



2006

Contractor Safety Summit

Successes & Gaps

Though there is much we can point to with pride that has been achieved through the hard work of many, there are still some key areas where our challenges are still in front of us

Successes achieved:

- Reduced RAI by 65%
- Increased # of Contractors reporting from initial 32 to 230+
- On-Line reporting and analysis
- Automated Pre-Qualification
- PowerSafe Orientation process
- Standard audit processes of corporate safety programs
- Contractors' safety = to ETR's
- Contractor SAB Peer Groups
- Probation process dealing w/problem Contractors & serious violations
- Safest Contractors in industry

Gaps to address:

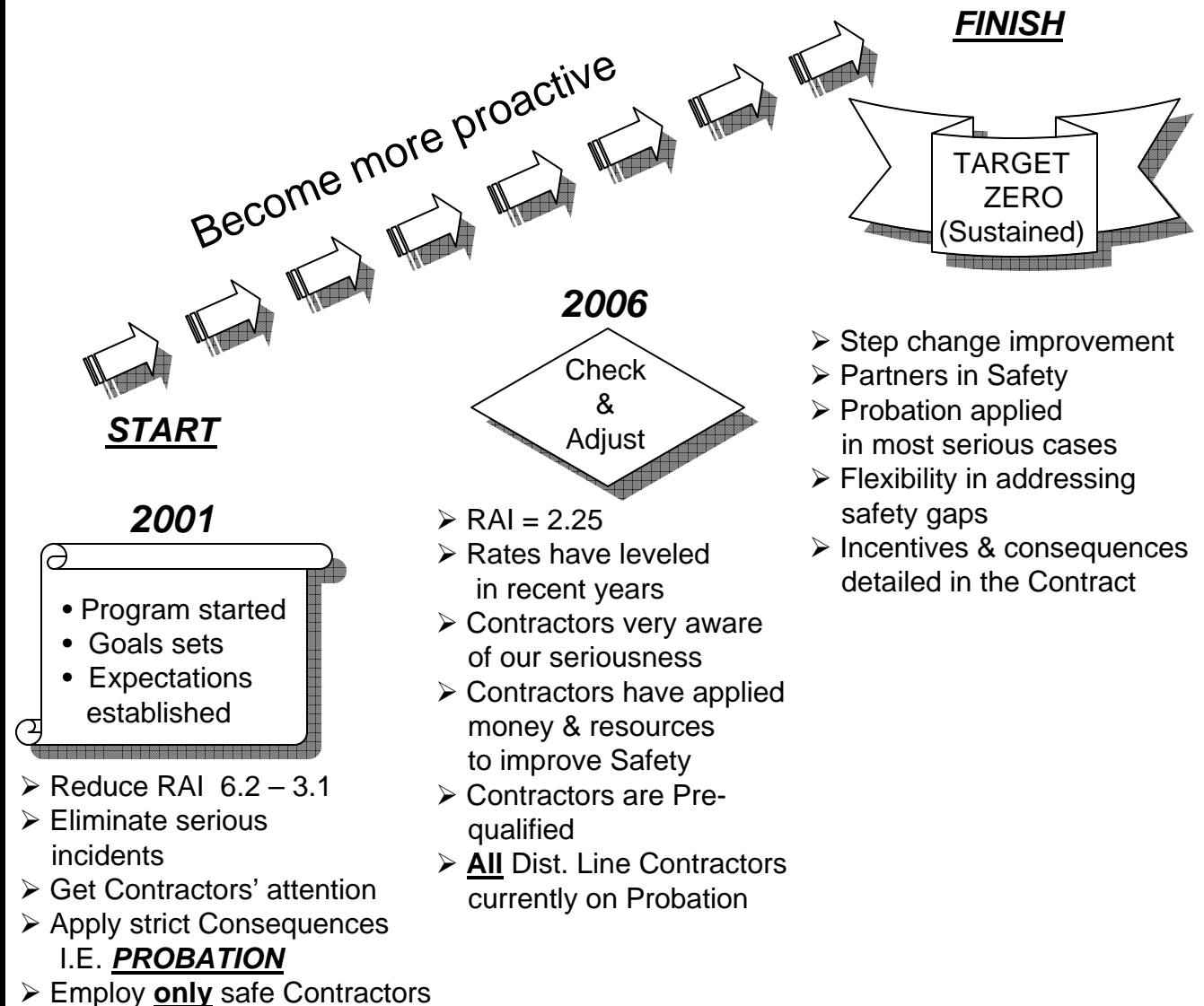
- Target Zero: not yet there
- Not effective in tracking off site Contractors during storm
- Contractors still delinquent in monthly reporting
- Pre – Qualification failing to gain traction in Supply Chain
- Resources are not sufficient to keep up w/audit needs
- ETR field resources not balancing Safety vs. production
- Slow to evolve Probation into next phase of improving safety
- Still basic systemic problems w/some Contractors' programs

