

# Managing Contracts

## A supplementary guide

Version 1.0 – Final

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# 1 Foreword

Safety, Health and Environment have written this guide as a supplement to Operational Guidance Booklet 3c – [Contracts and contract management](#). It includes revised and expanded guidance for Forestry Commission (FC) staff on managing safety within contracts. This guide will be fully incorporated to OGB3c in due course.

Our vision set out in the Health and Safety Strategy is:

*‘Everyone working with the Forestry Commission remains safe and well and our woodlands are safe and enjoyable places to visit.’*

This means that **safety within contracts** has a very wide scope and it encompasses the health and safety of **people** engaged in or affected by the work, as well as the health and safety of the **environment** where it could be damaged by poor practice as the work is done. **In this guide ‘safety’ has this wide definition.**

When managing contracts, it is important for FC staff to realise that the Health and Safety at Work Act (HASAWA), and a range of environmental laws and policies sit behind all that we do. The safety of people and the environment should not be treated as a separate set of rules that restrict how we work, but as an integral part of what staff do to help to inform, plan, organise and implement the work. If we, the FC, operate from this viewpoint, we are not merely trying to avoid incidents, but are managing to avoid the circumstances that cause them in the first place.

This integrated view of safety management in our daily work is very important because although most of our rules actually exist to deal with safety, environment or financial risk, they will never cover every single incident, issue or eventuality that may occur. This means we should use the simple observable faults or issues (that the rules generally deal with) as **signals** that something else may be wrong with how the work is being done. While we must correct the immediate fault, we should also learn to look at what caused it, and make changes to stop it happening again.

This requires us:

- to use judgement;
- to be balanced; and
- to apply a fair and just approach.

The professionalism, technical skills, and communication or ‘people’ skills of front line staff are critical to successful contract management. At all times we must communicate with those involved with **honesty and openness**, and in a professional way that avoids confrontation, encourages positive behaviour and builds trust. Everyone in the forestry industry is in this together.

**Everyone's Responsibility – When on site, lead by example – follow site safety rules – be proactive in your approach – remind others of their duties to comply with the safety rules and working methods. If you need to amend them, tell those involved or affected before implementation to make sure they understand and comply.**

## 2 Introduction

There are five main messages in this guide.

1. Forest Works Managers (FWMs) are responsible for site safety, for managing the work to specification and for complying with requirements.
2. The FC will manage all its contracts to make sure that we challenge and deal effectively and consistently with any unsafe actions and situations we may observe or become aware of.
3. As landowners, if we need to, we will put the work 'on hold' until the root causes of an unsafe action or condition can be discussed and reconciled.
4. The FC management chain is responsible for supporting the decision-making of contract supervisors and managers, and for resolving any issues identified.
5. FC staff need to rely on their professional and technical competence in making decisions relating to contract management.

It is the responsibility of the FC and its staff to make sure we all maintain standards of professional competence through training and continued professional development.

This guide has been written primarily for front line supervisors, to support the current OGB 3c and offer support to all staff when challenged with the day-to-day responsibility of managing worksites.

### 2.1 Integrated safety

Contract management brings together a large number of areas that most people dealing with contracts will be familiar with, such as law, specification, standards, planning, methods, risk, procurement, valuations, negotiation, communication, monitoring and control. **'Safety' isn't in this list because the safety of people and the environment is a part of all of these aspects.**

You may hear people say that we (FC) manage contracts to ensure that the work is, *'completed on time, on budget and to the required standards'*. But if we bring out the safety aspects of this statement we could equally say, *'we manage contracts to ensure that the work is completed without anyone being hurt; at a cost that recognises safe ways of working; in an agreed timeframe that is safe to maintain; and to the environmental, operational, financial and safety standards'*

*we require*'. We often say the first statement, but we always mean the second – and sometimes the detail gets hidden behind the time and money.

A significant thing to always bear in mind – and this has been demonstrated many times – is that contracts set up to deliver safety as well as on-budget and on-time are safer, but surprisingly will often be cheaper and quicker too, simply because less time is wasted and the work runs smoothly.

## 2.2 Communication and attitude

This document introduces some key aspects of communications which are essential for good contract management by FC staff. Table 1 lists these and gives some context. In creating this guide we sought the views of contractors and their representatives. An essential point is that the Red-Amber-Green (RAG) process – see Section 5.2 – must be applied fairly if it is to successfully improve attitudes and standards.

It is important to note therefore that we intend this development to become the day-to-day basis for communicating clearly, responding consistently, and learning together, so we can all get better at what we do. We have told forest industry representatives that those who are willing to accept feedback and learn from mistakes, and can see this development from that perspective (and this also includes FC staff) will benefit greatly. Senior FC staff have a role in reviewing concerns raised to ensure the RAG process is being applied consistently and fairly.

Table 1 Good communication and behaviour

Good communication techniques	Context and use
The use of praise	Recognising a job well done and understanding the importance of saying so to those responsible.
Challenging unsafe acts and conditions	Visiting worksites. Actively looking at what is happening and talking with people. <b>Not walking by when you see something wrong.</b>
Clear explanations	Ensuring everyone knows why work has been put on hold and what needs to be done to resolve the issue.
Being open to challenge	Willing to listen to and learn from others.

<b>Good communication techniques</b>	<b>Context and use</b>
<b>Learning from experience</b>	Thinking about what has happened in the past or to others.
<b>Understanding the 'roles and responsibilities' of contract management</b>	Understanding contract management from end to end – from procurement or sale through pre-commencement, standards and specification, breaches, remedies, termination and to completing the work.

## 2.3 Roles and responsibilities in FC contracts

<b>Landowner</b>	<p>FC as landowner is in control of the land on which the work takes place. The FC has a duty of care to make sure that the safety of those visiting and working on FC land is considered, and that the work does not harm the environment. The landowner should intervene if safety appears to be compromised, whoever is doing the work.</p> <p>The FC Contract Manager performs this role, ensuring that the Landowner's responsibilities and duty of care are met, that the contract is properly made and clearly understood, and that the work is properly completed and paid for.</p>
<b>Forest Works Manager (FWM)</b>	<p>The person who commissions the work. The FWM is responsible for the site and the safe and timely conduct of the work. Every contract should have a person clearly nominated to this role and its responsibilities.</p> <p>In direct contracts this will be an FC staff member, probably the same person who is the Contract Manager. In other contracts it can be the contracted party, or they may nominate one of their employees or another representative to carry out the FWM role. In some engineering or complex service contracts this role might be called 'Principal Contractor'. Buyers of logs at roadside will nominate an FWM for the haulage they commission.</p>
<b>Contractor's Site safety coordinator</b>	The nominated contact person for safety issues if the FWM is not on site (this person may have some delegated authority but does not assume the FWMs responsibilities).
<b>Contractor</b>	The provider of a service. They may be employed by another person or company who is the Contract Holder. The Contractor is responsible for the professional conduct of the work they are

	paid to do, meeting the specification of the contract and for adhering to the agreed safety controls and working methods.
<b>Sub-contractor</b>	Anyone engaged by a contractor, other than a direct employee, for example waste removal, crane hire, scaffolders and hauliers.

You will find more information on roles and responsibilities for both FC staff and contractors in Sections 6 and 8.

## 2.4 When FC is the FWM

If the FC is commissioning the work on the site, and so supervising the work of a contractor, then we will normally be the Forest Works Manager. The RAG system still applies and FC staff are expected to use it for their own contracts. The RAG system it is about **managing safety in contracts** whatever our formal role is.

So, if we (FC) contract someone to clear a ditch round a car park for example, and anyone sees the machine working without a barrier tape or signs, that person will still call an Amber Condition and stop the work. If people are standing close to the working machine, or a lot of oil is seen leaking from it, we will call a Red Condition and stop the work. Although it is our contract and we want the work done, **we will still stop the work** until we have sorted out what went wrong, agreed with the contractor what should be done about it, and documented on the contract file what changes have been agreed.

