards that may arise from these activities, and the measures to be put in place to control the risks.

SHFT Strategic Asset Management Plan (SAMP)

The Strategic Asset Management Plan documents the Sydney Harbour Federation Trust's high-level approach to achieve asset management.

FORMS AND DOCUMENTS

Forms

- WHS-FOR-016.1 Contractor Assessment Checklist
- SHFT Approved Contractors Register
- SHFT Strategic Asset Management Plan
- SHFT General WHS Induction
- SHFT Site WHS Induction
- Site Emergency Response Plan

• ACTIONS AND RESPONSIBILITIES

1. Purchasing

General

- Prior to the purchasing of any new materials, equipment, machinery or substances (with the exception of all general office supplies) an assessment shall be carried out in accordance with **WHS-PRO-008 WHS Risk Management**.
- Where appropriate, the results of the risk assessment should be made available to the supplier along with a request to make any changes agreed during the risk assessment process and how much the changes would cost.
- Items such as Personal Protective Equipment (PPE) shall comply with the relevant Australian Standards. Refer to **WHS-PRO-021 Personal Protective Equipment**.
- Sufficient information in the form of advertising material, manuals/specifications, photographs, etc. shall be obtained from the supplier to enable an informed decision to be made.
- In accordance **WHS-PRO-018 Hazardous Substances**, before any new chemical/substances are purchased the hazards and risks involved in handling, storage and use shall be determined using information from the Safety Data Sheet (SDS).

Receipt of Goods and Services

- Goods provided by a supplier are not to be received by the Sydney Harbour Federation Trust until evidence of compliance with the relevant specifications is received and signed off on.
- Goods received at a site are to be inspected by the Manager to ensure that they comply with the required specifications before they are accepted.
- If a good or service is considered to not conform with the required specifications, the Manager will take appropriate action based on the nature of the nonconformity. This further applies to nonconforming goods and services detected after delivery of products, as well as during or after the provision of services.
- Any nonconforming goods are to be clearly marked as such so that they are not included in any job/works.

2. Contractor Management

General

- Sydney Harbour Federation Trust has a legal obligation to comply with the WHS Act and the WHS Regulations 2011 to exercise due diligence to ensure (where practical), or controlled according to risk management practices.
- Sydney Harbour Federation Trust will, as far as is reasonably practicable, ensure the WHS of all who may be affected by work undertaken by contractors (and if applicable their employees and/or subcontractors).
- All contractors engaged to perform work at Sydney Harbour Federation Trust shall work in ways that maintain a safe working environment. This will be achieved by ensuring contractors:
 - have the necessary licensing, skills, knowledge and systems to carry out the work safely;
 - are adequately supervised whilst onsite;
 - health and safety performance is reviewed.
- Sydney Harbour Federation Trust's health and safety is a shared responsibility between the contractor, their employees or sub-contractors, and Sydney Harbour Federation Trust itself. It is the responsibility of contractors to ensure that:
 - they are competent and have the qualifications, training, experience and certificates of competency that will be needed for the job;
 - they comply with the requirements of the Sydney Harbour Federation Trust's WHS Procedures and Policies;
 - they maintain the sites in which they work in a safe and healthy manner for themselves and for the employees and subcontractors;
 - they employ safe systems of work to do a job;
 - they comply with appropriate standards;
 - instructions and supervision from the contracting company are adequate.
 - they communicate regularly with the Sydney Harbour Federation Trust;
 - methods of work are approved by their SHFT contact;
 - they hold all necessary licences, certificates and/or approved evidence of competency; and
 - they ensure that their equipment is current for inspection purposes and inspected prior to use to ensure that it is fit for purpose.

The broad process to be followed in terms of Contractor Management is detailed in the process flow diagram (Diagram 1). The remaining sections of this procedure provide further detail on each stage of the process.

Diagram 1: Contractor Management Process Flow



Step 1 - Scope

- The responsible Officer will:
 - Note whether a job/works logged via Pinnacle or directly with the team are 'reactive' or planned works. If the job/works have been received directly, the Officer will ensure that the job is logged in Pinnacle.
 - Describe and detail the specifics of the job/works required to be undertaken, including whether it is an isolated occurrence or part of a broader observed pattern.
 - Determine the priority of the job/works through following the Prioritisation Matrix contained with the Strategic Asset Management Plan, as detailed in Diagram 2.

Diagram 2: SAMP Prioritisation Matrix



- Based on whether the job/works have been identified as an isolated occurrence or a broader pattern, as well as the result of the SAMP Prioritisation Matrix, the specific job/works should be categorised as either:
 - To be completed immediately – quickly achieved;
 - To be completed immediately – critical importance;
 - To be completed as part of a broader program of works; or
 - Not imminently critical.

Step 2 - Procure

- Using an estimated value of the job/works to be undertaken, the Officer will assess the value against their own financial delegation limit as prescribed by their Manager. If the estimated value is outside of their financial delegation limit, the job/works shall be referred to the Officer with appropriate delegations, or to the Manager.
- The Officer will comply with the following procurement requirements:

Table 1: Procurement Requirements

Expected Value of Job/Works	Procurement Requirement
< \$5,000	Can select from approved contractors
\$5,000 < \$10,000	Obtain at least 1 quote
\$10,000 < \$25,000	Obtain at least 3 quotes

- On completion of the appropriate procurement process, the Officer will issue a work order from Pinnacle.
- The Officer will evaluate potential contractors and suppliers on their capability to meet all the requirements for the specified job/works. Contractors are selected based on their ability to meet the performance requirements of the job/works concerned, especially their ability

to comply with Work Health and Safety (WHS) processes, their skills and knowledge, as well as their systems employed to carry out the work safely.