Probation: A Case for Change

Acknowledging and understanding a few key facts such as :

1. Company's Contractors are as Safe as any in the industry
2. Company's Contractors are becoming as Safe as our own employees I
3. The benefits to the prior approach of "Applying Probation" may have run its course
4. Safety performance improvement has leveled off in the last (2) years

helps explain why the need for a hard line inflexible program has past and changes are necessary to reach the next level --- Target Zero



Being Proactive Means What ?

*Doing more of the same will
leave us with more of the
same results - - -
A leveling off of Contractor
Safety Performance!*

Key elements to Proactively managing Contractor Safety

- Partnering to improve each other
- Defining and effectively communicating key expectations
- Observing and auditing in the field and identifying gaps
- Sharing responsibilities for managing corrective action plans
- Managing an effective Safety Performance Partnering to Scorecard Program
- Eliminating prescriptive Probation Process & applying in most serious cases
- Integrating the Safety Scorecard deeper into the Supply Chain processes
- Implementing and using the existing Pre-Qualification processes
- Designing and implementing a new framework for Probation, based on flexibility, consideration of the larger context of past performance and application of the Safety Performance Scorecard

What did you say?

*In addition to many
Individual discussions, Company
hosted two (2) meetings to gain
Input from a Contractor's
Perspective*

March: XXXX Meeting

Jackson, Ms.

*General Foreman –
Operations Coordinators*

April: X&X Contractor Safety

*Team – Contractor
Management Team*

It's time to change the Probation Process!

2 Primary Focus Areas



PARTNERING

- ✓ Conduct & communicate together:
 - Safety Meetings - JSA's
 - Training (if possible)
 - Accident / Incident Investigations
 - Observations / Audits
- ✓ Shared Accountability for Safety
- ✓ Open and frequent communication
- ✓ Trimester Safety Performance Review
- ✓ Integrate rotating Contractor into CSC
- ✓ Include Contractors on Safety Leadership Training



SAFETY PERFORMANCE SCORECARD

(To be discussed)

Safety Partnership Activities

- ❖ Semi-annual OC / GF Meeting
- ❖ Include Contractors into Safety Leadership Program
- ❖ Develop Safety Performance Scorecard Process

