



VCI Guidance on contractor management and for developing corporate-specific guidelines for contractors

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1. General observations and definitions

1.1. Scope of application

The VCI Guidance on contractor management wants to assist the membership in developing corporate-specific guidelines for contractor and in the selection of contractors.

In the meaning of Responsible Care, this is about

- ensuring occupational safety & health and plant safety by way of clear rules for contractor deployment in the chemical industry,
- optimising the cooperation with contractors, and
- developing a joint course of action for the comparative assessment and approval of contractors.

Experiences from VCI members were gathered and summarized for this Guidance.

Legal basis (essential pieces of regulation)

Arbeitsschutzgesetz (ArbSchG) / German occupational safety & health act¹

Arbeitssicherheitsgesetz (ASiG) / German act on occupational safety specialists¹

Siebttes Buch Sozialgesetzbuch – Gesetzliche Unfallversicherung (SG7)¹ / 7th German social code – statutory accident insurance

Arbeitsmedizinische Vorsorge-Verordnung (ArbMedVV)¹ / German ordinance on occupational healthcare

Baustellenverordnung (BauStellV)¹ / German OSH ordinance for building sites

Betriebssicherheitsverordnung (BetrSichV)¹ / German operational safety ordinance

Gefahrstoffverordnung (GefStoff)¹ / German dangerous substances ordinance

Lastenhandhabungsverordnung (LasthandhabV)¹ / German ordinance on the handling of loads at work

Lärm- und Vibrationsarbeitsschutzverordnung (LärmVibrationsArbSchV)¹ / German ordinance for protecting workers against noise and vibrations

DGUV-Vorschrift 1 „Grundsätze der Prävention“² / DGUV (German Social Accident Insurance) Regulation 1 „Principles of prevention”

DGUV-Vorschrift 2 “Betriebsärzte und Fachkräfte für Arbeitssicherheit”² / DGUV Regulation 2 „Occupational physicians and OSH professionals“

¹ Available at <http://www.gesetze-im-internet.de/>, a service of the German Federal Ministry of Justice and Consumer Protection and juris GmbH

² Available in the DGUV publication database at <http://publikationen.dguv.de/>

The legal provisions and the provisions of the employers' social accident insurance institutions form the basis for this Guidance; they need to be generally complied with. For this reason, the Guidance mainly addresses topics which are not at all or not sufficiently covered by existing regulations.

It is expressly noted that this Guidance does not refer to leased/temporary work under the German temporary work act (Arbeitnehmerüberlassungsgesetz / AÜG).

This Guidance is not about the basics of operational OSH. In this respect, the VCI refers readers to the GDA ORGACheck³. The GDA ORGACheck is an instrument for the self-assessment of OSH organisation; it was jointly developed by the federal administration, the German federal states, accident insurances and social partners within the Joint German Occupational Safety and Health Strategy (GDA).

For support regarding prevention and avoiding work accidents, the VCI points to the prevention strategy "Vision Zero" of the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI). Relevant guidance for action is given on the BG RCI's website⁴.

1.2. Definitions

The definitions of DGUV Information 215-830 "Einsatz von Fremdfirmen im Rahmen von Werksverträgen" (formerly: BGI 865") apply⁵.

Contractors in the meaning of this Guidance are entities who accept mandates within works or service contracts: for self-reliant execution at their own responsibility while exercising the right to give instructions to their staff.

Within this Guidance, it is differentiated between companies who

- are deployed constantly under a framework agreement (the term "partner companies" is used for them),
- carry out individual mandates within projects or plant downtimes,
- may have e.g. a framework agreement but are not deployed directly in production plants (e.g. servicing of copiers).

³ www.gda-orgacheck.de/daten/gda/index.htm , brochures at http://www.gda-orgacheck.de/pdf/gda_orgacheck.pdf

⁴ <http://www.bgrci.de/praevention/vision-zero/medien/>

⁵ Available from the online shop of the employers' social accident insurance institution wood and metal (BGHM) at <https://www.bghm.de/bghm/online-shop/>

A distinction is intended between the respective requirements to such differently deployed companies.

