

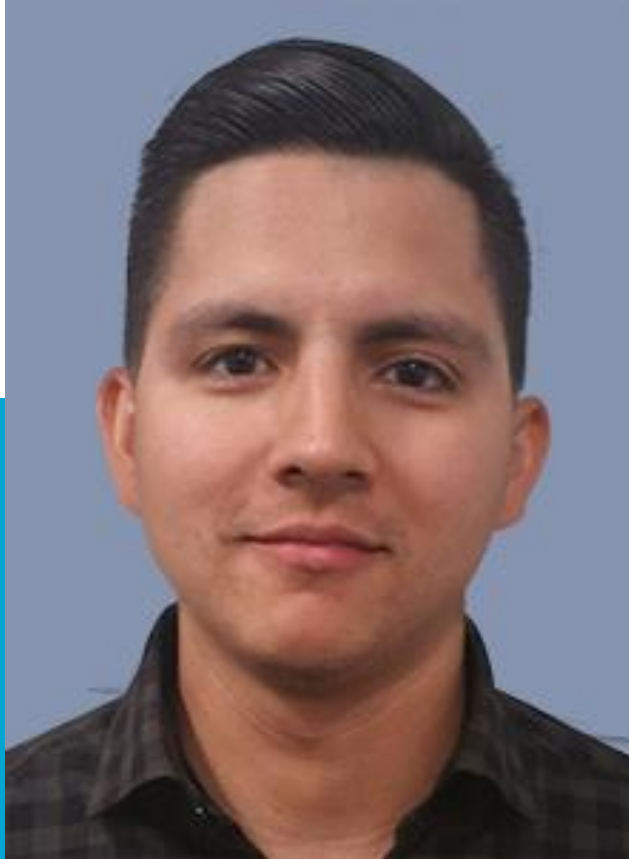


Contractor and Vendor Safety Management:

Ensuring third-party compliance with safety standards

Presented By BHHC Loss Control

September 2025



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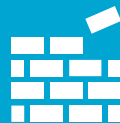
Loss Control Specialist



10+ Years of Specialized Experience — Across diverse industries.



Core Competencies — Skilled in hazard identification, risk assessment, regulatory compliance, safety program development, and accident investigation.



Comprehensive Safety Consulting — Delivers end-to-end consulting

Introduction

30%

Workplace injuries in construction involve subcontractors

40%

Jobsite violations are linked to third-party workers

Case Study: Fatal Fall at Miami Condo Construction Site

Companies Involved

GC: Titan Corp. (overseeing high-rise condo construction)

Subcontractor: Sky High Steel (steel erection crew)

What Happened?

A steelworker employed by Sky High Steel (subcontractor) was walking along a 6th-floor beam (15m/~50ft up) without fall protection. He lost balance and fell to his death.

OSHA findings

- No guardrails, safety nets, or personal fall arrest systems in place.
- No fall protection training provided to the worker.
- GC's site superintendent had seen workers without harnesses multiple times but did not enforce safety rules.

AGENDA

September 2025

- Why Contractor Safety Management Matters
- Importance of Indemnity and Hold Harmless
- Understanding the relationship with 3rd party contractors
- Change Orders and Purchase Orders
- Elements of Effective Contractor Safety Management
- Methods for fostering a culture of safety among 3rd parties
- Understand the benefits of having contractor and vendor safety management
- Key Takeaways and Immediate Actions

We Will Focus on Best Practices

- The goal of contractor/vendor safety management is to ensure the safety of all employees, contractors, and visitors on the worksite.
- Regulatory standards are *minimum* requirements. Best in class employers go above and beyond.
- Remember that every workplace is different. Find the risk potential and address it proactively.

From: World Construction Today



Contractor Risk Assessment

- Before a contractor sets foot on site- score the risk

Dimension	Low (1)	Medium (2)	High (3)
Hazard Level of Scope	Office, delivery, landscaping	Electrical, plumbing, HVAC	Confined Space, hot work, roofing, demo
Duration on Site	Less than 1 week	1-4 weeks	More than 1 month
Supervision Available	Constant (dedicated safety rep)	Periodic (daily check-ins)	Minimal (contractor self supervised)
Proximity to Critical Ops/Public	Low (isolated area)	Medium (near active operations)	High (adjacent to public or critical systems)



Why Contractor Safety Management Matters

Importance of Indemnity & Hold Harmless

Definition & Purpose

Indemnity Clause: Contractual agreement where one party agrees to compensate the other for certain damages or losses

Hold Harmless Clause: Provision that protects one party from legal liability for the actions of another