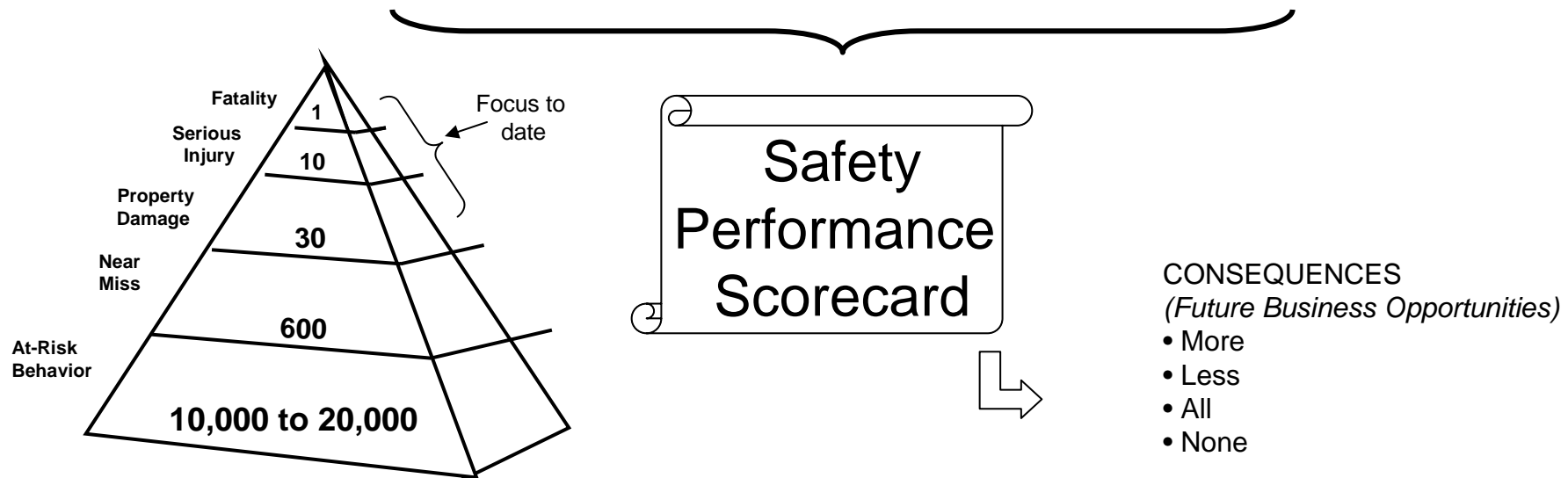
Measuring Safety Performance

Leading Indicators

- Safety Observations & Audits
- Safety Training
- PowerSafe Compliance
- Quality of JSA's
- Safety Meetings & Attendance
- Safety Improvement Plans

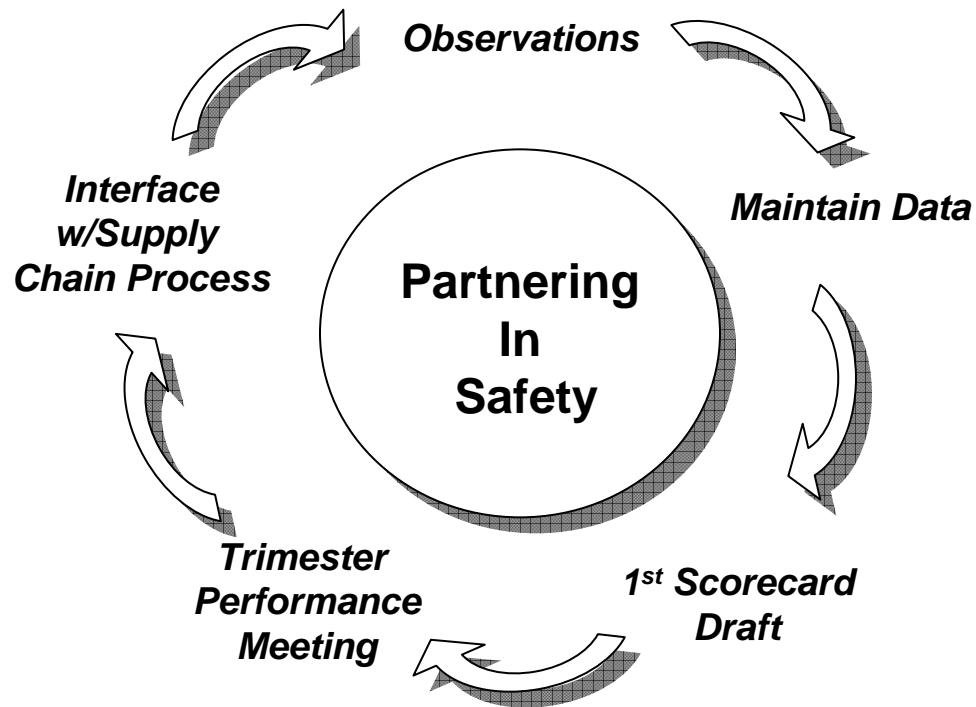
Trailing Indicators

- RAI / LWDIR
- Vehicle Accidents
- Cardinal Rule Violations



Shifting focus (culture) to leading indicators requires commitment at all levels and time