Step 3 - Contractor Vetting

- Contractor/sub-contractor's employees shall possess all of the insurances, licenses, registrations and certificates required by Federal, State and Local Legislation. This includes certificates of competency to carry out the specific tasks required. These details are to be kept on file by the Sydney Harbour Federation Trust.
- Public Liability insurance should be for a minimum coverage value of \$20 million. On a case-by-case basis the minimum coverage value may be reduced through prior written agreement with the Manager.
- Contractors may also be selected based on their demonstrated past performance, or thorough reference checking to determine past performance with other organisations.
- The Contractor's standard rates for their services will be obtained and kept for reference.

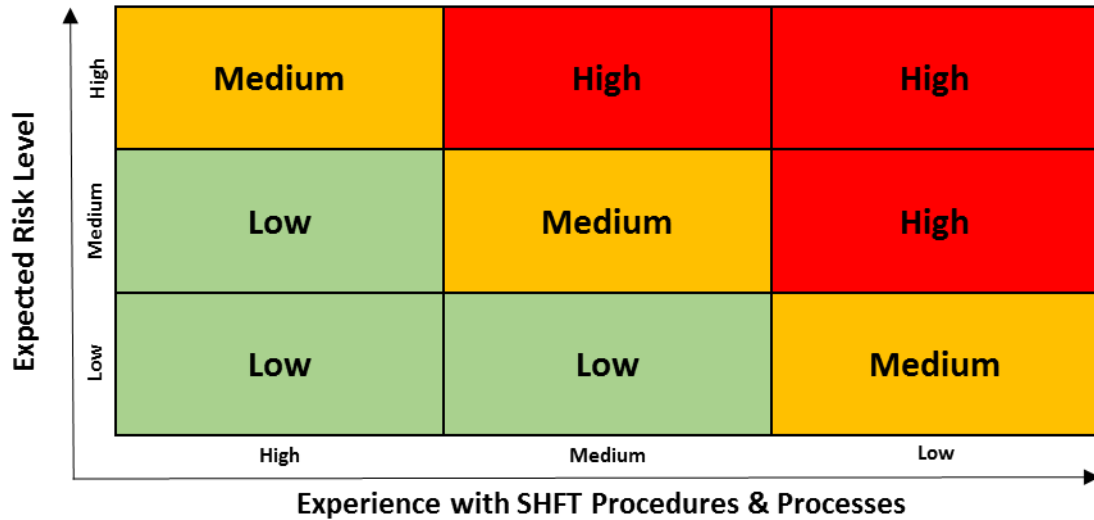
Step 4 - Induction

- The Officer and/or the Manager will formally induct the Contractor through the use of the **SHFT General WHS Induction** and **SHFT Site WHS Induction**. The Contractor will also receive a copy of the relevant **Site Emergency Response Plan** for the site where the job/works are being undertaken.
- The induction process should be completed by all new Contractors, as well as those who have not completed it during the previous two years.
- On conclusion of the induction, the Contractor will complete the Declaration attached to the **SHFT General WHS Induction** and **SHFT Site WHS Induction** to certify that they understand the WHS requirements and their responsibilities. The declaration is to be then kept on file by the Officer or Manager.
- Before works commence, the Officer will review the currency of the Contractor's accreditation and licencing (such as White Card, Trade Tickets, etc.), as well as to ensure that it is appropriate for the job/works to be undertaken.
- Once the Contractor has completed the induction, they may be placed on to the **SHFT Approved Contractors Register**.

Step 5 - Supervision

- The level of Sydney Harbour Federation Trust supervision over the Contractor's work will be dependent on the outcome of the Supervision Level Matrix (Diagram 3), which takes into account the expected risk level of the job/works and the extent of the Contractor's experience with the Harbour Trust's procedures and processes.

Diagram 3: Supervision Level Matrix



- In accordance with the outcomes of the Supervision Level Matrix, the level of supervision required over the Contractor will be as follows:
 - **Low** – Ad-hoc levels of supervision.
 - **Medium** – Supervision is required at the commencement of works, at an interim point, and at their conclusion.
 - **High** – Supervision is required on a constant basis.
- Before the job/works commence, the Officer and/or Manager will review and ensure the appropriateness of the Contractor's Safe Work Method Statements, and ensure that any Permits required for the work have been obtained and are valid.
- If the Contractor is not working to the expected Work Health and Safety (WHS) standards, in the first instance the Officer and/or Manager shall discuss the deficiencies with the persons concerned and work with the contractor to resolve the issues identified.
- The Officer and/or Manager (along with other Harbour Trust employees where necessary) will notify any stakeholders who will be impacted by the job/works. Stakeholders include (but are not limited to) the Harbour Trust Property Team, Tenants, Rangers, Emergency Services, Comcover, and utility providers.

Step 6 - Sign-off

- At the completion of the job/works, the Officer and/or Manager will evaluate the overall performance of the Contractor. The period in which the evaluation will take place is in accordance with the Supervision Level assigned, as follows:
 - **Low** – Within 1 week of job/works completion.
 - **Medium** – Within 1-2 days of job/works completion
 - **High** – Before Contractor leaves the site.
- Once the evaluation has taken place, and a satisfactory outcome achieved, the Contractor's invoice will be certified by the responsible Officer. Once this has occurred, the invoice will then be reviewed and approved for payment by the responsible Manager.

Where the Contractor's performance (both in terms of quality and adherence to WHS requirement) is not deemed to be satisfactory, the **SHFT Approved Contractors Register** will be amended to remove the Contractor.