Calling an Amber or Red Condition on your own contract may seem odd, but in fact it clearly indicates that you are doing your job well, ensuring contractors improve, and everyone is learning to be better at what we all do.

## 3 Objectives

The requirements for the safe conduct of forestry contracts are set out in the 1999 HSE booklet [Managing health and safety in forestry](#) (available on the FISA internet site) and more generally in the Health and Safety at Work Act (1974).

This supplement to OGB 3c sets out for FC staff the FC procedures that we will implement to manage breaches of safety that may occur during work on the Public and National Forest Estates. This includes:

- the appropriate inclusion of safety matters for people and the environment in the pre-commencement process and meetings;
- examples of potential breaches and the relative severity that we will treat them with;
- the response that FC staff will be expected to make, including putting the work on site 'on hold' if necessary;

- the procedures for resolving issues and re-starting the work;
- the actions expected of the various individuals involved in managing the contracts including non-FC people; and
- advice on actually challenging practice, delivering difficult communications and maintaining professional relationships while resolving issues.

## 4 Pre-commencement meetings

Please refer to the PCM Guide for the processes involved – [link](#).

## 5 Breaches of safety in contracts

### 5.1 Some safety theory

It is generally accepted by health and safety professionals that about **80% of accidents and incidents are caused by unsafe acts**, such as driving too fast, failing to maintain three points of contact when descending steps, discarding waste thoughtlessly or chainsawyers working within two tree-lengths of each other. The other **20% are caused by unsafe conditions**, such as faulty brakes, leaky sprayer tanks, spilled coffee on the floor of the kitchen or an unguarded PTO. If we can stop the unsafe act, or remove the unsafe condition, we can generally prevent the incident that harms someone or damages the environment. **Reinforcing good practice by using praise and positive comment is one of the most effective ways of achieving this.**

However, if we just 'tell people off' for unsafe acts, and only 'tidy up' unsafe conditions, then the same accidents will keep happening. This is because we have not addressed the things that actually caused them. These causes might include anything – missed training, lack of knowledge or experience, poor information, misunderstood or poorly communicated rules, infrequent supervision; or in the above examples, perhaps a missing step, poor maintenance, no waste disposal plan or simply, no floor-cloth in the kitchen!

### 5.2 Red-Amber-Green (RAG) system of contract management

To encourage people to look into the causes of unsafe acts and conditions we (FC) will use a Red-Amber-Green (RAG) system to help classify a safety breach and determine what we do about it. There is more detail later in this guide.

#### 5.2.1 RED Condition

Unsafe acts or conditions that are **immediately life-threatening** or **imminently damaging to the environment** put the contract in a **RED Condition** for health and safety.

A Red Condition occurs when the intended safety controls have not worked and only luck or chance is preventing injury, death or damage. Very often they will be linked to an unsafe act i.e. something significant that is done or not done and the chain of events that usually causes an incident is on its last link i.e. 'if another thing goes wrong we will have a major incident'. Examples include a cyclist riding under a loading crane or a large re-fuelling tank placed near a water course. Note that serious injuries in forest conditions should always be considered as life-threatening which is partly why first aid courses now include the '+F' requirement.

Where we see a Red Condition, the FC will pause that whole aspect of the work until we are reassured that the root causes of the Red Condition have been addressed. This may well require a positive change to take place first, such as a different work method, different kit or more training.

If a contract gets three RED Conditions during its period (or in any continuous 12 month period for long-term or multi-year contracts) then the third instance should trigger a review of the viability of the whole contract. The Contract Manager must seek advice from senior district and national staff (including SH&E or Procurement as necessary) to consider potential termination.

### 5.2.2 AMBER Condition

Unsafe acts or conditions that are **potentially life-threatening, not meeting an industry safety standard, or potentially damaging to the environment**, put the contract in an **AMBER Condition**. An Amber Condition occurs when one or more safety controls have not worked and things are only a step or two away from an incident. Very often they may be linked to an unsafe condition i.e. something that is not right or not in place and the chain of events has progressed, but as yet the last link has not been reached. Examples include incomplete signage around work sites, damaged hydraulic hoses, PPE missing, or trimmers with the wrong blade. Often an Amber Condition may exist for a while unnoticed, but the risks of an incident or a Red Condition happening get higher and higher as time passes.

Where we see a potential Amber Condition we would pause the work involved, talk to the people on site and expect them or the FWM, to correct the situation immediately and take steps to ensure it does not recur. If the situation can't be corrected straight away, or if the situation recurs, then we would pause the work involved until we were happy the issue had been properly addressed.

If a contract gets three AMBER Conditions during its period (or in any continuous 12 month period for long-term or multi-year contracts) then the third instance is escalated to a RED Condition. Section 5.1 explains why.

### 5.2.3 GREEN Condition

If we find that on balance, safety considerations, industry standards and environmental protection measures are good, then the contract is in a **GREEN Condition** for safety, health and the environment. FC staff should always encourage and reinforce this behaviour by giving positive comment and praise to those working on the site. We want contractors to learn to spot issues and put things right themselves before we even see anything untoward.

## 5.3 Applicability of the RAG system

There will inevitably be other issues around contract specifications, time and costs that will need to be managed as a matter of course. Any contract must be managed through the procedures outlined in OGB 3c ([Section 29.4](#)) which refers to managing remediable and irreparable breaches, and there will be a whole range of different remedies relevant to the type of work and contract conditions. The RAG system does not replace this, but is an additional and specific tool for dealing **fairly and consistently** with safety and environment breaches arising from the conduct of a contract.

The RAG system is therefore just a procedure for directing how we respond to situations we might observe or be made aware of as work is conducted.

Some contracts, particularly for low impact non-operational work around recreation and visitor services for instance, will not immediately stand out as relevant to this approach.

Normally, if risks are being identified and managed and the contracted work progresses competently, then the Green Condition will apply continuously and no intervention will be required. However, all FC contract managers and supervisors must always be thinking about what is actually happening as the work progresses and be prepared to act on unsafe actions or conditions that they may come to their attention.

Even the lowest impact contracts can create personal or environmental safety issues as a consequence of how the work is done. A real-life example is an office cleaning contract where for various reasons the cleaner wanted to change her times to work late at night. She worked on her own in an isolated FC building but cleaning isn't inherently dangerous, the job still got done at no extra cost, so FC staff agreed. One night the cleaner disturbed burglars and was suddenly put at great personal risk through her contract with us and what was effectively an unnoticed and ongoing Amber Condition had turned into a Red Condition.

## 5.4 Examples of safety breaches

The table on the next page illustrates a range of potential health, safety and environmental contract breaches, but it is not exhaustive – it is only an indication. Use this along with the descriptions in Section 5.2, to aid your professional judgement on what the status of a given breach is.

If the contract you are managing has particular risks associated with it, they should be discussed at the PCM stage and any specific Amber and Red Conditions defined at that time, for example, *'If you take this machine down onto the gully sides that will be a Red Condition for safety reasons'* or, *'if you do not prevent people using the boardwalk while it is being mended that will be an Amber Condition'*. Additional contract-specific situations like this can be added in the blank sections at the foot of the table for use on site.

**Table 2 Examples of RAG Conditions for managing safety in contracts**

This table is not exhaustive as it only aims to illustrate the likely difference between an Amber and a Red Condition. Unless FC is the FWM and we have taken responsibility for the conduct of the contract, FC staff are **not** expected to supervise or inspect other people's contractors or kit. The RAG process is used to assess what we see happening on FC land and respond consistently. It must not be used as a reason to go looking for problems that are the responsibility of others to resolve.