2. Criteria for the selection of contractors

For selecting external companies a questionnaire should be used that covers both general topics and topics relevant to HSE⁶.

Partner companies should send to the contractors both the questionnaire and a self-commitment by the executive management regarding OSH.

A reduced questionnaire can be used for other contractors who are not deployed in the field of chemical plants.

The questionnaire is structured in the following part-sections:

Topic

General information about the company

Leadership organisation

HSE quality organisation

Certifications and management systems

Educational measures / Training

Involvement of staff

Communication

Accidents

The purchasing department should keep the questionnaire ready within supplier management and send it to the contractors and partner companies. Returning the questionnaire is the prerequisite for concluding new contracts or extending existing ones.

The questionnaire is evaluated by way of a point system; its result is a percentage regarding the fulfilment of requirements. Where this makes sense, all details in the questionnaire refer to the last three years. The questionnaire is completed and evaluated annually.

As hazards are similar in the execution of works, the identical questionnaire is to be used for partner companies and contractors deployed within projects or plant downtimes.

⁶ Health, safety and environment

For these companies, the questionnaire and the resulting assessment can serve for a mutual recognition of approval. Members wishing to use this possibility need to separately regulate such recognition.

For projects involving special hazards (in particular, comprehensive demolition works, works in contaminated areas or building in stock), additionally to the questionnaire further documents (e.g. execution plans, installation concepts, risk assessments) should be requested concerning the planned realisation of these activities. Then, the proposed methods should be assessed too.

A reduced questionnaire can be used for external companies who are not deployed in production plants or for activities involving an elevated risk.

Should contractors or partner companies use subcontractors, this needs to be communicated. Subcontractors have to be assessed based on the same questionnaire.

3. Responsibilities

This Guidance does not affect the responsibilities under legal regulations which need to be invariably complied with. The Guidance describes furthergoing requirements and/or has the character of concretization. The responsibility in day-to-day business is oriented to the DGUV Information 215-830 "Einsatz von Fremdfirmen im Rahmen von Werkverträgen" (formerly: BGI 865)⁵.

The purchasing department has an important role in the selection of external companies and should be initially their contact. Within tendering, the purchasing department sends both the tender and the corporate-specific guidelines for external companies to potential contractors. Purchasing also sends out the questionnaire for contractors and receives the questionnaire returned by the latter. The purchasing department should make sure that all items of information are complete and that the required documents are available.

As described in the questionnaire, the executive managements of external companies are expected to make a written commitment to safety and the protection of health and environment. This is intended to describe and strengthen the awareness of responsibilities among contractors.

Experts should critically scrutinize the information and documents received in reply – especially if assessments turn out very differently for individual topics. Where necessary, the contractor should be contacted directly for further clarification.

Project organisation should be put in place for larger-scale projects or plant downtimes; the roles in the handling of deployed external companies should be described here.

It is particularly important to instruct on site the responsible person from the contractor and the deployed contractor workers, as regards the risks (regarding plants, operations, surroundings). The instruction process is to be documented. For this purpose, it is recommended to use a safety pass for contractors. Beside the instruction regarding potential risks, the instruction process is needs to include the following topics:

- Work clearance system
- Conduct in emergencies
- Reporting of accidents and near-misses

Less comprehensive instruction is possible for contractors which are not deployed in production plants.

In the cooperation with partner companies, it is recommended to appoint one general contact person for each company. This general contact person should be able to clarify both technical and safety-relevant questions.

In order to ensure compliance with requirements, inspection tours are to be carried out in regular intervals where the safe and professional working mode of contractors is assessed. Such inspection tours can be performed by the person responsible for the mandate, the coordinator or the sponsor. Where necessary, occupational safety specialists might be additionally included in this exercise.

Also, executives from the own company (contract giver) and from the contractors or partner companies should regularly take part in these inspection tours. This is particularly important for large-scale projects and major standstills.

Results from the inspection tours need to be documented. They are included in the assessment of the contractors or partner companies.

