

Eskom Contractor Safety Management Plan

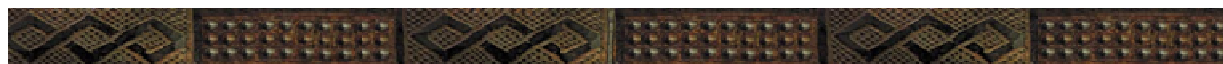
Developed by:

**Contractor OHS Management
Sustainable Systems
Sustainability Division**

(Rev. 0)

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1 Contractor safety management executive summary

Given the strategic importance of contractors across Eskom, substantial efforts are required in order to introduce safe systems of work across the entire organisation with the purpose of ensuring continual safety performance improvement in our drive for Zero Harm. We rely extensively on contractors to provide specialised skills and services and expect our use of contractors to grow due to the numerous projects on which Eskom is embarking.

Eskom's Zero Harm aspiration extends not only to our own employees, but to our contractors and to their employees as well. This attitude is a commitment by Eskom management to the concept that Zero Harm is the only acceptable goal and that any other goal implies that injuries are acceptable.

As Eskom Holdings increasingly engages in the utilisation of contractors and as we choose more contractors strategically, Eskom is committed to identifying risks, mitigating those risks, and ensuring that contractors perform to expectation.

The Contractor OHS Management Section was, therefore, established with the purpose of formulating effective strategies to aid the organisation to effectively manage our contractors, thereby improving overall contractor safety performance.

Eskom's workforce comprises Eskom employees and numerous contractors working on our projects or in ventures in which we have an interest. Eskom's employee and contractor workforces have diverse risk profiles, with contractors frequently doing work that involves inherently high risks.

Incident analysis has shown that a large proportion of our work-related fatalities are related to contractor activities. This has highlighted the need for an increased emphasis on safety in the management of contractors.

After review of the most serious incidents for the past five years, three principal risk areas were identified that had contributed to serious and fatal incidents, that is, falls, motor vehicle incidents, and electrical contacts.

To meet the challenges facing contractor safety, Eskom is building a culture of Zero Harm that strives to achieve world-class performance and prevent all incidents. Eskom would like to create a culture through which all contractors as well as employees at all levels accept ownership of the safety performance objective of Zero Harm.

Zero Harm drives everything we do. Our leadership genuinely believes that all incidents are preventable, and we have policies, procedures, processes, tools, and behavioural expectations in place to assist us in achieving our Zero Harm goal. Our CE sets the expectation and empowers all employees to do what is necessary to reach Zero Harm performance.

2 Scope of contractor safety improvement plan

This document has been developed by Sustainable Systems as part of Eskom's crucial emphasis on contractor safety management. The contractor OHS management plan describes the roles and responsibilities, the key focus areas, and the high-impact initiatives that will be prioritised over the short to medium term (three to five years).

The primary focus of the document relates to contractors performing construction-related work; however, the same heightened focus will still apply to other contractors, both large- and small-scale contractors, involved in other activities.

The successful accomplishment of the plan is reliant on competent resources, management commitment, and budgetary availability.

3 Purpose

The objective of this plan is to provide a framework for the selection, engagement, induction, monitoring, and review of contractors performing work for Eskom, with particular emphasis on health and safety.

The plan shall, moreover, serve as strategic guideline to the Contractor OHS Management Section in effectually carrying out its mandate over the short to medium term.

Through the application of the contractor safety management plan, Eskom aims to:

- provide a safe and healthy workplace and systems of work that prevent risk of illness and injury uniformly for employees and contractors;
- provide a practical and consistent system for Eskom staff managing and overseeing the work of contractors;
- integrate safety requirements into contractor management; and
- fulfil Eskom's OHS legal requirements to ourselves and to our contractors.

4 Contractor OHS Management Section responsibilities

Contractor OHS Management Section is part of the Sustainable Systems Department within Sustainability Division. The main objective of Sustainable Systems Department is to ensure Zero Harm to all employees, contractors, and members of the public through the development and implementation of policies, as well as procedures and systems.

The mandate of the Contractor OHS Section is to proactively and effectively formulate a viable system with effective strategies to manage Eskom contractors and, in so doing, improve overall contractor health and safety performance.

The Contractor OHS Management Section will develop and maintain effective contractor health and safety strategies, policies, and frameworks that support the organisation. This will principally be achieved by shaping and safeguarding.

Shaping (the objective is to standardise and align)

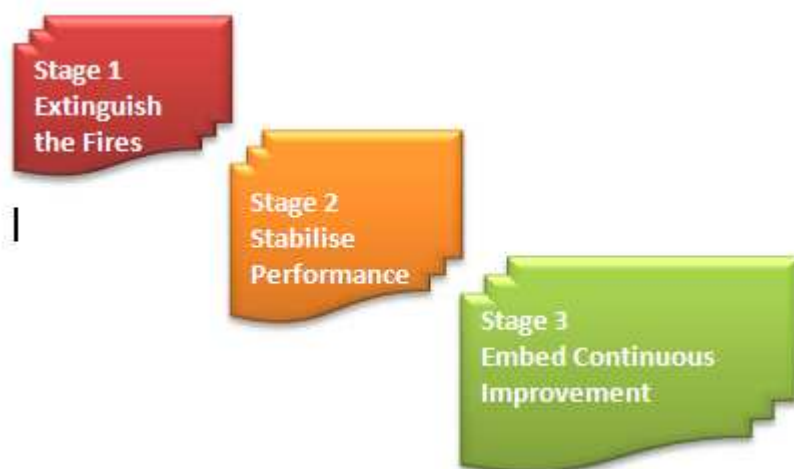
- Setting of policy, procedures, and standards
- Formulation of strategy
- Consulting and advisory services
- OHS systems
- Establishment of performance indicators
- Best practice and benchmarking

Safeguarding (the objective is to assure and prevent liability)

- Liaison/engagement with relevant government departments and other key stakeholders
- Legal compliance – defining roles and responsibilities and actions/mechanisms required
- Legal non-compliance registers
- Influencing the legislative framework through participation and providing commentary
- Data integrity and performance reporting for the company
- Corporate legal investigations and related advice in terms of legal aspects
- Peer reviews

5 Contractor safety management continuous improvement

Eskom Holdings is committed to providing a safe and healthy workplace for employees and contractors. The organisation will strive for a Zero Harm workplace. Eskom will strive to make continuous improvements in our performance by entrenching a positive safety culture and benchmarking against world-class systems.