Safety Scorecard Process



Trimester Scoring

"Leading Indicators"
(70 %)

+

"Lagging Indicators"
(30 %)

= **Trimester Score**

"Safety Performance Observation"

Contractor Name _____
 B.U. _____ State _____
 Observer _____

Observation Score
(1 - 5)

1.0 **Hazard Assessment**
 1.1

2.0 **Work Zone Protection**
 2.1

3.0 **Work Activities**
 3.1

4.0 **Personnel**
 4.1

5.0 **Training**
 5.1 PowerSafe # crew sampled passed
 5.2 Cardinal Rules

Comments:
 Signatures:

"Will differ per line of service"

Contractor Safety Reporting System

<u>Area of Safety</u>	<u>Score</u> (1 - 5)
➤ Company RAI	
➤ Cardinal Rule Violations	
➤ Outages (At Fault)	
Total	

See next slide for additional details

Total of scores on each line / # of lines scored x's .70 = Score

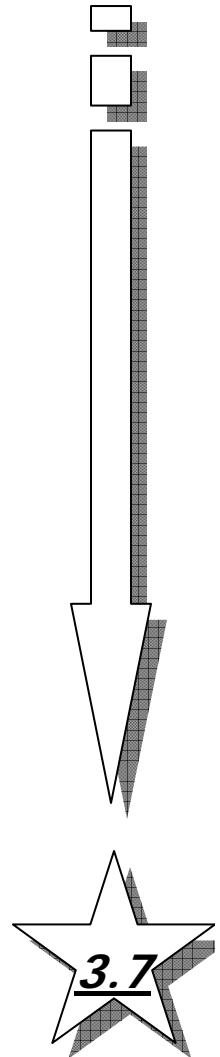
Ex: (98 / 26).70 = Score
 (3.8) .70 = **2.7**

+

+

Total of scores on each line / # of lines scored x's .30 = Score

Ex: (10 / 3).30 = Score
 (3.3) .30 = **.99**



Trimester Scoring

"Lagging Indicators" (30 %)

Explanations

<u>Contractor Safety Reporting System</u>	
<u>Area of Safety</u>	<u>Score (1 - 5)</u>
➤ Company RAI	4
➤ Cardinal Rule Violations	1
➤ Outages (At Fault)	5
Total	10

See next slide for additional details

Company 2006 Target RAI
 If RAI = 5.0 3.5 2.1 1.0 0
 → ←
 Then Score = 1 2 3 4 5
 Trigger = on time reporting