ILLUSTRATIVE EXAMPLES	Health, Safety and Environmental Green Condition	Health, Safety or Environmental Amber Condition	Health, Safety or Environmental Red Condition
Description	Nothing suggests that unsafe or environmentally damaging practices are taking place.	Unsafe conditions (or acts) that are potentially life-threatening, not meeting an industry safety standard or potentially damaging to the environment.	Unsafe acts (or conditions) that are immediately life-threatening or imminently damaging to the environment.
Emergency equipment	No reasons to suggest this is not all present and correct.	<ul style="list-style-type: none"> <li>First aid or pollution kits not on site at times.</li> <li>No emergency procedure for pollution and / or accident.</li> <li>Pollution control kit not replenished after an incident.</li> </ul>	<ul style="list-style-type: none"> <li>Chainsaw operator without large wound dressing.</li> <li>No first aid kit or no pollution control kit where it is required.</li> </ul>
PPE	No reasons to suggest this is not all serviceable and in use.	<ul style="list-style-type: none"> <li>Faded or very dirty hi-viz clothing (not fit for purpose).</li> <li>Inappropriate footwear or gloves for the work, site or conditions.</li> <li>Safety helmet out of date.</li> <li>Not wearing non-slag outer clothing where required.</li> </ul>	<ul style="list-style-type: none"> <li>No safety helmet on operational site or helmet is damaged / unserviceable.</li> <li>No chainsaw trousers or boots where needed.</li> <li>No hi-viz clothing when required by RA.</li> </ul>
Tools and machines	Equipment appears to be in serviceable order and used correctly.	<ul style="list-style-type: none"> <li>Incorrect blades or guards fitted.</li> <li>Damaged handles or cutting edges.</li> <li>Damaged power cables or hoses.</li> <li>Machine operator not wearing a seat belt.</li> <li>Machine operator working with doors open.</li> <li>Chainsaw chain-brake ineffective.</li> <li>Guarding on excavator inadequate or damaged.</li> </ul>	<ul style="list-style-type: none"> <li>Operator or mechanic working on harvester with engine running (other than setting or testing hydraulic pressures).</li> <li>A machine without PTO cover or shield.</li> <li>Working at height without RA controls in place.</li> </ul>

ILLUSTRATIVE EXAMPLES	Health, Safety and Environmental Green Condition	Health, Safety or Environmental Amber Condition	Health, Safety or Environmental Red Condition
<b>Chemical use</b>	Appears to be following all industry best practice and RA.	<ul style="list-style-type: none"> <li>Questionable calibration accuracy.</li> <li>Washing facilities / eyewash not adequate.</li> <li>PPE not providing protection required by RA.</li> <li>Container disposal unsatisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>Operators not wearing chemical PPE.</li> <li>No washing facilities / eyewash.</li> <li>Chemical spills not managed.</li> <li>Breach of Water Guidelines.</li> </ul>
<b>Chainsaw work</b>	No reasons to suggest that operators do not follow good practice and meet FISA standards.	<ul style="list-style-type: none"> <li>Appropriate felling aids not available.</li> <li>Saw left unattended in public area.</li> <li>Hung up trees not dealt with before leaving site.</li> <li>Fuel or oil cans without well fitting caps.</li> </ul>	<ul style="list-style-type: none"> <li>Incorrect felling cuts or techniques.</li> <li>Working in another feller's or machine's risk zone.</li> <li>Working inside a powerline Red Zone, or in the Amber Zone without proper controls.</li> </ul>
<b>Road Vehicles</b>	No reasons to suggest that drivers or vehicles do not meet contractual and legal requirements.	<ul style="list-style-type: none"> <li>Speeding on forest roads.</li> <li>Inconsiderate driving or passing of people and other vehicles.</li> <li>Jumping down from lorry or pick-up beds.</li> </ul>	<ul style="list-style-type: none"> <li>Not using seat belts.</li> <li>Use of clearly unserviceable vehicle (lights, reverse warning, brakes etc).</li> <li>Carrying people in a way not designed for the purpose.</li> <li>Failure to secure loads adequately.</li> </ul>
<b>Certification</b>	No reasons to suggest this is not all present and correct.	<ul style="list-style-type: none"> <li>Worker on site before the required proof of competence / qualifications for the work has been provided.</li> </ul>	<ul style="list-style-type: none"> <li>Worker on site does not actually have the required competence / qualifications for the work being done.</li> </ul>
<b>Accident / incident reporting</b>	No reasons to suggest that incidents are being hidden or glossed over.	<ul style="list-style-type: none"> <li>Unreported 'near-miss'.</li> </ul>	<ul style="list-style-type: none"> <li>Unreported accident.</li> </ul>
<b>Water, Soils and Veteran trees</b>	Work appears to be following the relevant guidelines.	<ul style="list-style-type: none"> <li>Not meeting a specific standard in the guidelines.</li> <li>Not meeting a specific contract requirement in relation to water and soil protection.</li> </ul>	<ul style="list-style-type: none"> <li>Fuel / oils left immediately adjacent to a watercourse.</li> <li>Washing vehicles or kit in a watercourse or allowing run-off to enter a watercourse.</li> <li>Crossing a designated no access area.</li> </ul>
<b>Wildlife</b>	Work appears to be following contractual, guideline and legal requirements.	<ul style="list-style-type: none"> <li>Not meeting a specific standard or contract requirement.</li> <li>Hygiene requirements for deer carcass preparation could be improved.</li> </ul>	<ul style="list-style-type: none"> <li>Not meeting a legal requirement.</li> <li>Failure to wear motorcycle helmet when using quad bike.</li> <li>Unsafe high-seat in use.</li> </ul>
<b>Firearms</b>	No reasons to suggest that legal and contractual issues are not being covered.	<ul style="list-style-type: none"> <li>Firearms licence not up to date.</li> </ul>	<ul style="list-style-type: none"> <li>Failure to secure firearm or ammunition in locked vehicle when left unattended.</li> </ul>