There should be routine meetings to ensure a regular exchange with partner companies. Depending on their number, all partner companies or trade-specific partner companies for certain works should invited to these meetings. Possible agenda items:

- New initiatives in the own company or in partner companies
- Accidents and what has been learned from them
- Round table talk

Such talks should be held with sufficient frequency (monthly), because a basis of trust is important for open communication. At the meetings, also successes (times without major accidents) should be addressed and there is the possibility to express appreciation. The meetings should be for persons responsible for the mandate, responsible persons from the partner companies and occupational safety specialists. A meeting at management level should be held at least once annually.

4. Corporate-specific guidelines for contractors and contractor management

Corporate-specific guidelines are intended to help contractors understand beforehand the client's requirements and to take them into account in their offers. Such guidelines are to describe the contractor management and to define the essential requirements, for example:

- Uniform rules, criteria and course of action in the selection of contractors,
- work clearance system
- regular audits and controls of external companies or their (out)posts,
- comprehensive assessment (quality, performance, adherence to schedules, invoicing, costs, safety ...),
- regular feedback talks and information events.

Corporate-specific guidelines should cover, as a minimum, the following topics:

- Safe execution of works. To be particularly addressed here are the safety measures before the start of work, safety measures during ongoing work, and the assessment after completion of work,
- accident reporting and investigation,
- handling of infringements.

All of the above topics are explained below in more detail.

Examples of corporate-specific guidelines for external companies are available on the websites of many VCI member companies, inter alia:

- Merck KGaA, Lieferanteninformation für Vertragsfirmen, <http://www.merck.de/de/kontakt/Lieferanteninformation.html>
- Wacker Chemie AG, Sicherheitshandbuch für Partnerfirmen, https://www.wacker.com/cms/media/documents/wacker_group/procurement/HB_16.pdf
- Celanese, Allgemeine Sicherheitsbestimmungen für Auftragnehmer, https://www.industriepark-hoechst.com/media/standortportal/dokumente/der-industriepark-hoechst/sicherheitsrichtlinien_im_industriepark_anlagen/fremdfirmenleitfaden/08-01-09-fl_allgemeine-sicherheitsbestimmung.pdf

This list gives only some examples; it is by no means exhaustive.

5. Safe performance of work

The safe performance of work includes the instruction process and regular inspection tours as well as the following topics:

5.1. Safety measures before the start of work

All activities of contractors or partner companies require clearance by the contract-giving operation. For preparing clearance, the potential risks posed by the operation or the upcoming work need to be identified. To be able to also assess the risks posed by the upcoming work, the responsible persons from contractors or partner companies or the person to whom the work clearance is given should prepare a checklist before the start of work – in the meaning of a risk assessment (analogously to annex 4 to DGUV Information 215-830). Furthermore, for the purpose of better coordination of several work activities, a safety coordinator should be appointed according to BGV A1 §6⁷. This appointment needs to be made in writing.

All risks and the safety measures to be taken are to be described in the work clearance.

In works involving high risks (e.g. entering containers or tanks, heat with fire risk, falling from heights) further clearances/permits can become necessary.

5.2. Safety measures during ongoing work

Regular inspection tours need to take place to check compliance with safety measures during ongoing work. Here, special attention should be given to all persons involved in the work being aware of the risks and safety measures as described in the clearance note.

When handing over the worksite to the operational unit after completion of work, it must be ensured that cleanness and order are restored and that the worksite no longer poses any risks.

6. Accident reporting and investigation

All accidents of contractor staff that occur during the execution of works need to be reported. The reporting pathways are to be described in the corporate guidelines for contractors; relevant training is to be given before the start of works.

⁷ BGV A1 “Accident Prevention Regulation Principles of Prevention”, available from <http://publikationen.dguv.de/dguv/pdf/10002/a1.pdf>

Accidents are investigated jointly with the contractor. Here, it must be ensured that the own operating sequences are critically scrutinized too.

A mutual exchange with the partner companies should take place on what has been learned from accidents.

Beside the indicators for accidents of own staff, such indicators should also be recorded for external companies.

In order to positively influence the situation regarding accidents, the partner company should also be involved in the reporting system for near-misses.