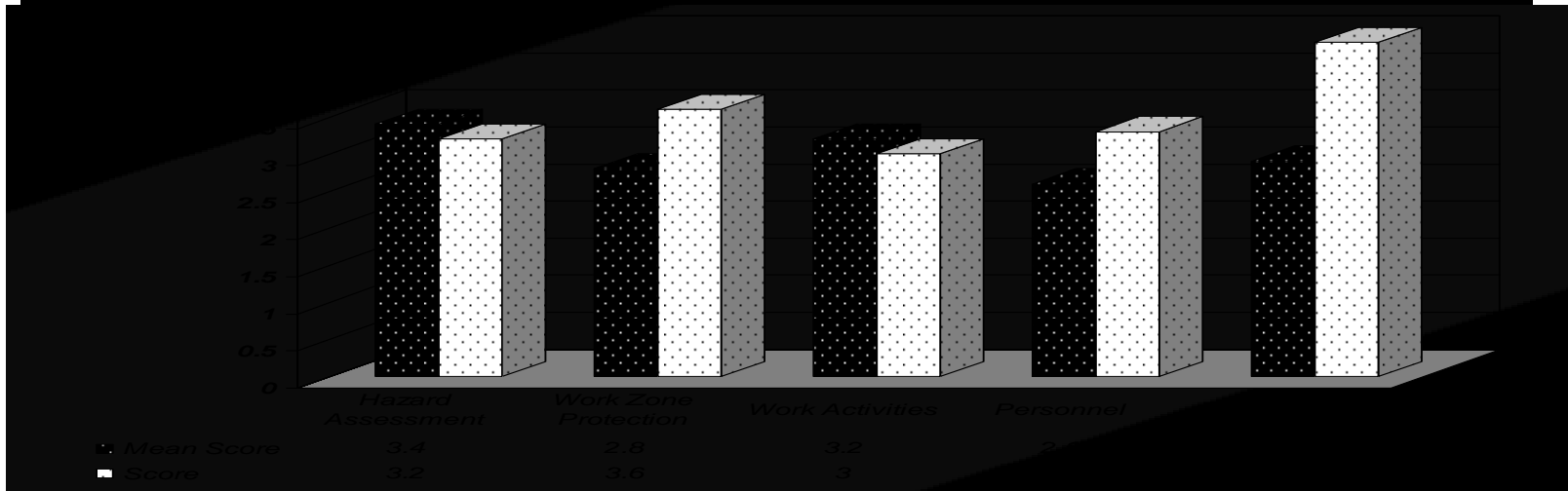
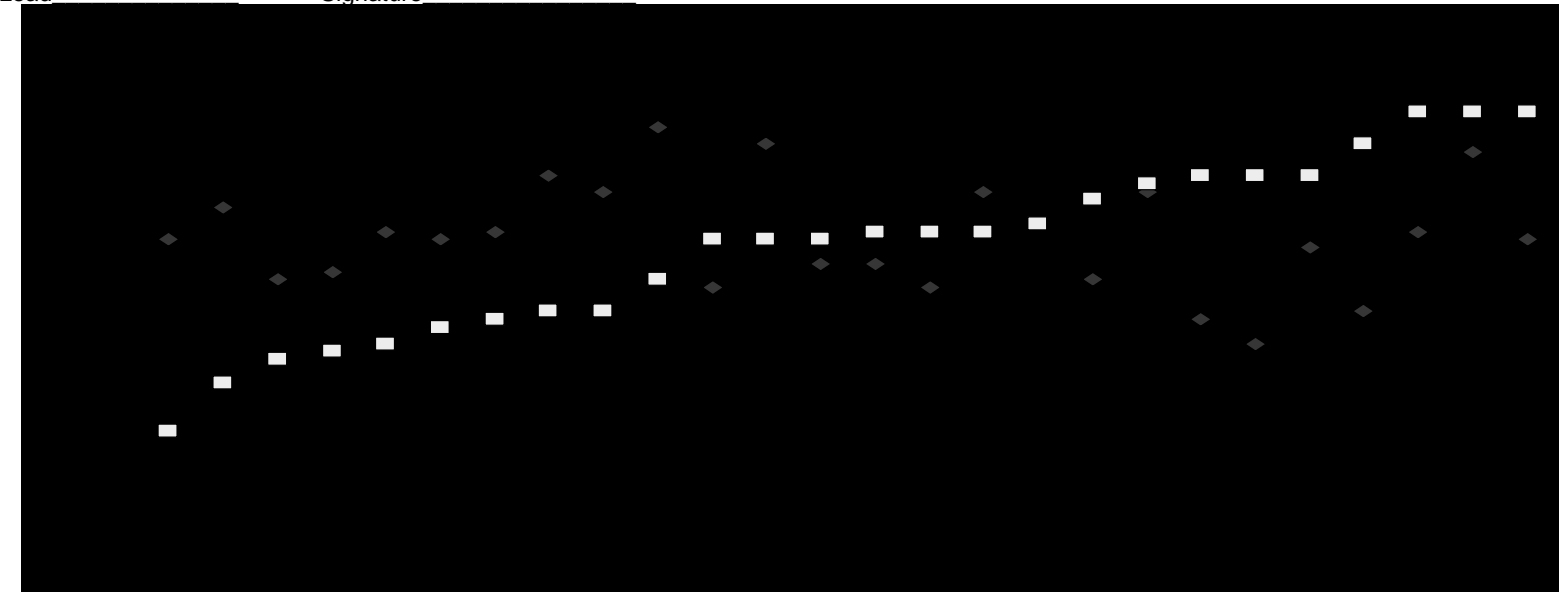
"Cardinal Rule Violations" & "Outages"
 Only (2) possible scores = Either (5) or (1)
 (5) = No incidents recorded during trimester
 (1) = Any number incidents greater than (0)