This section describes the summarised three key stages of our intended journey.

Stage 1: extinguish the fires

Stage 1 will principally focus on establishing immediate improvement opportunities and addressing these with appropriate interventions. Substantial efforts will be placed on attaining legal and procedural compliance. Stage 1 will therefore encompass:

- Developing a contractor safety management plan.
- Identify several priority interventions that aim to make an actual improvement in performance. Contractor OHS Management personnel will be assigned to manage and execute these interventions.
- Interventions must start delivering improvement within a year (although implementation of solutions will undoubtedly take longer).
- Intensive improvement workshops and events as a way of focusing and accelerating change.
- Problem solving.
- Performance measurements must demonstrate to key stakeholders that the fires have, indeed, been put out.

Stage 2: stabilise performance

In Stage 2, we must hold on to any improvements from Stage 1 and build more widespread capability to improve. The emphasis will be on sustainability. During the second stage, we must be able to:

- identify a framework as a basis for contractor safety management;
- appoint requisite resources;
- develop appropriate performance objectives and measurements;
- introduce more “advanced” process and performance improvement tools and techniques; and
- have managers and supervisors engaging their teams in daily performance discussions and focusing on continuous improvement.

Stage 3: embed continuous improvement

In Stage 3, we should have all the basics in place. Stakeholders must be able to demonstrate commitment, real value add, and innovation. The things you would expect to see in the third stage include:

- a transition to recognised safety management systems becoming an extension of process management across the organisation, inclusive of our contractors;
- regular benchmarking and adoption of best practices from other industries;
- performance measurements that demonstrate world-class levels of performance; and
- spontaneous improvement by line when they spot a need, not waiting for management to say there is a need.

There is no “timescale” for Stage 3; it is probably going to take us approximately five years of sustained effort before we are close to this level of performance.

6 Five-phase contractor management process

Contractor safety excellence and care for employees must be incorporated in the entire process value chain for contractors.

The value chain for managing contractor safety in the Eskom environment involves the activities during five distinct phases, namely:

- Phase 1: contractor application and pre-qualification
- Phase 2: tender enquiry, evaluation, and contract award
- Phase 3: access to site and/or site mobilisation
- Phase 4: monitoring of contract execution
- Phase 5: contract completion, close-out, and post-contract review

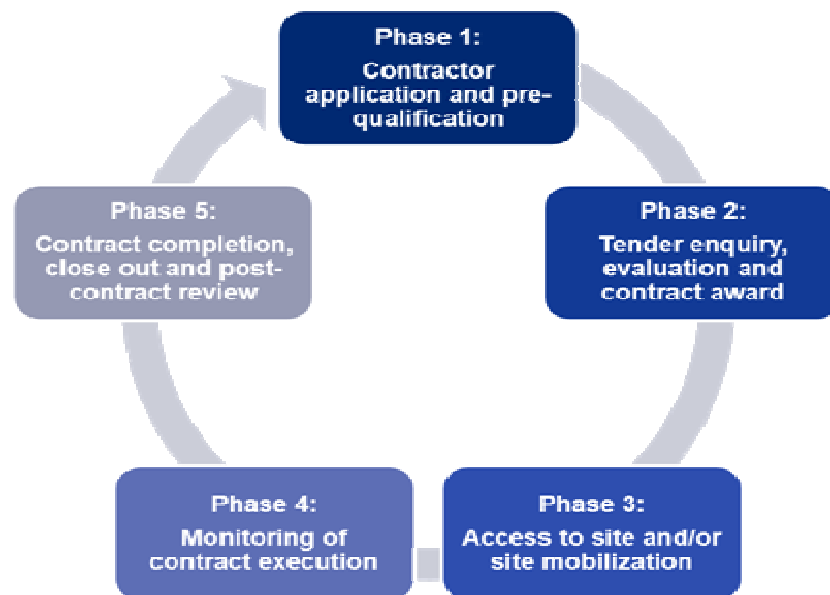


Figure 1: Five-phase contractor management process

Phase 1: contractor application and pre-qualification

Health and safety management of contractors commences with the Eskom vendor application process. Commercial Department must ensure that when a potential contractor applies for registration on the Eskom database, a health and safety evaluation questionnaire must be completed and submitted by the applicant. The completed questionnaire must be assessed to determine whether the contractor qualifies for successful registration on the Eskom database from a health and safety perspective.

Phase 2: tender enquiry, evaluation, and contract award

A multidisciplinary team of competent persons determines the relevant health and safety information to be included with the tender enquiry documents. The division and business unit manager must ensure, as a minimum, that the conditions of contract or service-level agreement include clearly defined Eskom-specific health and safety expectations. A health and safety agreement with reference to section 37(2) of the OHS Act must be signed between Eskom and the contractor.

Phase 3: access to site and/or site mobilisation

Prior to contractors gaining access to a site where products or goods are to be delivered, services are to be rendered, or work is to be executed, the relevant divisional senior manager must ensure that all contractor employees have the skills and training required to carry out their work in a safe, healthy, and responsible manner. Before the contracted service or work begins, the manager must ensure that all contractors have undergone health and safety induction training pertaining to the site in order to familiarise them with essential health and safety information applicable to the site and the service or work to be performed. Divisions shall establish processes for site access for the different types of contractors.