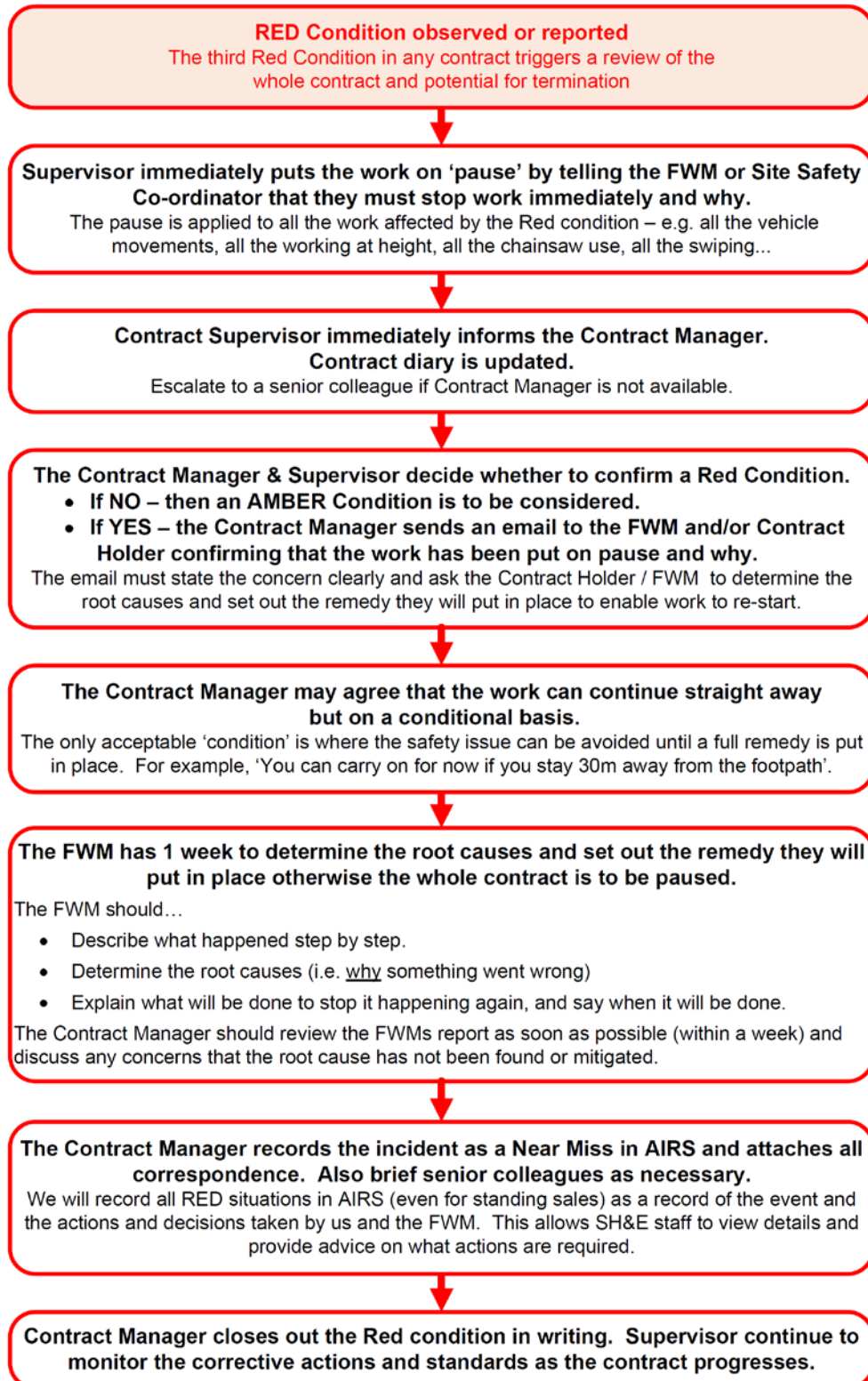
ILLUSTRATIVE EXAMPLES	Health, Safety and Environmental Green Condition	Health, Safety or Environmental Amber Condition	Health, Safety or Environmental Red Condition
<b>Heavy haulage</b>	No reasons to suggest that drivers or vehicles do not meet industry standards or contractual and legal requirements.	<ul style="list-style-type: none"> <li>• Speeding on forest roads.</li> <li>• Inconsiderate driving or passing of people and other vehicles.</li> <li>• Blocking access routes for emergency services.</li> <li>• Jumping down from crane or lorry beds.</li> <li>• Not using the specified route.</li> </ul>	<ul style="list-style-type: none"> <li>• Tipping without banksman.</li> <li>• Driver out of cab within the Risk Zone of other machines or felling operations.</li> <li>• Working close to powerlines in contravention of FISA 804.</li> <li>• Crane not fully stowed before moving.</li> <li>• Failure to secure load before moving.</li> </ul>
<b>Waste management</b>	No reasons to suggest that waste management practice is inadequate.	<ul style="list-style-type: none"> <li>• Waste and materials stored on site insecurely or without agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Burning waste on site.</li> <li>• Littering or scattered waste on site.</li> </ul>
<b>Steep ground</b>	Work appears to be following all industry best practice and Risk Assessments.	<ul style="list-style-type: none"> <li>• Use of traction aids is incorrect or not agreed.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of traction is occurring.</li> <li>• 'Risk taking' is apparent.</li> </ul>
<b>Timber stacking</b>	All stacks appear stable and below maximum height.	<ul style="list-style-type: none"> <li>• Timber stacks exceed 2m or Risk Assessed maximum height.</li> <li>• Timber stacks not signed adequately.</li> </ul>	<ul style="list-style-type: none"> <li>• Timber stacks appear unstable or excessively high.</li> </ul>
<b>Additional issue</b>	To be defined at PCM	To be defined at PCM	To be defined at PCM
<b>Additional issue</b>	To be defined at PCM	To be defined at PCM	To be defined at PCM



If the FC is the FWM, we should lead by example and close off our actions in a timely way.

## 6 Contract management

### 6.1 Red Condition – process



## 6.2 Red Condition – notes

The diagram explains the process when the FC is NOT the FWM – see below.

We expect all parties to work to the shortest possible 'on-hold' period and to recognise that agreeing timescales and timely exchange of information is key to this. It's also important to note that it may take some time to look into and agree the *root causes* of a Red Condition, which is necessary to try to prevent the same thing happening again. If there has not actually been an accident or pollution incident, we should look to ensure the immediate situation is understood and corrected by those concerned, and then **allow for a conditional re-start** while those discussions take place.

If the FWM does not look into the root causes and make any necessary changes within a week, we would put the work 'on hold' again until it has been done, and we may not allow a conditional re-start if another Red situation arises.

The Contract Holder will be required to meet any timescales required to report through RIDDOR or to other parties, such as EA, SEPA or HSE via RIDDOR.

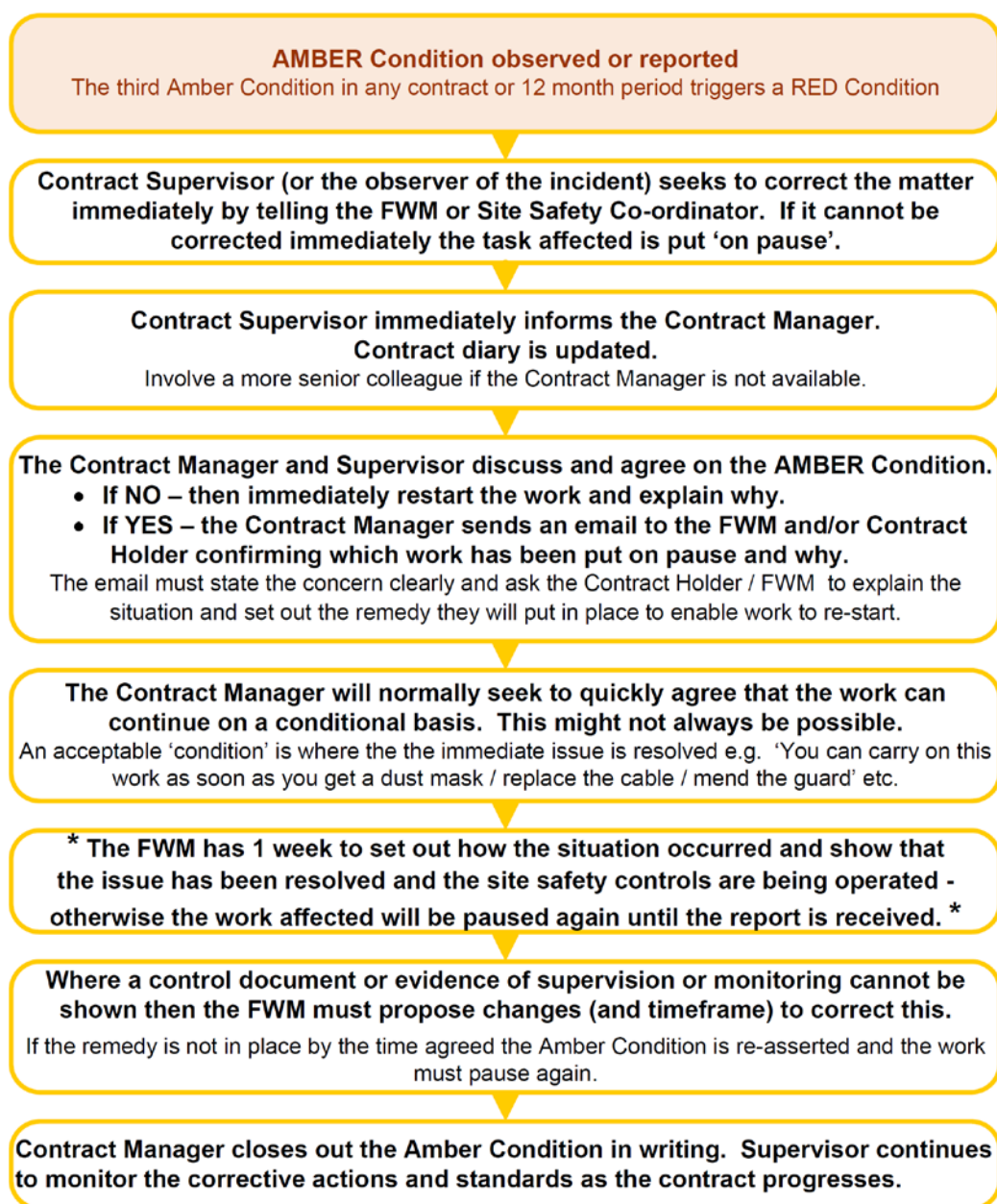
**Standing Sales** – Where the breach is associated with third party harvesting, FC will put the harvesting works (not haulage) 'on hold' provided that the Contract Holder responds with a report within one week. This should be provided by the FWM in writing and explain to us why the situation happened, what monitoring and supervision was in place, and what they have changed as a result to prevent the situation happening again.