Total of scores on each line / # of lines scored x's .30 = Score

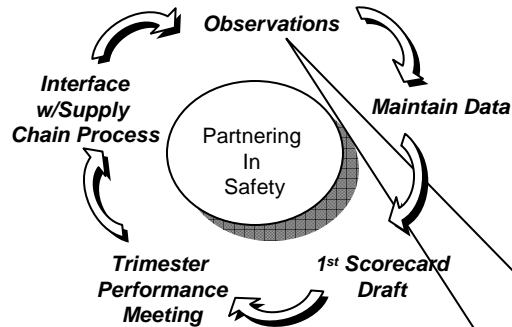
Ex: (10 / 3) .30 = Score
 (3.3) .30 = **.99**

Examples of Trimester Scorecard

Comp. Name _____ Date: _____ BU _____
 Cont. Type _____ Service Center/Grid _____ State _____
 Observer _____ Signature _____
 Crew Lead _____ Signature _____



Observations



Who:

- Company O.C.'s , Contract Managers, Contractor General Foreman
- Cross Jurisdictional O.C.'s, Contract Managers, etc.
- Cross Business Unit O.C.'s, Contract Managers, etc.

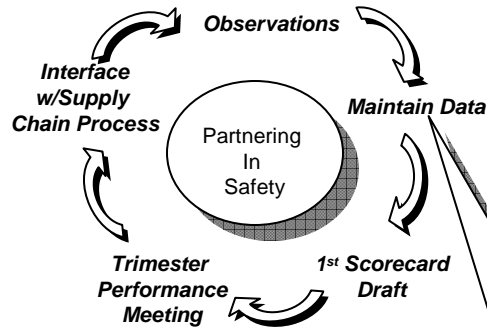
When:

- At a minimum each Company O.C & General Foreman should conduct (2) Observations per month per Contractor crew/area

Process:

- Utilizing the Observation form the O.C. will introduce themselves, ask for permission to perform the observation, observe, record results, consult and coach while on site
- The data maintained through the "Observation forms" will be the basis for the "Leading Indicators" portion of the Scorecard worth 70% of the total trimester score

Maintain Data



Who:

- Company O.C.'s , Contract Managers, Contractor G.F.'s send their "Observation Forms" to the applicable Manager's dedicated resource(s)
- Brian LeBlanc is administrator for the Safety Scorecard System and is available to answer questions
- Jan Smith will maintain data related to RAI, Vehicle Incidents, Outages & Cardinal Rule violations as usual in the "Contractor Safety Reporting System".