Phase 4: monitoring of contract execution

Proper monitoring of contractors on site and periodic system auditing are essential and compulsory throughout the duration of a contract or service agreement to ensure compliance with the health and safety expectations established in the contract award process, accordingly meeting Eskom's expectations. The division and business unit managers shall be responsible for ensuring proper communication between Eskom and the contractors related to on-site processes and performance against health and safety expectations. The division and business unit managers must ensure that there is a mechanism to monitor health and safety performance and the compliance of contractors during contract execution at predetermined intervals and that these reports are provided for the post-contract review process.

The respective business unit managers must ensure that competent supervisors with health and safety competence are appointed to directly oversee the work or services. Contractors must ensure that permanent and adequate on-site supervision is available for the entire duration of the work that is being conducted or service that is rendered.

Phase 5: contract completion, close-out, and post-contract review

The division and business unit managers shall establish a process to evaluate the overall health and safety performance of contractors on completion of the contract or service agreement. This process should identify which contracted services or work activities should be evaluated and must include various aspects of health and safety performance.

The post-contract review should evaluate, *inter alia*, the following:

- Effective management of major risks
- Effective management of health and safety expectations
- Performance against agreed targets, objectives, and action plans
- Documented action plans for closure of all outstanding items from health and safety inspections, self- and external audits, and assessments

Activities for the various stages within the contracting life cycle shall be in line with requirements contained in the standard “SHE Requirements for the Eskom Commercial Process” with reference 32-726. Figure 2 summarises the stages by means of a flow chart.

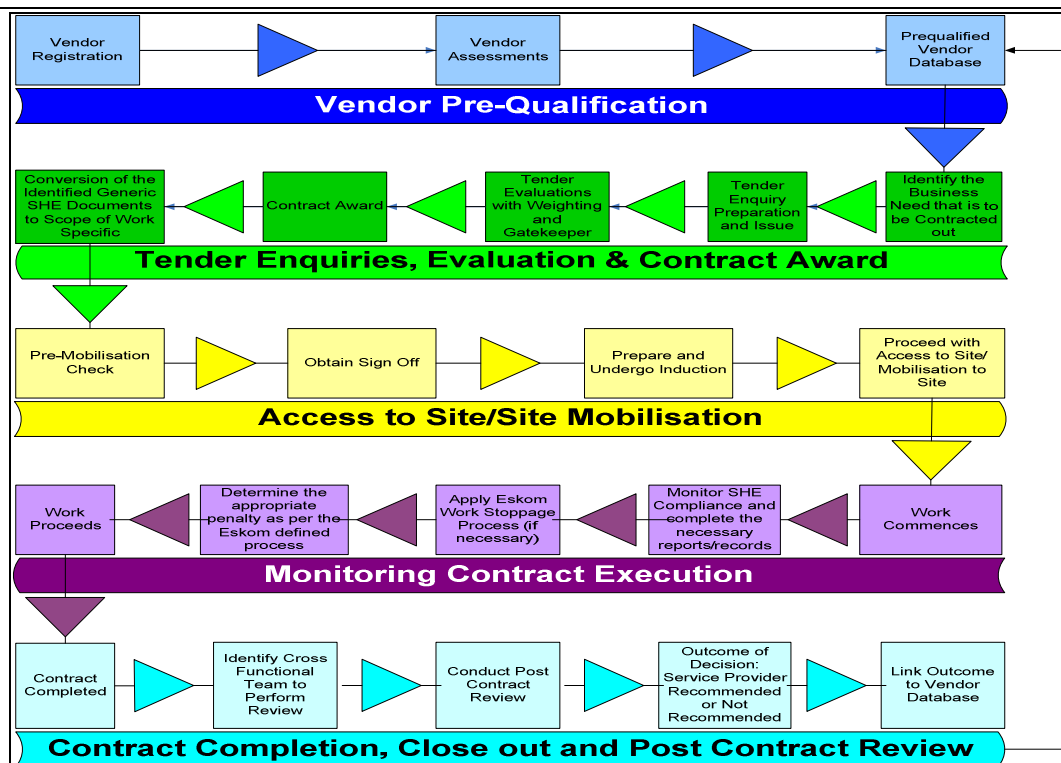


Figure 2: Summarised flow chart of the requirements, illustrating the activities undertaken during the various stages (32-726)

7 Contractor commitments

Contractors are responsible for complying with Eskom policies and procedures and specific legislation, regulations, or codes of practice that apply to the activities and services they perform.

Obligations of a contractor shall include:

- providing and maintaining, in a responsible manner, a safe and healthy working environment, including plant and systems of work;
- providing adequate facilities for the welfare of all employees at work;
- ensuring that the workplace is safe and without risk to the health of its workers and subcontractors and the general public;
- ensuring health and safety at work in connection with the supply, use, handling, storage, and transportation of plant or of substances; and
- ensuring safe, healthy access to, and egress from, the workplace, and providing, in appropriate languages, the information, instruction, training, and supervision necessary to perform work in a manner that is safe, without risk to health.

8 Contractor health and safety interventions

Eskom's lifesaving rules summarise our high-consequence activities, and these rules will be linked to our contractor safety management plan. The Eskom SHEQ Policy and lifesaving rules are fundamental to Eskom's safe operations, and therefore, our contractors, including employees, are obliged to follow these rules and shall ensure that leadership support and specific awareness training, including employee induction programmes, place intensified emphasis on these directives.

The contractor OHS management plan covers several interventions that have been established as focus areas that will be implemented and monitored. These interventions include the following:

8.1 Construction and contractor management systems

Contractor OHS Management Section will approach contractor safety responsibly, taking into account national standards, legislative requirements, and industry better practices.