7. Handling of infringements

The corporate-specific guidelines for external companies need to describe how to handle infringements by both individuals and companies. In order to ensure that infringements and near-misses are reported, such rules should be mutually agreed and they should be fair and just.

A system with yellow and red cards can make sense for infringements by contractor staff. The yellow card (issuing a caution) is used for infringements of safety rules through personal conduct. The red card (sending off the worksite) is used for infringements that put into danger the infringer's own person or another staff member.

Where there are several infringements by different staff members of the same company, the system can be applied to companies too.

Bonus-malus rules are another instrument. Here, contractors can additionally receive or lose money, according to a given points-based system.

All infringements need to be documented and included in the annual assessment of contractors.

8. Contractor assessment

The performance of external companies needs to be comprehensively assessed in regular intervals (at least once annually). For companies deployed within projects or in standstill times, this assessment should be made as soon as possible after completion of the works.

It is recommended to carry out the assessment by awarding points. Suitable for this is, for example, the questionnaire for the assessment of contractors (appendix 7) to

DGUV Information 215-830 “Einsatz von Fremdfirmen im Rahmen von Werkverträgen” (formerly: BGI 865)⁵.

The assessment is to include all factors (i.e. also quality and costs). Here, the assessment regarding OSH should be based on the following criteria:

- Number and severity of Accidents)
- Results of inspection tours and audits
- Participation in an exchange of experiences

9. Appendix 1: Draft for a contractor questionnaire

Assessment scheme

Topic	Share (in %) in overall assessment
General information about the company	0
Leadership organisation	10
HSE quality organisation	15
Certifications and management system	10
Educational measures / Training	15
Involvement of staff	15
Communication	15
Accidents	20

GENERAL INFORMATION ABOUT THE COMPANY

1. Information about the company
 - Name
 - Date of company establishment
 - Legal form
 - Trade register number and place of trade register entry
 - Company headquarters (registered office)

2. Information about the company group (if applicable)
 - Name
 - Date of company establishment

- Legal form
 - Trade register number and place of trade register entry
 - Company headquarters (registered office)
3. Contact person(s)
- Director / owner
 - Technical manager
 - Commercial manager
 - Quality manager
 - OSH / environmental protection manager
 - Head of subsidiary (if applicable)
 - Responsible contact person on site
4. Turnover in the last 3 years
5. Number of staff in the last 3 years
6. Information about liability insurance
7. With which employers' social accident insurance institution is the company insured?
8. Do you use subcontractors?
- Ratio subcontractors / own work
 - Names of subcontractors intended to be used
9. Do you use temporary staff under the German temporary work act (AÜG)?
- Ratio AÜG staff / work by own staff

LEADERSHIP ORGANISATION

1. Do the top managers / directors carry out inspection tours/inspections or audits regarding safety-adequate work, or do they take part in them?
If yes, how often?

2. Do the top managers / directors regularly assess the HSE performance?
If yes, how often?
3. Have the top managers / directors and the line function staff (project manager, person responsible for the mandate, foremen etc.) taken part in safety training for executives?
4. Does your company ensure a minimum ratio between foremen and workers, and is this ratio clearly determined? (example: 1 foreman to 10 skilled workers; 1:10)
5. Do the line function staff (project manager, person responsible for the mandate, foremen etc.) carry out their own inspection tours or inspections?
6. Is the topic "Safety and health protection" part of the staff assessment and of performance appraisal interviews with staff?

HSE QUALITY ORGANISATION

1. Number of occupational safety specialists in the company
2. Are own or external occupational safety specialists deployed, or is the "Unternehmermodell"⁸ put into practice?
3. Number of hours dedicated by the occupational safety specialists
4. Do you have prevention and care within occupational medicine in place, according to §1 of the German act on occupational safety specialists (ASiG)?
5. Total number of safety officers according to §22 of the social code SGB VII and §20 BGV A1 in the entire company

⁸ model intended to support entrepreneurs in organising OSH, with the goal of permanently preserving and enhancing the health and the ability to work and perform of staff

6. Number of safety officers according to §22 SGB VII and §20 BGV A1 on site
7. Number of trained first aiders according to BGV A1 in the entire company
8. Number of trained first aiders according to BGV A1 on site
9. Further expert staff:
10. Is there an organisational chart that depicts the above-described functions?

