

Subcontractor Appointment and Management Procedure

Overview

This procedure describes the process for appointment, management and monitoring of subcontractors that are critical to business services.

This procedure incorporates requirements specific to quality, health, safety and the environment.

Responsibilities

The Managing Director has ultimate responsibility for the selection of subcontractors used by the company. The Managing Director has responsibility for maintaining the Preferred Subcontractor Register, and for ensuring subcontractor requirements meet regulatory standards, and that they are meeting service standard requirements.

The Operations Manager and Area Managers have responsibility for the selection of individual subcontractors for their specific sites from the Preferred Subcontractor Register.

Forms and Documents

- Purchasing Procedure
- Preferred Supplier Register
- Preferred Subcontractor Register
- Subcontractor Prequalification Form (and accompanying documentation)
- Subcontractor Induction Manual

Subcontractors Appointment

Subcontractors are required to ensure (show verification) that they meet the legal and regulatory requirements pertaining to this industry. This shall be in the form of a Subcontractor Prequalification System, for those subcontractors who undertake work on company sites or customer sites, or others depending upon level of risk.

Subcontractor management shall include:

- Establishing a Preferred Subcontractors Register, detailing who are considered reliable providers
- Only using those subcontractors listed on the Preferred Subcontractors Register
- Verifying that requirements have been met

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Subcontractors Prequalification

Once the Subcontractor Prequalification Form has been received back from the subcontractor, this form and all supporting documentation must be stored online in the filing cabinet under that subcontractors name. Details of subcontractor information stored in the filing cabinet may include:

- Insurances
- Quality, Safety and Environment compliance certifications
- Performance Records
- JSAs/SWMS
- SDS for subcontractor supplied chemicals

Preferred Subcontractors

A Preferred Subcontractors Register is available. The Register may only be updated by the Managing Director.

The Preferred Subcontractors Register shall include:

- Subcontractor name
- Subcontractor contact details
- Services they provide
- Order of preference of use, if applicable
- Selection criteria (see below)
- Prequalification completed (date)
- Annual prequalification check (date)
- Any problems that have been noted regarding the subcontractor
- Date of last annual review

When selecting a preferred subcontractor, the following selection criteria shall be used:

1. Service meets contract specifications
2. Cost competitive
3. Meet specified prequalification requirements e.g. certified to ISO 14001 / ISO 9001 / AS 4801
4. Long term history with the company
5. Client's preferred subcontractor
6. Only subcontractor of a given service

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For subcontractors of essential services, there must be at least one back up subcontractor listed, including the preferred order of use.

Preferred subcontractors shall be used wherever possible. When a preferred subcontractor is unavailable and the alternative preferred subcontractor is unavailable, the Managing Director shall be consulted regarding alternatives.

Monitoring of Subcontractors

Prequalification

Subcontractors are subject to initial prequalification and annual review of the prequalification to ensure insurances and other compliance issues are still current.

Performance Supervision

On the job performance is supervised by the Area Manager or Supervisor for quality of workmanship, completeness of required tasks and regulatory compliance. Any problems with performance shall be referred to the Managing Director. Workmanship and completeness of tasks will be confirmed by the Area Manager before invoices are paid.

Induction

All subcontractors and their staff are to be inducted into the company. Prior to commencement at any clients site they will be inducted into that site. This induction will include known hazards and environmental aspects.

Annual Review

Subcontractors shall be subject to an Annual Review of their service capability by the Managing Director, where their status as a preferred subcontractor is reviewed.

Subcontracted services not meeting specification

Reports of poor, unreliable or unsatisfactory performance of subcontractors should be made to the Managing Director, Operations Manager or an Area Manager. Nonconformance related to quality, safety and environmental matters shall also be referred to the Director.