	<b>COMPANY HEALTH AND SAFETY PROGRAM</b>	
	<b>Document No.</b> 6.1	<b>Date:</b> August 8, 2006
	<b>Subcontractor Policy</b>	<b>Revision:</b> 0

## 1.0 PURPOSE

The purpose of this policy is to identify to all HES subcontractors the safety rules, procedures, and policies HES has implemented to control accidents and injuries and reduce liability to HES.

## 2.0 SCOPE

This policy applies to all contractors involved on a subcontract agreement to any Division of HES.

## 3.0 POLICY

Subcontractors will be expected to recognize and comply with all local, state, and federal safety regulations and standards. Subcontractors may be furnished and required to comply with a copy of applicable sections of the HES Company Health and Safety Program.

## 4.0 GENERAL


Under federal OSHA standards and in many states, HES may be held responsible for incidents involving its subcontractors that could adversely affect the Earned Modification Rate (EMR) potentially impacting our ability to be awarded and complete work. HES requires all subcontractors indemnify us in the event of an injury to a subcontractors employee from lawsuits. However, an injury to a subcontractor's employee could possibly expose HES adversely to costs associated with incident investigation, interviews, affidavit's, deposition's and time away from work to attend court in a civil lawsuit. Therefore, joint coordination between the subcontractors and HES are key to the reduction of loss associated with process, people and profits.

Before the project site work activities begin the subcontractor's personnel must receive a site-specific safety and health orientation for the project from the HES supervisor or safety department.

## 5.0 SUBCONTRACTOR RESPONSIBILITIES

The subcontractor will ensure that the site-specific health and safety plan is in compliance with all safety and health requirements of local, state, and federal regulatory agencies (i.e. hazard communication, personal protective equipment, medical surveillance, etc.) regardless of whether they are working under an HES or plan supplied by others.

The subcontractor is responsible for health, safety and to minimize the potential

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for loss of process for all employees, equipment, supplied materials, services, suppliers and third tier contractors working for it while on the HES project.

## 6.0 SAFETY RULES

A list of some important accident prevention practices and procedures that apply to subcontractors, while on a HES project are as follows:

- The subcontractor must furnish its own first aid supplies provided for in a location available to its personnel. Emergency telephone numbers must be accessible to employees.
- Subcontractor incident/accidents are reported to HES project management and safety department. A copy of the incident/accident report must be provided to the safety department within 24 hours.
- The subcontractor is expected to comply with the proper personal protective equipment. HES project management or safety department maintains the right to designate the required personal protective equipment for a project. The following types of PPE may be required: hard hats, hearing protection, eye protection, foot protection, respiratory protection, etc.
- Subcontractors should conduct a daily safety audit of its work areas and report any unsatisfactory conditions. Subcontractors will be required to correct any unsatisfactory conditions within their work activities in an agreed timeframe. If this is not done, penalties may apply.
- If unsafe conditions or practices are observed by HES personnel, the subcontractor will be requested to correct them immediately or, based upon the assessed level of risk agreed to by HES and the subcontractor, within a defined schedule. If the correction(s) are not made immediately or within the agreed schedule a formal letter will be issued defining the deficiencies and work activities may cease dependant upon the severity of the conditions.
- Subcontractors are required to either participate in the daily HES tool box meetings or conduct their own similar meetings for employees and third tier subcontractors. Documentation must be provided to HES if separate meetings are held.
- Good housekeeping practices are required of all subcontractors. Refuse and scrap should not be allowed to accumulate, especially when it may interfere with work activities or create possible hazards. Combustible materials must be placed in appropriate containers and not allowed to accumulate in the work area.

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## **7.0 SUBCONTRACTOR SECURITY**

Subcontractors should take the necessary precautions or security measures to protect it's own materials and equipment. HES is not responsible for any lost or stolen subcontractor materials or equipment. The subcontractor will be responsible for any loss or damage caused by him or her, his or her personnel, or his or her subcontractors to the work or materials, to adjacent property, and to persons.