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Contractors Pre-Qualification and 3rd Party Reviews: The Good, the Bad, and the Ugly

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Integrated Loss Control, Inc.

Objectives for Today:

- Have You Been Reviewed?
- Baseline Administrative Audit-A Review of Your Efforts
- Why Are They Being Requested?
- OSHA (Federal and State) vs. Client Requirements, Insurance Requirements
- Getting Your Records and Programs in Order- What is Being Asked?
- The Various Players (Supply Chain, Clients, Third Party)
- Organizations - (BROWZ, Avetta, ISNetworld, etc.)
- Qualifications of the Person Behind the Curtain
- Appeals Process - Is There One?
- Protecting Your Interest



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Have You Been Reviewed?

- ISNetworld
- BROWZ
- Avetta (formerly PICs)
- Various trade groups (peers)
- Various legal or property, asset management organizations
- Your client directly





Baseline Administrative Audit A Review of Your Efforts

What is the company or organization process on developing and implementing various safety programs, developing policies, procedures, completing required tasks (and documenting them)?

Can you effectively demonstrate what has been done, what is planned and does it match up with corporate safety philosophy and best industry practice?*(get credit for your efforts)*



Why a Pre Qualification, Third Party Review is Being Requested

Can you demonstrate what has been done, what is planned and does it match up with corporate safety philosophy and best industry practice?

In short -**can you talk the talk *and* walk the walk when it comes to safety and loss control efforts?**

The Pre-Qualification, Third Party Review Process is a way of proving it and providing assurance to your clients (or requestor) that you are a good organization to work with.

This may be a part of their corporate philosophy, expected contractor culture as well as meeting regulatory (OSHA, MSHA, DOT, EPA, Title X, EEOC, ADA), other legal or contractual obligations. Voluntary trade association standards and best practices may also apply or be referenced (e.g., NFPA, NEC, ANSI, ASME, ASTM, NEMA, SAE).

Security, Domestic and Foreign terrorism employee screening, and best industry practices for business relationships may come up.



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OSHA (Federal and State) vs. Client Requirements

- Whether it falls under 29 CFR 1904, 1910, 1926, etc. OSHA can be seen as a good starting point **but keep in mind OSHA is minimum**, when it comes to Health and Safety/Loss Control
- Federal rules are most often applied in the evaluations
- State OSHA Program Requirements may be different than Federal
- Clients can (and often do) add to the OSHA requirements
- Questionnaire and elements needing review (the 3rd party, requestor outline) may be hundreds of pages long.



Insurance Requirements

- Lines of Coverage (WC, GL, Auto, Umbrella, Specialty)
- Policy Limits (state statute or client required)
- Language
- Endorsements
- Other Named Insureds
- Risk Transfer

Note: it is recommended you work through this process with your North Risk Partners advisor to clarify coverage and also legal representation- contractual review, language, etc.



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Getting Your Records and Programs in Order

What is Being Asked?

- Do you have a program established?
- Will need to provide a copy of program and related forms (version, issue date)
- The program will need to be identifiable as yours (not canned or a “template”)
- Program needs to reflect operations, the exposures and how you control them
- Define who your program applies to (employees, subs, temps etc.)
- Corporate history, structure, etc.
- Accident History (EMRs-3 yrs, OSHA 300 Log, DOT/FMSA Info, Railroad History)
- NAICS (formerly SIC) for the operations
- Tax ID Number
- DOT Number

Note: Most of the information requested will be similar however, some details, language needs to be adjusted or information clarified (client can insert questions) from one audit organization to another (and in their preferred format).



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**If ACME, ABC, XYZ or “client name”
is not your organization’s name..**

**It should not appear anywhere on
your H & S program documents!**



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The Various Players (Supply Chain, Clients, Third Party, etc.)

- The larger client-requestor
- Third party evaluator (works for the client)
- Your health and safety /loss control and administrative staff
- Your Risk Advisor from North Risk Partners
- Your insurance carrier
- Health and safety/loss control firm assisting you with the audit





The Various Players (Supply Chain, Clients, Third Party, etc.)

The Larger Client-Requestor

- May or may not have H & S contact
- Picks the evaluator and the block of questions they use
- May ask for qualification before work begins, or may be a new requirement for current operations
- The ultimate decision maker on the process





The Various Players (Supply Chain, Clients, Third Party, etc.)