Eskom's contractor management system consists of policies, procedures, guidelines, standards, and supporting systems. Processes include pre-work assessment of contractors' health and safety management systems, approval prior to undertaking work for Eskom, and the ongoing checking, auditing, and monitoring of contractors' health and safety performance. Contractor oversight at divisional and business unit level is essential to ensuring that contractor safety performance meets Eskom's expectations.

Contractor OHS Management Section will support and introduce integrated management systems for smaller and emerging contractors and encourage compliance with, and certification to, OHSAS 18001.

Construction Management Systems (SANS 1393:2011) will be the desired system for smaller contractors, and firm consideration will be given for these contractors to meet compliance with SANS 1393 over the medium term. The standard is currently in draft, but shall be applicable to contractors that are categorised as medium-size contractors in terms of CIDB grading (CIDB Grades 5 to 7).

Eskom will make a collaborative effort with authorities over the next three to five years for targeted contractors to be compliant with the standard.

The Contractor OHS Management Section will:

- develop contractor health and safety management procedures and guidelines for effective management of Eskom contractors;
- give direction on training and awareness presentations and tools to ensure compliance with the health and safety contractor management process;
- engage with Commercial to ensure integration of the contractor health and safety management framework into the commercial process (Figure 1: Five phases, that is:
 1. contractor application and pre-qualification;
 2. tender enquiry, evaluation, and contract award;
 3. access to site and/or site mobilisation;
 4. monitoring of contract execution; and
 5. contract completion, close-out, and post-contract review);
- ensure that contractor assessment and verification, in line with Eskom prerequisites, serve as the initial phase of contractor pre-qualification;
- engage with Commercial to ensure that a database is maintained to identify good/poor-performing contractors;
- facilitate third-party auditing.
- perform benchmarking on contractor performance and analysis of incidents;
- ensure that systems and processes are developed and implemented to manage contractors according to Eskom policies and procedures;
- engage and participate in design to ensure that safety criteria are addressed (engineering/technical aspects);
- ensure that health and safety improvement initiatives are developed.
- ensure that OHS management systems and processes are aligned and committed to continuous improvement;
- ensure, based on key learning from incidents as well as best practices, that where associated action is required, strategies will be formulated and appropriate mitigation measures will be put into place; and
- ensure that high-risk areas are identified and workgroups facilitate the process to establish plans to ensure that these risks are managed.

a) Documentation management

Eskom policies, procedures, and standards form an important component of our safety management system; therefore, compliance is compulsory and will be enforced through auditing and inspections. Contractor OHS Management Section shall develop suitable procedures, standards, and specifications and ensure review of existing documents as and when required.

Contractor OHS Management Section, in consultation with the Contractor Safety Workgroup, shall redraft the Construction Safety, Health, and Environmental Management Procedure (32-136) by ensuring:

- conformance to national standards, better practices, and regulatory requirements;
- enhancement of the contractor pre-qualification and assessment process to include health and safety;
- training for procurement practitioners and project managers; and
- that contractor management forums and divisional contractor safety action plans are in place.

b) Standardisation of section 37(2) agreements

Contractor OHS Management Section will engage with Legal Department to ensure that a universal section 37(2) agreement template is in place for the entire organisation to make use of.

c) Contractor health and safety specifications

Contractor OHS Management Section, in collaboration with the Contractor Safety Workgroup, will prepare a guideline health and safety specification document that stipulates the minimum health and safety requirements to be met by contractors and to ensure universal standardisation across Eskom in order to prevent conflicting and contradictory stipulations across the organisation.

It is the responsibility of project managers to ensure that scope-of-work-specific health and safety specifications are prepared for each contract/project. Each project and situation may contain additional unique activities, challenges, needs, and requirements that must be considered and incorporated in the specification, over and above the minimum requirements already contained in the standardised specification.

Health and safety plans must be supplied by contractors prior to commencement of work and, thereafter, be appraised and signed off by Eskom. The contracting company will develop and submit to the Eskom contract/project manager a health and safety management plan on how the contract works will be completed without risk to health and safety. The health and safety management plan must address all hazards within the scope of work and the known hazards.

d) Contractor safety handbook/manual

Develop a handbook to serve as a guideline for contractors and contract/project managers. The handbook must list Eskom health and safety roles, responsibilities, and requirements as well as those applicable to contractors.

e) High potential risk areas

Working at height, electrical contacts, and motor-vehicle-related incidents are the three foremost risk areas that predominantly contribute to contractor fatal and serious incidents.

Divisions shall be proactive in dealing with contractor safety and shall ensure that focus is placed on the following:

- Ensuring that the planned activities by the contractor are properly identified and reviewed before the contractor comes on site and, as a minimum, before any work is started – to identify any safety hazards and risks.
- Ensuring that the contractor is made fully aware of any safety hazards as well as the associated procedures and systems to be respected.
- Assigning a level of supervision that is commensurate with the level of risk of the tasks being performed. Unsupervised contractors pose a potential threat to any facility. Contractors involved in high-risk activities should be supervised at all times, as it cannot be assumed that they will always adhere to site procedures for safety.
- Establishing and maintaining a contractor-focused health and safety management plan to implement policies and procedures in order to achieve continual improvement in health and safety.
- Ensuring that programmes are in place to improve contractors' safety performance to achieve Eskom's health and safety requirements and expectations.
- Ensuring awareness by all contractor and other staff of Eskom requirements by providing the required controlling documentation in order to ensure a safe environment.

f) Construction Regulations

Changes to the Construction Regulations have been in planning for several years, and the Department of Labour (DoL) has advised that the Construction Regulations will soon be promulgated and are expected to come into effect in 2013. Although the changes may come into effect soon, we have heard from the DoL that the changes will only be acted on once the industry has had time to adapt and implement them – some time towards the end of 2013 or the start of 2014. Contractor OHS Management Section will evaluate the impact that the changes will have on Eskom and, thereafter, vigorously engage with the Department of Labour with the intent of putting into place a strategy for organisational compliance.