If the FWM does not provide the report within a week, the FC will put all work on site on hold – including haulage. The converse will apply where a Red situation occurs with the haulage operation.

Note that if stacking space is limited, putting haulage operations on hold will have an immediate impact upon the safe working environment for timber extraction, so the FC Contract Manager should also stop the extraction operation.

**When FC is the FWM** – The operation should still be put 'on hold' for a Red breach until the FC has investigated the incident and recorded on file what the root cause is thought to be and what has been done to prevent a recurrence. This should be done in AIRS and the entry referenced in the contract file.

## 6.3 Amber Condition – process



\* The FWM needs to show what has been done or changed to prevent the issue recurring. This become part of the FC contract file and lets the work continue.

- **People Issue** – FWM to show how the competence of the person was previously assessed. Includes job description/role on site, relevant risk assessments, certification, training, recent FISA checklists, site induction process, PPE provided and available.
- **Machine/tool Issue** – FWM must show how the machine/tool has been assessed as meeting safety standards. Includes evidence of recent FISA checks, maintenance, daily checks and site diaries.
- **Working Method Issue** – FWM must show how the site plan is being monitored and controlled and how the observed working method has been assessed as safe and environmentally sound. Includes reviewing risk assessments, site diaries, constraint details and evidence of daily site meetings, reviews of site conditions and communications.

## 6.4 Amber Condition – notes

The diagram explains the process when the FC is NOT the FWM – see below.

Amber Conditions or actions are helpful flags for contract management. The flag basically says, 'There is something wrong here, but no-one has been hurt yet so look at this now!'

There will be many occasions where the remedy to an Amber Condition is so straightforward (i.e. wrong gloves) that it can clearly be resolved straight away. On these occasions the Contract Manager and Supervisor may decide not to call an Amber Condition at the first breach, particularly if the issue is rectified before the supervisor leaves the site. Such incidents will still be recorded in the site diary and in an email to the FWM for reference in case it becomes relevant to other incidents, or in case the issue recurs – in which case an Amber pause will be applied immediately, and until the FWM remedies the situation. This discretion may only be considered for Amber breaches. It is not in any way appropriate for Red breaches.

It is not possible to have an exhaustive list of what we need to see to close out an Amber Condition, but it is helpful to understand that we are looking for evidence that the Amber Condition is **NOT** a symptom or sign of something much more serious going wrong.

For example, a missing tractor step has either just broken, or it has been broken for a long time. If the former, then it can be fixed within a few days and it's solved. If the latter, then maintenance and daily checks are clearly poor, and knowledge of FISA is perhaps poor too – and so, training might well be lacking, and maybe supervision is not sufficient either, and maybe – because of all these things – something completely different, but really serious, will happen tomorrow.

So to close an Amber situation we (FC) are looking for the FWM to show us that while the contract has been running, all the planning, assessment and safety considerations that we agreed during the Pre-commencement process and meetings have all been in place and have been supervised and managed. In other words – the Amber Condition or action is a one-off error and it can be corrected and it does not point to poor conduct of the contract.

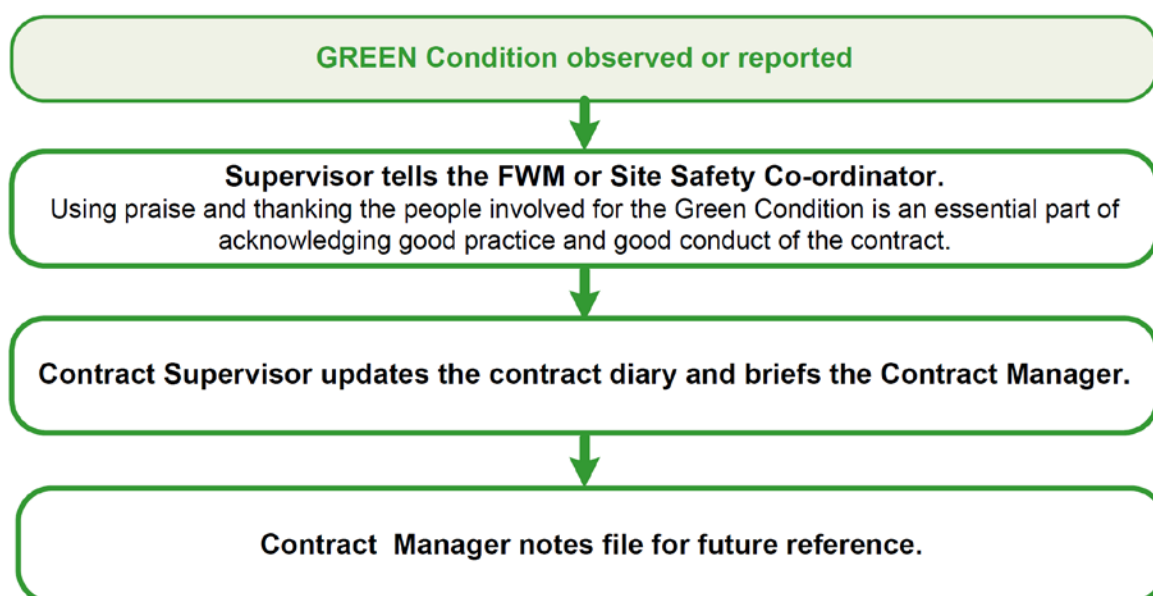
Of course if the FWM cannot show this, then seek advice, because this may be a symptom of a Red Condition.

**Standing sales** – The FWM must satisfy us that competent contract monitoring and management has taken place with reference to this guidance.

**When FC is the FWM** – The Contract Manager and the FWM, must investigate the causes of the issue and ensure that it is corrected. Within a week, a note must be placed on file summarising the incident covering the potential root causes, the remedies in place and agreed with the contractor, and any changes to working methods or monitoring required.

## 6.5 Green Condition – process

If nothing is observed or reported to suggest that unsafe or environmentally damaging practices are taking place, then the contract is in a **GREEN Condition** for safety, health and the environment. FC staff should always encourage and reinforce this behaviour by giving positive comment and praise to those working on the site. We want contractors to learn to spot issues and put things right themselves before we even see anything untoward.



## 6.6 Green Condition – notes

A Green Condition means that there is nothing that the FC has observed or heard about to suggest that unsafe or environmentally damaging practices may be taking place. This does not necessarily mean that everything is perfect – just that the FC has not become aware of anything wrong. Nevertheless, Green is a good position to be in and should be recognised as such, but it should not be treated as job done. The RAG processes are intended for use on safety issues affecting people and the environment so while the contract may be in Green Condition for safety there may still be some contractual matters like specification or timings that require attention.