CERTIFICATIONS AND MANAGEMENT SYSTEM

1. Does your company have a documented and implemented HSE management system?
2. Is your company certified according to (attach certificates)
 - ISO 9001
 - ISO 14001
 - OSHAS 18001
 - SCC
 - certificates of employers' social accident insurance institutions (e.g. BG RCI)
 - others
3. Is there a written commitment to HSE?
4. What trade-specific qualifications are there?
 - §19 of the Wasserhaushaltsgesetz (WHG)⁹
 - DVGW (German technical and scientific association for gas and water)
 - Proof of qualification for welding in areas falling under building supervision
 - Proof of qualification for welding methods/welded connections, welder exams

⁹ German water management act, implements the water framework directive and includes additional national legislation

- Certificates of competence
(e.g. TRGS¹⁰ on asbestos, working in contaminated areas according to BGR¹¹ 218, suitable coordinator under RAB¹² 30)
-

EDUCATIONAL MEASURES / TRAINING

1. Does your company regularly hold HSE trainings / give HSE instructions?
2. Do you have a training matrix which includes the HSE training requirements needed for every function / job?
3. Do you have a programme for involving new / inexperienced staff (<6 months in your organization or apprentice/trainee) in educational/training measures?
4. In what form is instruction given to new staff before they are deployed on site?
5. Is proof of educational/training measures issued and kept on record? Is such proof available both centrally and for each staff member individually?
6. Is the efficacy of training measures checked by way of verification (written test, oral test, observations, discussions, other) – in order to provide evidence of the necessary skills and knowledge?
7. Does your company have a behavior-based danger identification program in place?
8. Do the “trainers” have the necessary knowledge, experience and training to provide HSE education?
9. Is training given in your company also for reporting HSE occurrences, e.g. how to report accidents?

¹⁰ technical rule for hazardous substances

¹¹ rules for safety and health at work of employers' social accident insurance institutions

¹² OHS rules for building sites, specifying the German OSH ordinance for building sites (BaustellIV)

10. Is training given in the topics “awareness and identification of dangers” and “safe personal conduct”?

INVOLVEMENT OF STAFF

1. Are staff actively involved in risk assessments, safety checks before the start of work or at work clearance – and do they give feedback?
2. Are staff actively involved in inspection tours, inspections or audits?
3. Is it mandatory for staff to attend safety events (e.g. training/educational measures)?
4. Does your company have an occupational safety and health committee, and are there possibly any further committees?
5. Are all staff members informed about the results of occupational safety and health committee meetings?
6. Are staff actively involved in the reporting of unsafe conditions, dangerous situations and near-misses?

COMMUNICATION

1. Is there communication in your company – in regular intervals and addressing all staff – about the safety performances in their entirety?
2. Are measures ensuing from the analysis of accidents, inspection tours/inspections, audits or risk observations communicated inside the organisation?
3. Are the minutes of the occupational safety and health committee meetings published and discussed?

ACCIDENTS

(Assessment according to a point system / All items of information for the last 3 years)

1. Number of fatal work accidents
2. Number of reportable accidents (employers' social accident insurance institutions)
3. Number of accidents with more than 1 lost day ("lost time injury")
4. Number of accidents requiring medical care ("medical treatment case")*
5. Number of accidents leading to reduced ability to work for a limited period of time ("restricted work cases")*
6. Number of staff
7. Number of work hours performed
8. Is the number of first-aid cases recorded in your company, and are such cases documented?
9. Are near-misses recorded in your company, and are such cases documented and evaluated?

Note:

Questions marked * are not used for assessment purposes.

Ansprechpartner: Bernd Berressem
Telefon: +49 (69) 2556-1477
E-Mail: berressem@vci.de

Internet: www.vci.de Twitter: <http://twitter.com/chemieverband> Facebook: <http://facebook.com/chemieverbandVCI>

Verband der Chemischen Industrie e.V.
Mainzer Landstraße 55, 60329 Frankfurt

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