8.2 Training and capacity enhancement

Training and capacity enhancement are basic principles that will increase contractor employee capability and awareness of risk when dealing with operational hazards and activities and that will improve contractor safety performance. Contractors must be competent on the basis of appropriate training and competence to execute their jobs in a safe and healthy manner. Safety induction and orientation of contractors across Eskom have been ascertained to be inconsistent and largely deficient. No standardised induction programmes exist for contractors.

Contractor employees must have the appropriate qualifications and experience for assigned tasks.

Contractor safety induction and orientation

Prior to beginning work, a contractor must be informed by Eskom's representatives of the following:

- Known hazards to which he/she or his/her employees may be exposed
- Appropriate precautionary measures for such hazards
- Additional owners' health and safety requirements, including emergency procedures, which may have changed since the clarification meeting
- Site security and control

Contractor OHS Management is proposing a formal system to standardise inductions across Eskom Holdings and offer a comprehensive coordinated system to record and manage each individual's induction. The inductions will link with a central database, which will record induction information along with other pertinent safety information and documentation. The database system must integrate with SAP systems, and an induction ID card must be produced and must be available for identifying inducted individuals. Induction standardisations will take into account risks across Eskom divisions as well as encompass a solution for visitor inductions for both site and office environments. The solution will standardise safety awareness levels for high-risk individuals as well as mitigate OHS legal liability associated with site visitors, consultants, and contractors alike.

Contractor OHS Management will liaise with all stakeholders, in particular with Capacity Enhancement Section, in relation to:

- identifying the gaps relating to contractor training courses available to Eskom;
- identifying approved training service providers;
- assessing the existing Eskom contractor safety induction and orientation programmes; and
- developing a safety training process that can be implemented and delivered to a high standard consistently.

Before work is started, the Eskom manager or supervisor who is responsible for the contractor will organise for health and safety induction training to be completed.

Contractors and subcontractors are not permitted to commence work until Eskom induction has been completed.

Contractor OHS Management will engage with Eskom Academy of Learning (EAL) to ensure that appropriate training interventions are in place, especially for high-consequence activities.

The NEBOSH Construction Certificate will be the training of choice for identified health and safety personnel.

Divisions shall ensure that contractors have in place and implement training arrangements to ensure that employees have sufficient skills and understanding to discharge their various duties.

Eskom Contractor Academy

Contractor OHS Management will support and assist the academy in promoting contractor development and competence enhancement. Health and safety shall be an important component of the training programme.

8.3 Third-party compliance audit

Facilitate an Eskom-wide third-party compliance audit in order to distinguish the present state of Eskom contractor safety management and make recommendations concerning improvement measures the organisation should pursue in effectively improving contractor safety performance.

Actions

The Contractor OHS Management Section will engage the services of an independent specialist consultancy to conduct strategic audits of Eskom's contractor management systems, leading to the development of strategic and operational systems that positively impact health and safety improvement within Eskom. The Contractor OHS Management Section will interact with Commercial to commence the commercial process in order to identify and engage with a suitable service provider.

The audit scope may be modified to that of an intensive audit of contractors across the organisation to distinguish the extent of compliance with Eskom procedural as well as statutory obligations.

8.4 Stakeholder collaboration

Contractor OHS Management Section will interact and partner with a broad range of internal as well as external stakeholders, including governmental departments, regulators, contractors, organised labour, and the public, to enhance occupational health and safety.

To advance collaboration between governmental authorities and Eskom regarding contractor- and construction-related activities, Contractor OHS Management Section

will be responsible for maintaining central stakeholder relationships for all Eskom-wide contractor health and safety corporate-associated interactions.

a) Statutory and government departments

Involvement with governmental agencies and statutory bodies such as the Department of Labour (DoL), etc. Contractor OHS Management Section will interact and coordinate with these in order to ensure cohesive relations and compliance with statutory obligations.

b) BuildSafe South Africa

In order to maximise the benefits of BuildSafe SA, Eskom will actively participate in BuildSafe SA initiatives. Eskom divisions and partnering contractors are encouraged to register with BuildSafe. Eskom's association with BuildSafe is directly in line with BuildSafe's objectives to continually improve health, safety, and welfare conditions of all construction industry stakeholders through the free exchange and sharing of information between organisations.

As a central point of contact, Contractor OHS Management Section will interact and coordinate Eskom activities with BuildSafe.

c) Construction Industry Development Board (CIDB)

Contractor OHS Management Section will partner with and support CIDB initiatives aimed at enhancing contractor health and safety.

d) South African Bureau of Standards (SABS)

Contractor OHS Management Section will actively participate in standards-generating forums and committees when requested and will offer consolidated comments on standards that have a bearing on contractor safety.

8.5 Commercial interventions

Integration of OHS into the Eskom commercial process

To deliver on how Eskom will successfully manage contractors, Contractor OHS Management Section will work closely with Commercial personnel as well as all necessary disciplines to fully integrate health and safety during the early stages of planning and up to completion. Through early integration and strategic planning, health and safety will be systematically incorporated throughout the process, from contract inception to completion (Figure 1). Contractor OHS Management will relentlessly engage with Commercial Department to ensure standardisation within Eskom's commercial processes with regard to effectively addressing health and safety. Although the contractor selection process must include cost, quality, and other measurements, safety considerations must be a basic qualifier when selecting any contractor.

Contractor pre-qualification requirements are intended to ensure that Eskom partners with contractors who take measures to assure the safety of their employees, the general public, as well as Eskom employees and equipment.