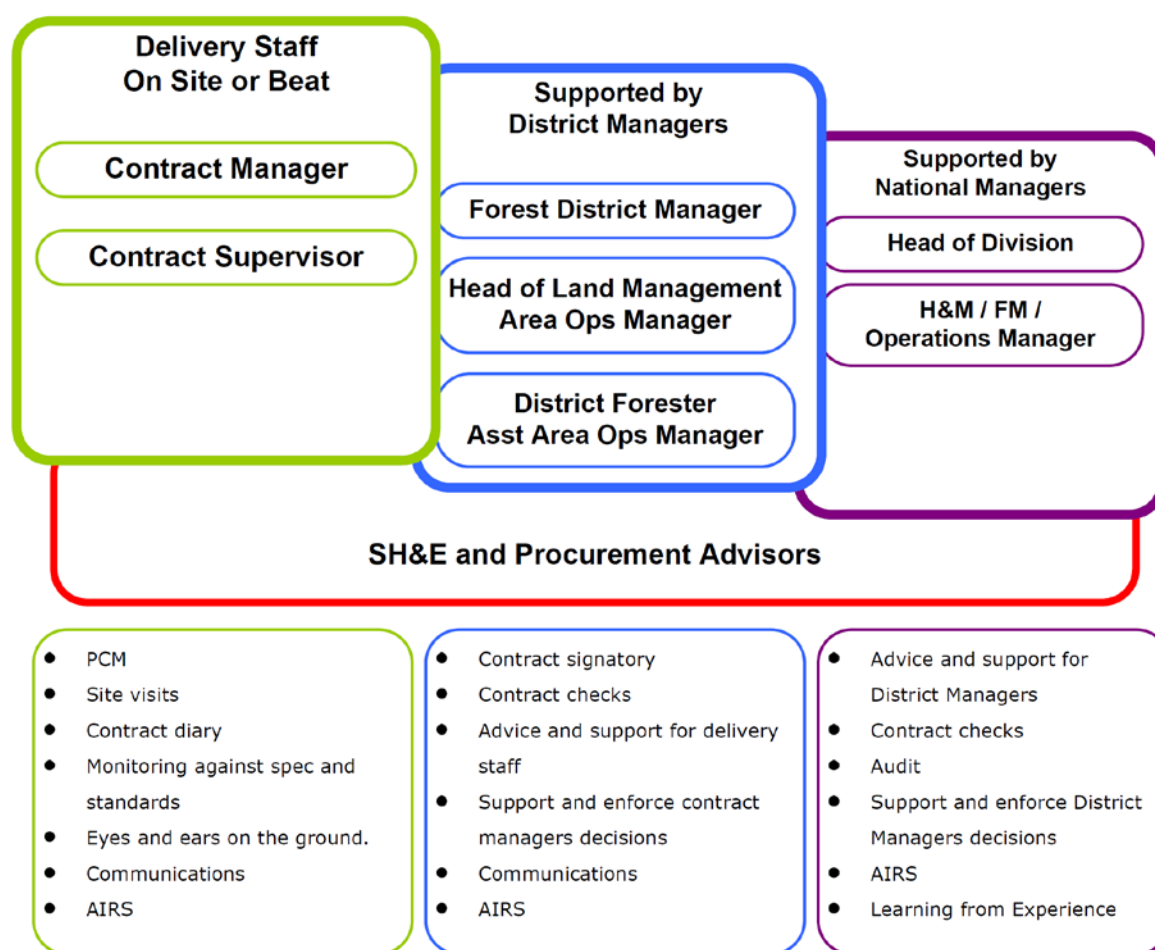
Be clear about what is wrong and don't avoid recognising what appears to be a competent and safe performance because of other aspects not going well. This is an important balance to make, and in such circumstances we should aim to discuss these technical or timing issues with the Contract Holder within the context of a contract being safely conducted.

**When FC is the FWM** – The Contract Manager should note the Green Condition in the Contract file and remain vigilant for any issues that may not yet have come to light.

## 7 FC Staff responsibilities

There is a range of different management structures and roles in FC England and Scotland across departments. Below is a general summary of these roles showing how they fit into the overall delivery and contract management chain. Essentially the flow of support is always towards the front line staff.

**It is the responsibility of operational managers at all levels to support effective contract management, providing advice and direct support as staff require to ensure work is completed safely, in good time and at the right price.**



The tables on the following pages outline the core responsibilities and actions of the target staff associated with this guidance. The support provided to others is essentially in decision making, for example whether an observed condition is a Red, or Amber Condition or perhaps neither, and lending weight to the implementation of that decision. The basic principal being that we are all part of a contract management chain and the strength of the chain will be held together if all parties engage with their responsibilities and deliver on their actions.

## 7.1 FC staff roles and responsibilities: Delivery Staff – Contract Supervisors

The Contract Supervisor is the FC's professional frontline for ensuring contracted work is conducted in the agreed way and to the agreed standards. Their responsibilities require a consistency of approach, a professional manner and appropriate competence in the technical delivery of the contracted work, as well as competence in communication. Line managers of Contract Supervisors should support the development of these skills through training requests and mentoring.

### 7.1.1 Core responsibilities for safety in contracts

- To monitor contract progress objectively against the specified requirements and the relevant legal, safety environmental and industry standards.
- To report compliance issues to the Contract Manager, or their delegated authority.
- To document contract progress and compliance issues in their contract management support systems, such as site diaries and AIRs records.

Action	Supporting Comment
Undertake regular site visits to monitor contract progress and standards compliance.	The Contract Supervisor must have access to the contract documentation and supporting information. Contract progress, quality and specification must be checked against this documentation and other agreed, documented details.
Observe the work and determine whether it is causing or is likely to cause, harm to people or the environment.	The Contract Supervisor must be competent to assess the safety and conduct of the work. Knowledge gaps should be addressed by training and mentoring.
Ensure that immediate action is initiated upon observing a potential Red or Amber Condition.	The Contract Supervisor must be familiar with the application of the RAG system and have access to the Contract Manager or their proxy. Knowledge gaps should be addressed by training and mentoring.

Action	Supporting Comment
Ensure that the Contract Manager is briefed on contract progress and standards compliance.	The Contract Supervisor must update the Contract Manager as agreed, including raising any concerns over developments on site. The Contract Manager can then decide whether to discuss progress with the FWM or Contract Holder.
Ensure that Contract Management administrative systems are always up to date.	Office files, site files and Site Diaries should always reflect the most recent visit or communication. The Contract Manager then has all information to hand when discussing contract progress with the FWM or Contract Holder, and can deal with other issues such as rate of felling and payments effectively.
Ensure that accidents and incidents are recorded within the FC AIRs system.	For Red Conditions this is required. It may be used for Amber Conditions too. This information improves incident analysis and feedback which helps highlight developing issues, and supports culture change.
Seek to recognise good practice and contract compliance and provide positive feedback to those involved.	The Contract Supervisor must be competent to assess the safety and conduct of the work. Giving feedback on good contract conduct is a positive management process and will strongly support cultural change if delivered promptly and face to face.

## 7.2 FC staff roles and responsibilities: Delivery Staff – Contract Manager

The FC contract manager is, or acts as, the FC 'signatory' to the legal contract agreement. Their responsibilities are to deliver the work while ensuring the safety of people and the environment is properly considered at all times. This requires a considered and balanced approach to decision-making, and a just and fair application of the RAG approach according to the facts of the situation rather than a reaction to who may be involved. Good, clear communication is absolutely essential and Line Managers of Contract Managers should support the development of these skills through training requests and mentoring.

### 7.2.1 Core responsibilities for safety in contracts

- To create legal contracts that meet FC business needs and provide for the safety of people and the environment while the work is done.
- To ensure that Contract Supervisors have had appropriate training and development to effectively supervise contracts.
- To make just and appropriate decisions in applying the RAG process to the safety aspects of contract work.
- To ensure a consistent approach is adopted by Contract Supervisors in applying the RAG process and that escalation is prompt when it is required.
- To communicate quickly and clearly with FWMs and, or, Contract Holders on contract management progress or issues.

Action	Supporting Comment
Ensure that operational planning process is used to construct tenders and sales contracts that properly accommodate the safety of people and the environment.	Not all planning is perfect. Be prepared to change the planned operation as it progresses to ensure the safety of people and the environment.
Produce or agree the Working Method Statement, Site-specific Risk Assessment and Site Safety Rules with the Principal Contractor or FWM before the PC Meeting.	All documentation pertinent to the safe conduct of the contract must be confirmed by both parties before a pre-commencement meeting is conducted on site.