Why it Matters



Risk Transfer

Shifts financial and legal responsibility for incidents, injuries or damages



Legal Protection

Shields the GC or project owner from lawsuits or claims arising from 3rd party actions



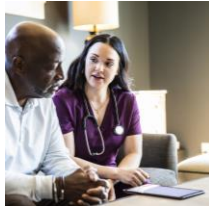
Insurance Alignment

Ensures subs carry adequate insurance to back up their indemnity obligations

Common Scenarios

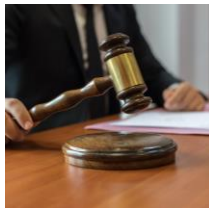
- A Subcontractor causes property damage or injury on site
- A vendor's employee is injured due to their own unsafe practices
- A third party sues the general contractor for an incident caused by a subcontractor.

Key Elements to Include



Scope of Indemnity

Clearly define what types of claims are covered



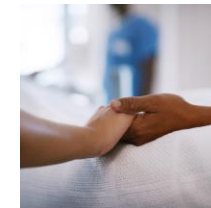
Defense Obligations

Require the sub to defend the contractor in legal proceedings



Triggering Events

Specify when indemnity applies



Insurance Requirements

Align indemnity with insurance coverage

Best Practices

1

Use clear and unambiguous language to avoid disputes

2

Require proof of insurance and endorsements from subcontractors

3

Tailor clauses to the jurisdiction's enforceability standards

4

Review and update indemnity language regularly with legal

What are the benefits?



Reduces financial exposure: Limits out of pocket costs for claims



Encourages accountability: Subcontractors are more likely to follow safety protocols



Supports Compliance: Aligns with OSHA's Multi-Employer Worksite Doctrine by clarifying responsibilities

Multi-Employer Worksite Doctrine

Even if a GC didn't directly cause a hazard, they can still be cited for it. There are four roles OSHA recognizes on a jobsite.

1

Creating Employer

The one who causes the hazard.

2

Exposing Employer

Whose employees are exposed to the hazard.

3

Correcting Employer

Responsible for fixing it.

4

Controlling Employer

Usually the GC or site lead, responsible for general oversight.

OSHA Willful Violations- When Awareness Becomes Liability

What is a Willful Violation?

- An employer knew about a hazard or showed plain indifference to it and made no reasonable effort to eliminate it

Connecting Back to the Miami Case Study

- The GC saw workers without harnesses multiple times
- Did not enforce safety rules
- That awareness without action is the definition of a willful violation

Takeaway

- Document Safety Concerns and correction actions taken
- Never ignore a reported hazard
- Inaction is a decision – OSHA treats it as one

Change Orders as Contractual Agreements

How many of you have seen a change order treated like a casual note instead of a formal agreement?

Change orders are not just administrative tasks—they are legal amendments to the original contract.



Why it matters?

Any change in work can introduce new risks.

Without documentation, teams may be unaware of new hazards, insurance gaps, or compliance issues

Change orders allow time to:

Reassess
hazards

Update safety
protocol

Confirm
insurance
coverages

Communicate
changes to all
stakeholders

Real World Examples

Electrical Work

- Vendor is asked to install additional lighting
- New risks: electrical shock, ladder use, circuit overload