Contractor OHS Management will advise on the health and safety responsibilities of the Group Commercial Department, line management, and health and safety functionaries, as well as the minimum generic health and safety requirements that must be met during the commercial processes for all suppliers with which Eskom engages.

Divisions and business units shall conform to and oversee the contractor management process when utilising contractors.

a) Contractor (supplier) registration health and safety evaluations

All contractors who wish to undertake work for Eskom shall undergo a health and safety evaluation process as part of supplier registration. The Commercial Department shall ensure that when a potential supplier applies for registration on the Eskom supplier database, a SHE evaluation questionnaire shall also be completed and submitted by the potential supplier. The completed questionnaire shall be assessed and evaluated by the Contractor OHS Management functionary in order to determine whether the potential supplier qualifies for successful registration on the Eskom supplier database from a health and safety perspective.

This process will ensure that contractors take reasonably practicable steps to apply safe systems of work and comply with the legislative and Eskom-specific requirements. Should Eskom find an application to be fundamentally unacceptable on key health and safety issues, regardless of its other merits, the application is rejected until requirements are satisfied.

b) Contract health and safety clauses

Stringent contract health and safety terms are recommended to ensure that safety expectations are clearly defined, legally binding, and included in contract documents.

Contract custodians and project managers must ensure that contracts specify how health and safety will be managed and reported on beyond the common phrase that “the contractor will meet all statutory requirements with respect to safety”.

Safety requirements have a direct bearing on the cost of the work, so safety requirements should be specified in a detailed way. As a minimum, the scope of work should include requirements for a “safety plan”, including such information as safety inspections, enforcement, safety staffing, permits required, pre-employment testing, substance abuse testing, safety meetings, personal protective equipment required, safety orientation training, documentation of critical craft skills, basic safety training, record keeping, accident investigation procedures, and monthly reporting of statistics to the project/contract manager.

8.6 Establishment of a National Contractor Safety Workgroup

Contractor OHS Management Section will establish a Contractor Safety Workgroup. The aim of the working group will be to:

- provide advisory and propose contractor OHS strategies and objectives;
- promote uniformity and create standardisation, where needed;
- share information and good practices among the different divisions;
- improve the quality and standard of contractor OHS management in Eskom;
- inform management of the impact of legislation changes on Eskom;
- monitor and report on implementation of safety improvement plans and
- identify improvement initiatives and incident mitigation controls.

Actions

- a) Contractor OHS Management Section will formalise the establishment of the Contractor Safety Workgroup by identifying members to be appointed to the workgroup.
- b) The Terms of Reference for the activities of the Contractor Safety Workgroup shall be drafted.
- c) Regular meetings and necessitated workshops shall be scheduled and organised.

8.7 Specialised advisory functions

Advisory and support functions are part of the activities expected from Contractor OHS Management office. As centres of excellence, subject matter experts will advise and guide the organisation on procedural as well as legislative aspects.

Actions

Contractor OHS Management Section will provide specialised advisory services and guidance to divisions and operating units.

8.8 Contractor performance monitoring

The safety performance of Eskom contractors over the past year did not meet our expectations. Eskom's desired safety performance is Zero Harm; however, there is currently a vast disparity between actual performance and our desired safety performance. As a result, Sustainable Systems has increased emphasis on the prevention of serious incidents that typically lead to lost-time injuries and fatalities. Contractor OHS Management Section will focus on assembling and analysing contractor injury and fatality data to better understand the present state, trends, and potential drivers.

Eskom leadership will persistently set high expectations for safety performance across our operations for all contractors and employees. Our goal is to provide and maintain a safe workplace.

Safety targets have been set to measure Eskom's contractor performance and to focus the action plans on accomplishing the goals and objectives (lagging indicators to drive the organisation into action to avoid recurrence and leading indicators to uncover weaknesses before they develop into fully fledged problems).

The overall purpose of Eskom selecting metrics is to enable the organisation to track performance towards our goals. While safety management of the contract work in accordance with the contract and legal requirements is essentially the responsibility of the contractor, Eskom acknowledges safety performance for contractors as a key priority during contract execution. If any unsatisfactory contractor safety performance is observed, divisional management must ensure that the contractor promptly formulates a plan in order to rectify its safety performance.

Contractor lost-time incident rate (LTIR) targets are determined annually by Sustainable Systems. Contractor OHS Management Section will intensely make efforts to progress from focusing on failings or lagging indicators to rather concentrating on leading indicators.

Safety performance monitoring is an element of our contractor management programme and enables continuous monitoring and regular assessment of the safety levels achieved by our contractors.

- Divisions shall ensure that their contractors report hours worked as accurately as possible through the use of payroll records or other documentation.
- Identify poor-performing contractors based on predetermined performance criteria.
- Engage with poor-performing contractors.
- Develop a plan of action for poor-performing contractors.
- Encourage reporting of all leading and lagging indicators.
- Ensure that contractor safety performance is continuously assessed and monitored.
- Develop and implement divisional strategies to address high-consequence incidents within each respective division.

Depending on previous safety performance, Eskom divisions/operating units shall utilise safety performance data to determine whether to use the contractor again. If there have been problems in the contractor's safety performance, then the relevant divisional responsible person must ensure that appropriate actions are implemented. Contractors that have previously performed poorly shall provide a safety improvement plan. The end-user/project manager must provide to the applicable tender committee a motivation on grounds for utilising the contractor. Violations of Eskom lifesaving rules will result in stringent action as per the directive from the Eskom Chief Executive.

8.9 OHS Inspectorate

Recent incident investigations indicate that statutory legal compliance is regrettably deficient; therefore, in the case of an unexpected visit from the DoL, it might be found that serious legal gaps exist that could cause the BU to be shut down in its entirety for an undefined period of time.

An OHS Inspectorate shall be established by Sustainable Systems. The OHS Inspectorate has, as its main responsibility, to assure the business that all Eskom sites adhere to applicable South African OHS statutory requirements as set out in the legislation as well as comply with Eskom's procedural requirements in terms of contractor OHS management.