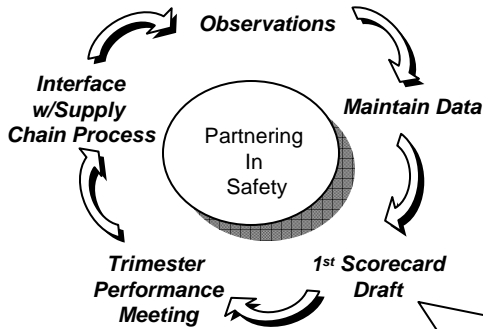
When:

- As "Observations" are done or as soon as reasonably possible, the results should be entered into the Systems

Process:

- The "Observation Forms" is developed such that the level of detail between crews, regions, jurisdictions, etc is easily maintained and available for reporting purposes.
- The "Observation Form" results collected by the Contractors' G.F.'s will be separately maintained and reported for comparisons

1st Scorecard Draft



Who:

- The responsible Company Manager(s), will access the Scorecard System to acquire the draft of the Trimester Scorecard
- Once the draft of the Scorecard is developed a draft will be sent to the Contractor along with an invite to a “Face – to – Face Trimester Safety Performance Scorecard Meeting”

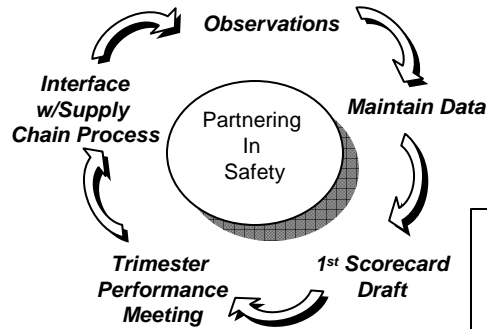
When:

- Every Trimester (4 months) depending on start dates
- First meetings for the phase 1 Contractors (31) should be held in Aug.

Process:

- The Company Manager develops the Scorecard by keying in the “from” and “to” dates of the (4) month period being evaluated
- The Manager will also be responsible for attaining the required “Lagging Indicator” data (Contractor RAI, vehicle incidents, cardinal rule violations & outages) from the Contractor Safety Reporting System)

Trimester Performance Meeting



Who:

- The responsible Company Manager(s), O.C.'s, Contractor G.F.'s & Safety & Supply Chain representatives as and when appropriate should attend the meeting
- As time allows attendance from higher levels in the organization serve to communicate the importance of the process

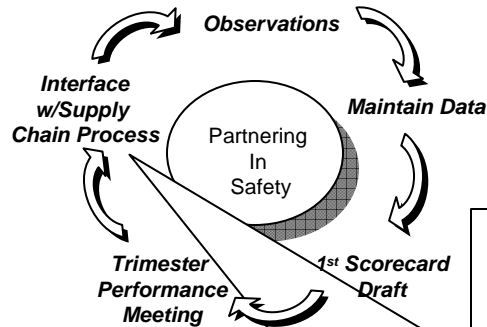
When:

- Every Trimester (4 months) depending on start dates
- First meetings for the phase 1 Contractors (31) should be held in Aug.

Process:

- The following is discussed at the Trimester Performance Meetings
 - * Overall scoring
 - * Top areas of strength
 - * Bottom areas of weakness
 - * Compare and contrast differences Company & Contractor scores
 - * Comparison to peer Contractors
 - * Next Trimester's focus areas and/or improvement plans
 - * Actions / support required of Company

Interface with Supply Chain Process



Who:

- The Operations employees in the field will be responsible for having the Supply Chain incorporate Safety Performance Scores into one off bids as appropriate
- Supply Chain will ensure for all large bids and Blanket Contracts the Safety Performance Scores are considered and weighed during the bid evaluation processes

When:

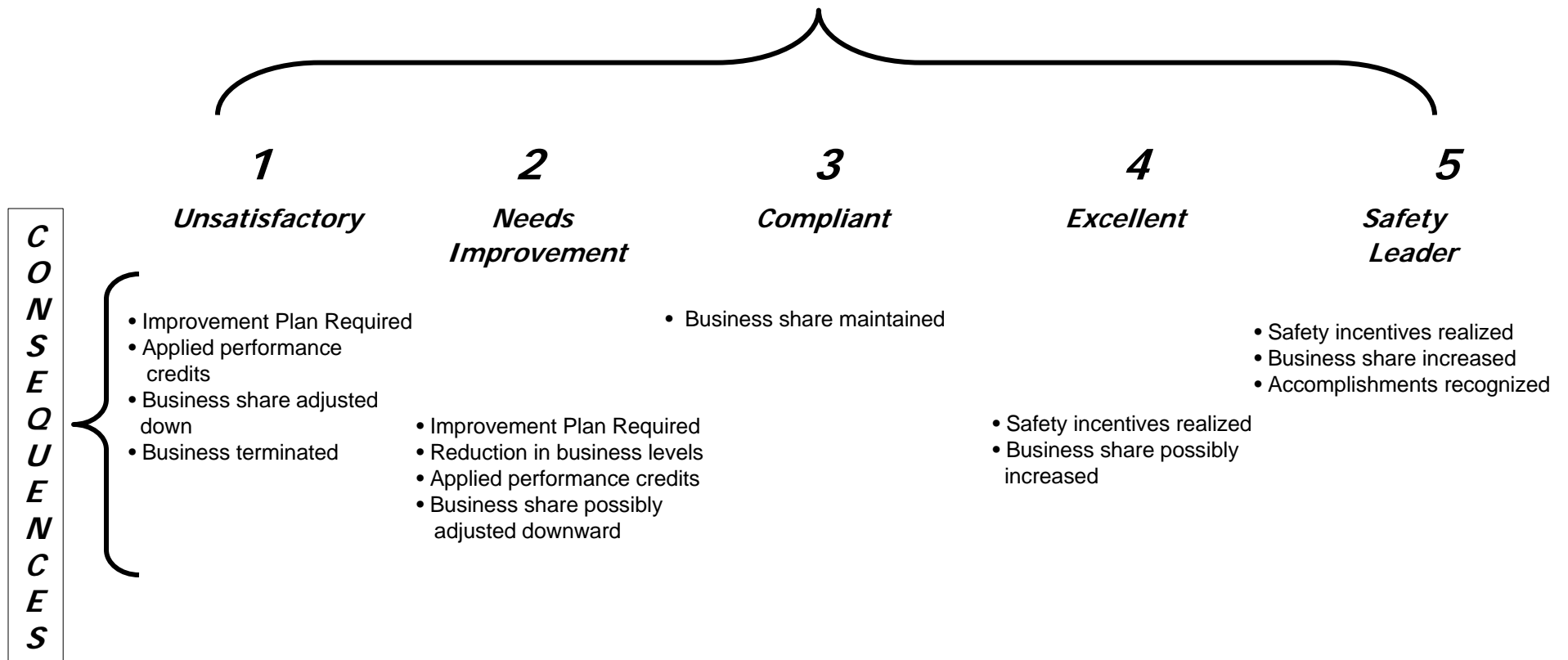
- As large one-off bids, new Blanket Contracts are established and
- existing Blanket Contracts are renewed or extended

Process:

- Safety Performance should be given the appropriate weighting in the bid situations mentioned above
- Serious consideration should be given to weighing Safety Performance at least at the 25% level
- Whenever possible B.U. Contractor Safety personnel should be included in the bid evaluation process

Overall Safety Performance

Overall score



❖ *Two performance scores less than compliant (3) within a year will trigger a required safety improvement plan*

Working Safe at Company Can Mean

Approval Requirements

"getting in the door"



EMR = .99 or below

RAI = At or below the avg. of current Contractors

Fatalities = 0 in prior 3 yrs.

On-site audit = Passed

Obtaining Work

"winning the bid"



Considerations

- Price
- Quality
- Safety Plans
- Safety Performance

Keeping / Increasing Work

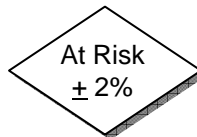
"Staying in the Game"



Considerations

- Safety Performance

Applied to Larger Annual Contracts



Costs + Profit = Total Cost



Based on Yearly Safety Performance Score



Next – Breakout Sessions



Partners Share!

Feedback

Input

Suggestions

Comments

Opinions