Third Party Evaluator (works for the client)

- Is the supplier of the evaluation system platforms, websites, etc.
- Based in US or elsewhere
- Fee Based (your client may pay or pass on charge to supplier/contractor)



The Various Players (Supply Chain, Clients, Third Party, etc.)

Your Health and Safety /Loss Control and Administrative Staff

- Are they familiar with your operations at the client?
- Are they familiar with your h & s program?
- Attended third party evaluator training or webinars?
- Do they know who the third party consultant/advisor is?
- Do they have access to necessary information?
- Do they understand the questions asked?
- Are they given enough time and resources to complete the review?





The Various Players (Supply Chain, Clients, Third Party, etc.)

Your Insurance Agent

- May or may not be familiar with the process
- May have information you need (EMR, endorsement language, COIs)
- May have staff or alliance with provider to assist with H&S or other items (e.g., HR, legal)
- May sponsor cost of using H&S consultant to assist with the process.





The Various Players (Supply Chain, Clients, Third Party, etc.)

Your Insurance Carrier

- May be familiar with the process (in-house expertise)
- May have information you need (EMR, endorsement language, COIs)
- May have staff to assist with H&S or other items (e.g., HR)
- May sponsor cost of using H&S consultant to assist with the process
- Can be a barrier (e.g., timeliness of acquiring insurance, COIs, endorsements due to UW appetite or other factors)



The Various Players (Supply Chain, Clients, Third Party, etc.)

Health and Safety/Loss Control Firm Assisting You with the Audit



- May be familiar with process
- Have resources available (H&S programs, forms that have been through the process)
- Can assist with entering information, providing guidance, achieve higher scores and fill in the gaps
- Can anticipate the information needed for a audit or review



Organizations

BROWZ, Avetta, ISNetworld, etc.

- Contractor, Service Provider, User-Login, Password, Administrator
- You must go through each evaluation separately (2-3 or up to dozens or even hundreds)
- Each client will generally request their own third party review (*they decide who is used, you don't*)
- Clients may use more than one evaluator
- None of the organizations exchange evaluation information
- Third party evaluators have their own platforms, series of questions, forms and processes
- The evaluation ratings are not uniform (some have download pdfs, fillable forms)
 - Rating on A, B, C scale
 - Percentage Scale
 - Non-Complaint, Satisfactory, Exemplary
- Its an on-going process (annual), clients can add elements at any time
- Appeals process - need to work with client and evaluator (consultant or advocate is needed)



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Qualifications of the Person Behind the Curtain

- Typically internal training conducted by the third party organization
- May be limited to federal regulations only
- Not OSHA Plan State specific (MN, IA, CA)
- Referencing OSHA State Plan other than where the operations are being conducted (not applicable at current location)
- Questions asked in a certain format
- Review bullet points (language, implementation vs. 1926.. Or 1910... just referenced)
- US, foreign or offshore (can sometimes tell by the questions asked)
- Appeals process-is there one? How is it conducted, expected outcome?
- Make sure they understand your operations and the scope of work conducted
- The client relationship with third party reviewer (do they have a knowledgeable coordinator)



Protecting Your Interest

- Get credit for your efforts
- Protect your program information - user liability statement, locking forms, PDFs
- Keep good records of the evaluations - utilize the third party evaluator summaries, PDFs, e-mails, etc.
- Implement your program fully, complete tasks, train employees - document, document, document



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Appeals Process-Need to Work with Your Client and the Evaluator (Consultant or Advocate is Needed)



Advantages of Conducting a Pre-Qualification Third Party Pre-Qualification, Evaluation Process

Will ask you to do a 180 degree self-review of your operations, H&S efforts, effectiveness of the controls

May Think About Issues Not Previously Considered:

- Disaster Recovery, Business Continuity,
- Distracted Worker
- Stop Work Management
- Sub-Contractor Management
- Temporary or Short-Term Employees
- Certificate of Insurance Management (COI)
- IT Safety Data Management
- Product Safety (Mfg. and Recall Processes)



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Questions?



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Good Luck!



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Integrated Loss Control Contact Information



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NEW!

Value-Added Services Hotline

(888) 667-4135

Call the hotline to get personalized advice from HR and safety professionals on a variety of topics, including state and federal compliance, employer best practices, workplace programs and more.

*The hotline is a service provided to North Risk Partners business clients and powered by our partners at Synergy Human Resources and Integrated Loss Control (ILC). The above number has replaced the previous HR Hotline and ILC Support Line numbers.

*You may also reach Integrated Loss Control by emailing safety@northriskpartners.com.