Overnight Stocking of Vending Machines

- New risks: reduced supervision, emergency response, access control issues

Address risk as part of your change order

Don't unknowingly agree to indemnification to a purchase order

Best Practices

Include Safety Language

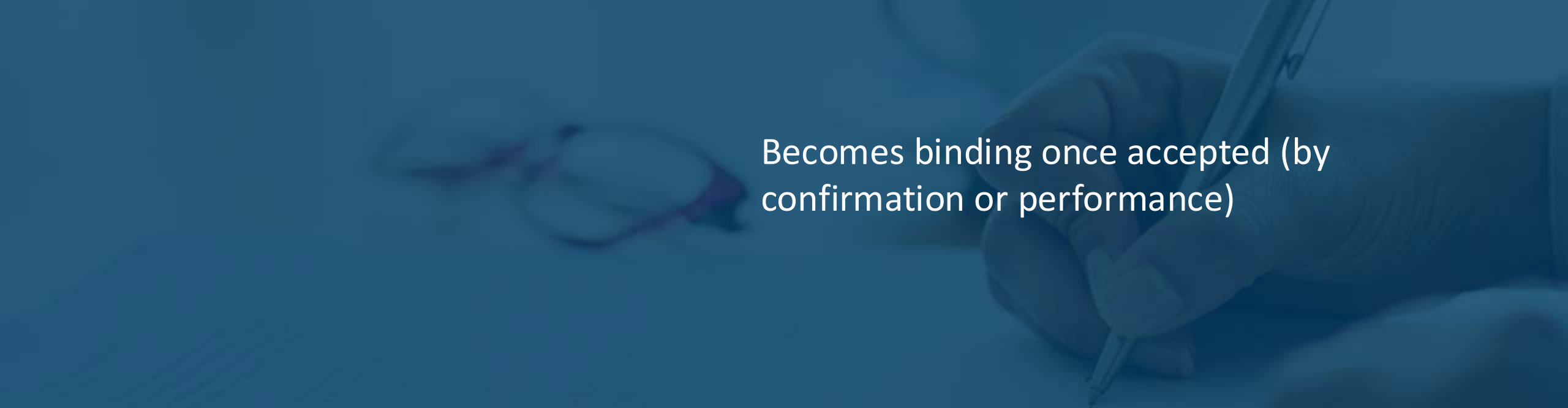
Insurance Verification

Treat as Mini Contract


Communicate Internally

Purchase Orders (PO)

Formal request to buy goods or services. They can function as contracts- sometimes standalone, sometimes tied to a master agreement.



Becomes binding once accepted (by confirmation or performance)



What POs Cover (and don't cover)

- Typically include- scope, price, timeline, invoicing
- Often miss - indemnity, insurance change orders, dispute resolution

Contractors Risks

- Misunderstandings if scope is vague
- Surprise obligations from hidden terms
- Payment delays tied to invoicing requirements
- Non-enforceable provisions in certain states

Best Practices

Review all POs before accepting

Confirm scope, price, payment terms

Clarify/amend vague language

Use with contracts for larger projects

Involve legal counsel when stakes are high

An overhead view of three people in an office setting, gathered around a table. The scene is heavily tinted with a blue color. The individuals are focused on documents and a laptop on the table. A blue hard hat is visible on the table. The overall atmosphere is professional and collaborative.

Elements of Effective Contractor Safety Management

Pre-Qualification & Selection Criteria

1. Total Recordable Incident Rate (TRIR)
2. Experience Modification Rate (EMR)
3. Safety Program Quality
4. Certifications and Compliance
5. References and Past Performance
6. Insurance Coverage

Orientation and Onboarding

Effective orientation and onboarding are **critical** to ensuring that all workers especially new hires and subs understand the unique risks and expectation of your job site:



Communication Channels

Strong communication is the backbone of a safe and efficient worksite.



Daily Briefings



Weekly “Toolbox Talks”



Open and Ongoing Communication



Defined Roles and Responsibilities

- Creating a Contractor Safety Handbook
 - A vital tool to align expectations
- Define Safety Roles
- Designate Safety Representatives
- Check-In and Orientation Protocols
- Clear Reporting Lines

Creating a Contractor Safety Handbook

1. Site Rules and Conduct Expectation
 - Prohibited Activities (e.g., drug/alcohol use, horseplay)
 - Smoking policies
 - Access control and sign-in procedures
 - Use of cell phones and radios
2. Emergency Plans and Procedures
3. PPE Requirements
4. Key Contact and Communication Protocols
5. Disciplinary Actions and Violation Consequences

Ongoing Monitoring and Evaluation



Routine Safety
Walks



Hazard
Identification



Behavioral
Observations



Real-Time
Corrections



Reinforcing
Expectations



Documenting Performance and Violations

1. Record Unsafe Acts & Conditions
2. Use Standardized Forms
3. Escalation Procedures
4. Follow-Up and Corrective Actions
5. Transparency and Fairness

Incident Management and Reports

Involving contractors in incident investigations isn't optional—it's essential. It drives accountability, improves outcomes, and reinforces that safety is a team effort.



Joint Root Cause
Analysis



Shared
Accountability



Learning
Opportunities



Corrective Action
Ownership



Continuous
Improvement

Improvement



1. Post-Project Contractor Surveys
2. Lessons Learned Reviews
3. Process Refinement
4. Feedback Integration
5. Close the Loop

What are the benefits?



Enhanced Compliance and Risk Mitigation



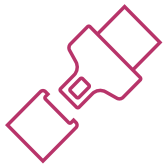
Improved Operational Efficiency



Cost Savings



Enhance Reputation



Reduced Incidents and Injuries

Safety Across Organization Boundaries

- Leadership Influence
- Habits and Behaviors
- Reinforcement Mechanisms
- Shared Values and Responsibility

Key Takeaways

1

Know the Legal and Safety Expectations

2

Build Onboarding and Monitoring Systems

3

Drive a Shared Safety Culture

Immediate Actions

Assign
ownership

Set Short-
Term Goals

Schedule
Follow- Ups

Questions?

Please email additional questions to losscontrol@bhhc.com