

# **HBR 3<sup>rd</sup> Party PSM Audit PROGRAM OVERVIEW**

## **BASIS** - OSHA 1910.119 (h)(2)(v)

The employer shall periodically evaluate the performance of contractor employers in fulfilling their obligation or specified in paragraph (h)(3) (contractor responsibilities) of their section.

## **CONCEPT**

Contractor member companies (and others) will be able to utilize a 3rd party contractor to conduct non-site specific audits of their safety programs therefore reducing redundancy and cost.

## **BENEFITS**

- Provides Standardized Industry Audit Process that is “OSHA Tested”
- Improves compliance and raises the performance standard
- Provides a foundation document for owner companies to do site specific audits
- “Frees-up” Owner resources to concentrate on site specific audits
- Eliminates redundant audits therefore reducing resources and costs for both contractors and owners
- Use of 3rd party auditor adds consistency leading to industry standardization
- Provides a corrective action feedback loop as well as deficiency tracking
- Audit process raises the base level safety process for all contractors particularly the smaller contractor

## **OVERVIEW**

- HBR manages the process
- Audit form is based on API 2220 Appendix G and is the same as being utilized in Baton Rouge, Lake Charles and Corpus Christi
- Audits cover contractor programs, processes and results, but will not cover site specific programs or requirements
- Contractor pays for 3<sup>rd</sup> party auditor to review their safety program
- Satisfactory audit reports qualify contractors as “Active” and are good for 3 years from date of completed report
- Audit is accepted by participating owner companies
- Audit reports are issued within 2 weeks of audit completion
- Contractor is responsible for remaining in “Active” status by completing and passing the audit with a satisfactory rating every 3 years. “Active” contractors are those that have a current audit report on file at HBR without deficiencies and those with deficiencies that have submitted a corrective action plan and not failed to meet required timing for completing corrections.
- Contractor has 14 days from audit completion to issue corrective action plan for deficiencies when needed

## **COST**

- \$950 for contractor requesting Single audit. 3<sup>rd</sup> Party auditor will not conduct audit prior to HBR receiving payment.
- Follow-up auditing by 3rd party auditor for corrective actions will be an additional cost of \$75 to the contractor.

## **AUDIT PROCESS**

- Contractor schedules audit with 3<sup>rd</sup> party auditor. Contractor should schedule audits three months in advance of due date to avoid late penalty.
- 3<sup>rd</sup> party auditor provides contractor with standardized self evaluation questionnaire and performance data to be completed and returned a minimum of one week prior to the audit date
- 3<sup>rd</sup> party auditor confirms audit time and date with contractor
- 3<sup>rd</sup> party auditor performs audit with contractor at a participating owner company facility whenever possible (if no work is being performed at a participating owner facility, audit will take place at the contractor's work location).
- 3<sup>rd</sup> party auditor sends final report to contractor and HBR within 14 days of audit completion. HBR will maintain the audit reports in a master file
- Contractors with satisfactory audit results will be classified as “Active” in HBR master file
- HBR provides monthly report of “Active” contractors to participating owner companies
- HBR Owner Companies with prior approval from the Contractor may obtain a copy of the last audit report from HBR.

## **CORRECTIVE ACTION PLANS**

- During the closing conference of the audit the contractor will be notified if any significant deficiencies must be addressed with a Corrective Action Plan (CAP)
- Corrective Action Plan must be submitted to the 3<sup>rd</sup> party auditor by the contractor within 14 days of receiving audit report
- The corrective actions must be completed within 90 days and documentation submitted to the 3rd party consultant for auditing. Upon satisfactory audit completion the 3rd party auditor will submit completed CAP report to HBR. HBR will maintain master file
- Contractors that do not complete corrective actions within the allotted time will be removed from the “Active” master file by HBR
- HBR will notify the Contractor if they are being removed from the “Active” master file.