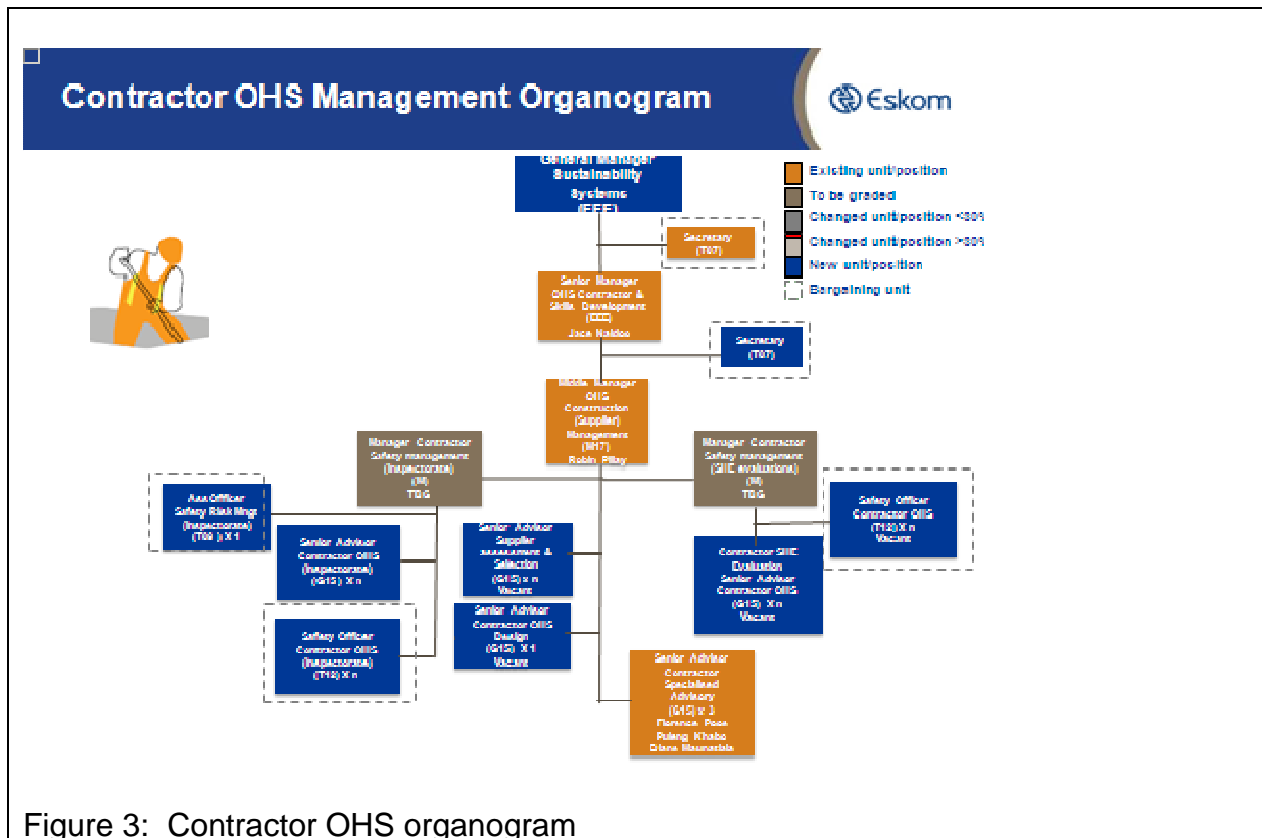


Figure 3: Contractor OHS organogram

The team will be known as the “OHS Inspectorate”, and the team is expected to develop and expand as required. The inspectorate will have the responsibility of issuing Eskom internal prohibition, contravention, or improvement notices. Positions have been assigned as per Figure 3. The inspectors will function in a similar way to the inspectors in the service of the Department of Labour.

A formalised Eskom manual will outline detailed information on all the operational functional aspects of the inspectorate and will establish the basis for the issuing of Eskom internal prohibition, contravention, or improvement notices as allowed for by the Acts. Inspectors will be appointed in writing and will have specified powers in order to function effectively.

Inspectorate inspectors will be positioned nationally (Figure 4) and additional resources will be assigned to operational areas that experience increased frequency of incidents and areas that are engaged in high-risk work.



Figure 4: Distribution of inspectorate inspectors

9 Eskom divisional commitments

Eskom divisional senior management is accountable for communicating, training, implementing, and auditing contractor health and safety requirements to ensure legal compliance and desired Eskom performance. Safety rules and fundamentals must be strictly enforced to ensure the safety of all stakeholders involved in Eskom operations.

The effective implementation of divisional-specific plans will positively impact contractor safety performance. Divisions shall have individual operational plans and strategies to effectively address high-consequence activities within their respective divisions.

Divisional plans must take cognisance of divisional-applicable risks and hazards present, while making allowances for the “five-phase contractor management process”, and address each phase with appropriate alleviation measures. The inventoried “key characteristics” as outlined in Table 1 should serve as a guideline and must be taken into consideration.