Action	Supporting Comment
Ensure the Contract Supervisor is fully briefed on the contract documentation and supporting paperwork.	Good access to the documentation is required and routine updates between the Contract Manager and Contract Supervisor are essential.
Attend the PC Meeting and ensure that any final actions are documented and resumed.	Contract Managers must attend the PCM unless this has to be delegated to another due to leave, sickness or training. The Contract Supervisor should also attend whenever possible.
Support the Contract Supervisor in the Red and Amber breach decision-making. Ensure that the Contract Supervisor understands the RAG process and their limits of authority.	This is a critical action and relies on accurate information, contract documentation, professionalism and above all, consistency of approach. The Contract Manager and Contract Supervisor must be united in the application of their decision.
Ensure that all breaches are recorded and communicated with the FWM or Contract Holder.	Prompt and clear communication is essential. Contract records must be complete and up to date.
Ensure that the District Forester or Team Leader is briefed on all Red and Amber Conditions.	Regular updates on all contract performance will be useful if resources permit, but prompt exception reporting is essential to ensure consistency and support.
Agree with the Contract Supervisor who will report accidents and incidents in AIRS. Ensure it is done.	For Red Conditions this is required. It may also be used for Amber Conditions. This information improves incident analysis and feedback which helps highlight developing issues and supports culture change.
Ensure that good practice and contract compliance is recognised and that positive feedback is provided to those involved.	The Contract Manager should be a competent communicator. Giving feedback on good contract conduct is a positive management process and will strongly support cultural change if delivered promptly and face to face.

## 7.3 FC staff roles and responsibilities: District Forester or Asst Area Ops Manager

The District Forester (FCE) or Assistant Area Operations Manager (FCS) is responsible for ensuring that the RAG process is applied fairly and consistently and that performance improvement is secured. Decisions to put work on hold will cost people time and money and should not be made without a clear justification based on contract requirements and standards. Occasionally this may not happen, and this means that occasionally DFs / AAOMs will need to determine whether FC staff have made fair decisions or whether Contract Holders or FWMs have unfounded concerns over decisions made. This will require an impartial and fair approach using tact and good communication skills. The success of this RAG system depends on the fair and impartial approach by all, and the DF or AAOM is primarily responsible for assuring that consistency and fairness.

### 7.3.1 Core responsibilities for safety in contracts

- To ensure a competent and consistent management of contracts that incorporates the safety of people and the environment.
- To ensure Delivery Staff have appropriate training and development to effectively manage contracts.
- To support decision making by Contract Managers and Supervisors as required. Advise staff on the appropriate application of the RAG process, seeking further advice as required.
- To ensure that routine communications with all Contract Holders, FWMs and Contractors are effective, recorded and appropriately balanced with work delivered safely for people and the environment.
- To ensure a consistent approach is adopted by Contract Managers in applying the RAG process and that escalation is prompt when it is required.

Action	Supporting Comment
Ensure full reporting of Amber and Red Conditions takes place and are appropriately and promptly managed under this guidance.	Support Delivery Staff as necessary in calling, managing and closing out breaches promptly (see Red and Amber process flow charts). Lead by example.
Ensure that this RAG process is appropriately embedded in local contract management processes.	Review any training needs and use ILPs and the TNA to develop skills. When contract files are reviewed, check that where the RAG process has been used, the issues and remedies have been documented.
Provide advice to Contract Managers and Supervisors to ensure consistency is maintained	Seek clarification and further guidance from National Managers as required. Disseminate the to Contract Managers and Supervisors and support implementation.
Maintain fairness and objectivity.	Where the Contract Holder has a concern over the Contract Manager's decisions, review the situation quickly and ensure fairness and objectivity are being applied to contract terms, breaches and communications. Seek clarification and further guidance from national managers as required.
Identify and discuss safety performance issues across contracts.	Issues occurring across a Contract Holders contracts indicate potential safety risks and may impact on future contract awards. Discuss with the Contract Holder.

## 7.4 FC staff roles and responsibilities: National Managers – Senior Team

### 7.4.1 Core responsibilities for safety in contracts

- To provide resources to manage safety in contracts to protect people and the environment.
- To ensure this guidance is supported, adopted and applied consistently.
- To authorise contract terminations after review of the case specifics.
- To discuss safety and environment trends with their senior industry counterparts.
- To monitor AIRs statistics.

Action	Supporting Comment
Ensure that this policy and guidance is embedded within their teams.	This may be delegated to operational teams. Lead by example.
Promote safety in contracts with stakeholders.	Extremely important and will assist in progressing cultural change.
Provide advice as requested and ensure consistency is maintained. Escalate cases as necessary.	Promptly support staff in the determination of appropriate breaches as required.
Approve contract termination.	Take decisions to initiate contract termination procedures provided all remedies have been exhausted.
Ensure contract holder performance trends are considered in the award of further contracts.	Essential to ensure that trends are eliminated and cultural change is uniformly applied.
Use FC internal structures to communicate Contract Holder safety and environment breaches across the PFE and NFE.	Contractors are in general shared. Take a sensitive approach in disseminating trends or concerns. In support of any contractor challenges, make sure concerns are justified with appropriate and documented actions.

## 7.5 FC staff roles and responsibilities: Forest Works Manager

Where the FC has directly contracted the work, then a member of FC staff may be the Forest Works Manager. In these cases the RAG system must still be applied to assess the work, but the level of supervision of direct contractors should in any case be considerably greater than for a third party contract.

## 7.6 Summary

This section has not been exhaustive in its content. There are many other activities that can take place in relation to contract management responsibilities. However, the above covers the main actions associated with health, safety and environment standard compliance and the Red-Amber-Green process when these standards are breached.

The Contract Supervisor is arguably the most important person in the contract management chain. They are the main eyes and ears of the organisation and carry a significant responsibility in monitoring the risk to the health and safety of people and to the environment.

The FWM also needs to be fully supported in exercising this duty and this section has demonstrated the management chain links that will help them do this.

## 8 Contract holder and contractor roles and responsibilities

There are many different contractual arrangements on the Public and National Forest Estates spanning a wide and diverse range of activities. The basic health and safety roles and responsibilities of those carrying out these activities are defined and outlined in the 1999 HSE booklet [\*Managing health and safety in forestry\*](#) (available on the FISA internet site).

The HSE booklet groups these health and safety tasks into four management roles:

1. Landowner;
2. Forestry Works Manager (FWM);
3. Contractor; and
4. Sub-contractor.

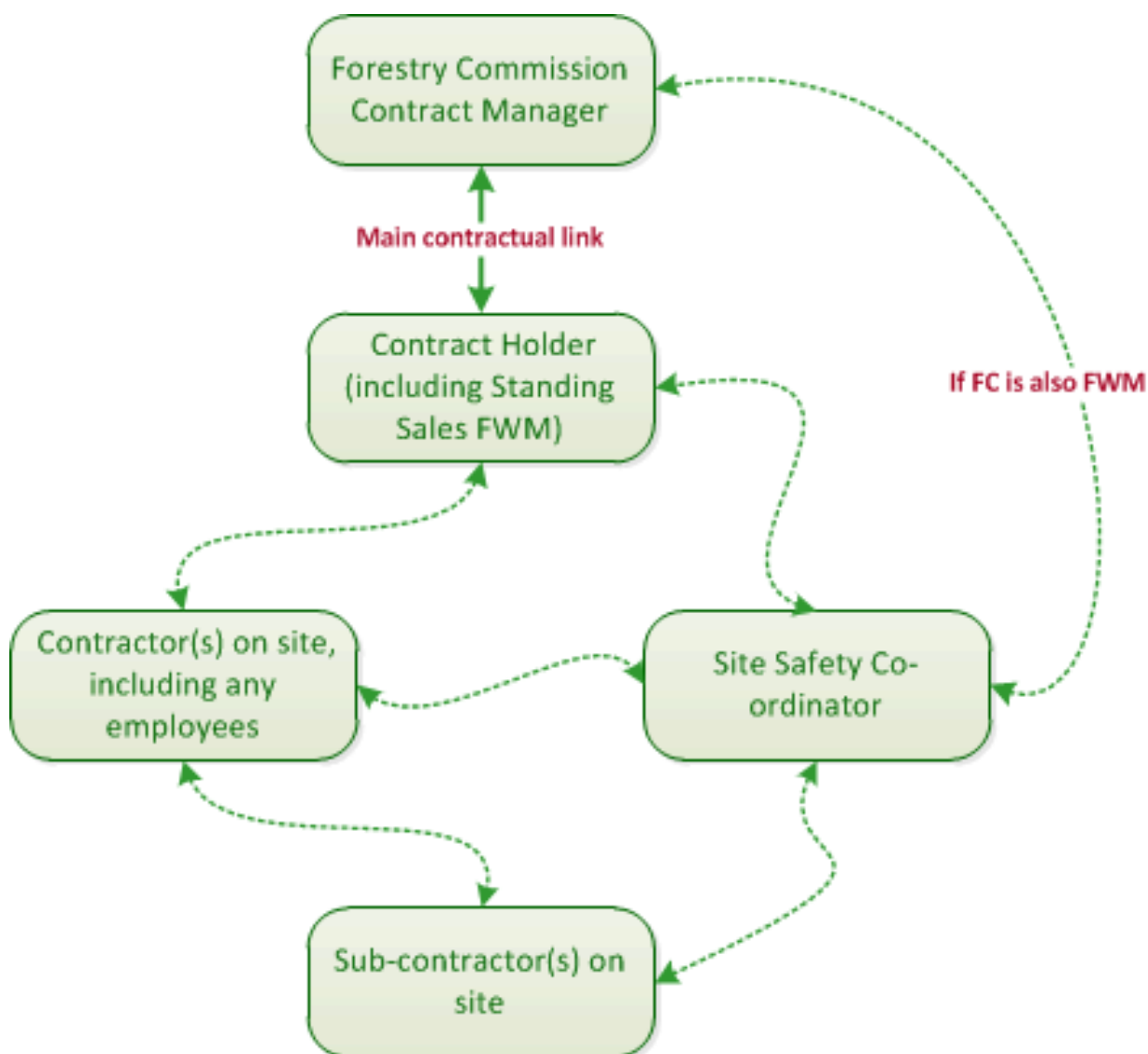
All parties working on the Public/National Forest Estate need to be aware of their role and understand their responsibilities as set out in the *Managing health and safety in forestry* booklet.

This guide does not attempt to duplicate these details. Here we have outlined the responsibilities of Contract Holders and Contractors in relation to the Red, Amber and Green system of contract management. Figure 1 is a simplified structure diagram showing the main links in communication during contract management. In this it is important to note the **main contractual link** shown in Figure 1 is between the FC and the Contract Holder, whether that is with a timber purchaser or a contractor. **The legal relationship is between the FC and the Contract Holder, so this means that FC staff should not seek to supervise or manage the Contract Holder's contractors.** The RAG assessment undertaken during site visits will now allow FC staff to assess the contractor's activity more objectively, and then manage any safety issues more effectively with the Contract Holder, using the contractual relationship to do this.

### 8.1 Responsibilities of the Contract Holder

1. Work with the Forestry Commission Contract Manager to ensure health and safety standards are met – in line with what was agreed during the pre-commencement process. This will include only using the agreed certificated and competent contractors or sub-contractors, and the working method.
2. If contractors or sub-contractors or the working method needs to change from what was agreed during the pre-commencement process, obtain the Forestry Commission Contract Manager's agreement first, as not complying may lead to a breach of your contract.

Figure 1 The main contractual communication links



## 8.2 Responsibilities of all contractors, including sub-contractors on a site

1. Work with the Forest Works Manager to ensure safety, health and environment standards are met – in line with what was agreed during the pre-commencement process. This will include only using the agreed certificated and competent contractors or sub-contractors, and the working method.
2. If sub-contractors or operators or the working method needs to change, to respond to changing site conditions for example, obtain the contract holder's agreement first, as it may lead to a breach of contract.

## 8.3 Contract process

This guide focuses on active contract management using the RAG process. It is, however, important to understand how the RAG process relates to other aspects of the Procurement or Sale and Contract Management chain of events. The charts in Figure 2 and Figure 3 outline these processes as circles. Each stage of both processes builds upon the previous stage. When the contract starts, active contract management begins and the RAG process can be applied.

Figure 2 Service/Works Contract Processes Flow Diagram

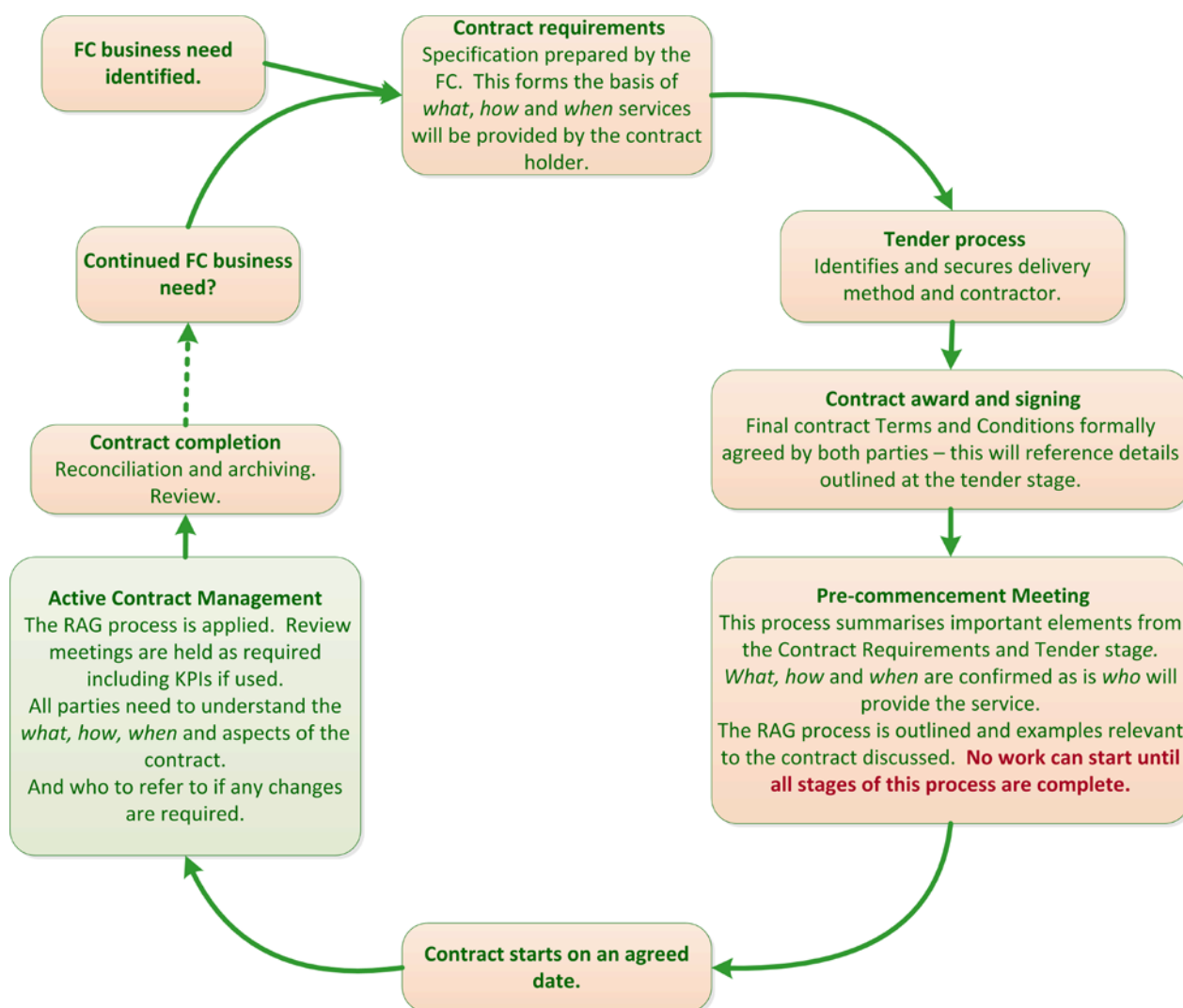


Figure 3 Standing/ Roadside Sale Contract Processes Flow Diagram

