

# AIHA's View of the Use of OHS Performance Criteria in Contracting and Procurement Position Statement

AIHA believes that OH&S (Occupational Health and Safety) performance history should be considered in the awarding of contracts and assessment of suppliers to help ensure a healthful and safe working environment.

AIHA believes such consideration and assessment is a necessary prerequisite to promote overall efficiency in the conduct of work.

Suppliers who have a sound history of providing a healthful and safe work environment should be given positive consideration in the selection/awarding of future contracts; conversely, contractors who have a record of poor safety and health performance should be given negative consideration in the awarding of contracts.

There are at least three elements associated with the contract process that should be considered in the context of OHS considerations:

1. Specifications which must be addressed in order for a company to be eligible to bid on a contract,
2. Selection criteria which will be considered in awarding the contract, and
3. Specifications, which define performance deliverables and pay items within the contract.

Significant leverage may be afforded OHS professionals when they include OHS performance measures in some or all of these components of contract specifications.

AIHA believes that there are several factors that should be considered positive when evaluating prospective contractors:

1. Existence of an adequate written health and safety program
2. An Experience Modification Ratio (EMR) less than 1.0
3. Injury and illness statistics less than industry average
4. Participation in voluntary health and safety programs (such as the OSHA Voluntary Protection Program)
5. A well-defined and adequately resourced management system
6. Client assessments of safety and health performance on previous contracts

Conversely, those contractors with a poor health and safety performance track record should be given negative consideration. Several criteria can be considered in this regard:

1. A record of OSHA Citations
2. A record of civil/criminal penalties
3. Unfavorable Experience Modification Rating, or assessments of health and safety performance on previous contracts
4. The absence of a formalized health and safety program

## 5. Unfavorable illness and injury rates

AIHA believes that consideration of OH&S performance history in the awarding of contracts will not only help ensure a healthful and safe working environment, but will also promote overall efficiency in the conduct of work. We believe that application of the principles described herein will not only help ensure that awarded work will be performed in a healthful and safe manner, but also with quality and efficiency.

We believe that these principles should apply directly to all on-site employers, regardless of their contractual relationship to the site owner. This includes subcontractors, co-employers such as temporary agencies, and self-employed. Further, these principles should, to the extent feasible, be extended throughout the supply chain in the context of the full product lifecycle to help dissuade dilution of this important effort.

Finally, AIHA believes that a primary method of ensuring a healthful and safe working environment begins in the procurement process. By utilizing a process that helps select an organization with demonstrated commitment and success in OHS program, illnesses, injuries, and overall costs are reduced.

Approved by AIHA Board of Directors: August 31, 2001