Contractor selection and prequalification.	Provision of appropriate health and safety specifications to contractors.	Safety training to include Eskom's procedural/policy requirements. Contractors must ensure that task or skill specific training is in place so that employees are qualified for the task. Training must be evaluated periodically or randomly as is necessary and during review of training.	Supervision Contractors shall have competently trained supervisors. High risk activities must be supervised at all times. Eskom must ensure oversight over contractor activities.	Emergency Management • Emergency Preparedness Plan • Emergency Response plan
Induction and orientation Contractor employees shall complete an orientation prior to engaging on Eskom work.	Proper contracting and Health & Safety Agreements	Pre Job briefings shall take place prior to the start of any work and encompass the elements of a job hazard analysis	Contractor Safety Meetings • Meeting with contractor leaders and safety professionals regularly (at least twice annually) where Divisional management holds discussions on safety improvement. • Divisions to review incidents from past month and ascertain any corrective actions and manage accordingly.	Project closeout review • A review with the contractor should happen as soon as possible after project or contract is complete. This review should indicate any deficiencies noted and improvement needed prior to the next project
Contractors to have written safety policy that provides the contractor's vision and obligation to comply with applicable laws and regulations.	Proper planning Works should not be executed without proper planning.	Documented processes to report injuries, investigate safety violations and injuries, and documented corrective action procedures.	Periodic performance Evaluations Audits - Divisions must ensure that audits are carried out to. Issues identified to be addressed. Contractor should be auditing their work to ensure compliance. H&S professionals and the management team should conduct these audits.	Project closeout review • A review with the contractor should happen as soon as possible after project or contract is complete. This review should indicate any deficiencies noted and improvement needed prior to the next project
Safety management program must address the nature of work. Extra emphasis on high consequence activities.	Safety program addresses conformance of its subcontractors to applicable laws, regulations, and legal requirements.	Safety performance reports are available		

Table 1: Divisional contractor safety programmes – key characteristics

10 Accountabilities and responsibilities

All managers (Eskom and contractors) are to understand their accountabilities, both legal and organisational, and demonstrate leadership and commitment to achieving excellent safety performance. Management is to focus on building organisational competency and is responsible for implementing and managing Eskom's safety programmes. Executive, senior, and line managers must lead by example.

All employees are to be accountable and responsible for safety. Key performance indicators for safety performance are developed and articulated for all levels of employees. Divisions are responsible for ensuring that all procedural and statutory requirements are executed.

11 Implementation plan

The contractor safety management plan shall be regularly tracked and a progress report will be populated with details. Feedback will be provided to Sustainability Systems management by means of a dashboard as illustrated in Figure 5.

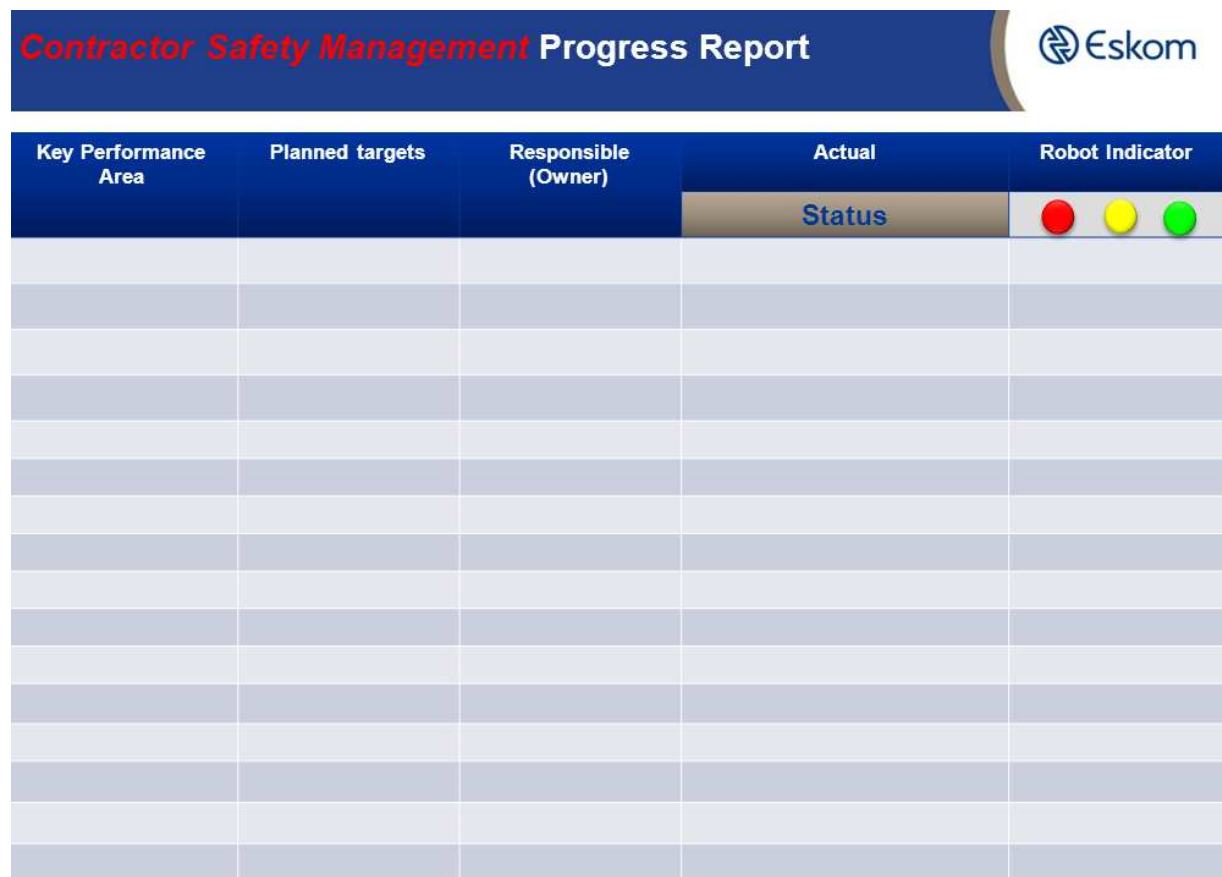





Figure 5: Progress report dashboard template.

12 Approval and authorisation

This document has been seen and accepted by:

Functional responsibility	Approved by	Authorised by
		
Robin Pillay Middle Manager	Jace Naidoo Senior Manager	Kerseri Pather General Manager
Date: 08 January 2013		