



BHE Contractor Pre-qualification Safety Criteria

A process has been established to effectively manage contractor bid pre-qualification safety risk by leveraging the use of external compliance organizations that perform safety record and program qualification reviews for the various businesses of Berkshire Hathaway Energy.

Scope & Objective

Understanding and measuring the safety performance, including associated safety programs of the contractor workforce is a key expectation to ensure a safe work environment. The use of these external organizations provides for the efficient coordination of Occupational Safety and Health Administration (OSHA) log information, safety regulatory interactions and other key safety incident data both nationally and on-site which are required for comparative analysis. (See page two below for qualification criteria.)

This guideline summarizes a two-tiered approach for requiring contractor registration and the monthly submittal of required safety and regulatory records and programs to an external organization or is managed internally by the business.

Tier One – Higher Risk - Required Registration

- Suppliers whose services could have a safety, operational or technical impact/risk on or to the operations of the electrical and/or gas systems, including access to control centers, worksites, warehouses, field offices or any third-party site, while conducting business under a contractual agreement to the business, for example:
 - Welding and Cutting (*Hot Work*) Operations
 - Work requiring hazardous energy control and lockout tag-out procedures
 - Work that involves cranes, hoisting, and rigging
 - Electrical system work and work involving installation, operation, or maintenance of an electrical system circuit, or line, with the exception of changing light bulbs and equipment that can be serviced while unplugged
 - Gas system work involving installation, operation, or maintenance of pipeline and associated equipment, including Liquid Natural Gas facilities
 - Work involving operation of heavy equipment
 - Operations above four feet that require the use of fall protection system(s)
 - Excavation or other work requiring a dig permit (*811 or equivalent*)
 - Work requires permits from OSHA or other regulation
 - Confined Space activities
 - Roofing
 - Work requiring the use of explosives
 - Radiographic testing or any activity that could generate ionizing radiation
 - Work that may involve lead based paint or asbestos containing materials
 - Construction and Demolition Work
 - Work involving hazardous material use, transport, or disposal (*to include refrigerants*)
 - Work involving environmental/hazardous material cleanup and decontamination
 - Helicopter operations to perform lifting and hoisting
 - Tree work including maintenance and removal operations that require the use of aerial lifts
 - Medium/High Risk Deliveries (*e.g., offloading of hazardous chemicals or utility poles*)
 - Medium/High Risk Training (*e.g., training that involves heights/fall protection/cranes/heavy equipment - rescue training, crane training, etc.*)

Registration Criteria



Tier Two – Lower Risk - Optional Registration

- Suppliers whose services would have no safety, operational or technical impact/risk on or to the operations of the electrical and/or gas systems operations (*technically or administratively*) and whose employees would have no access or only supervised access to any work site, for example:
 - Mail/package/parts delivery or pick-up (*UPS, Fed Ex, etc.*)
 - Office support and repairs (*computers, printers*)
 - Offsite repair/fabrication shops
 - Regulatory and Technical representatives
 - Engineering (*no installation*)
 - Training services
 - Auditors
 - Remote consultants, guest speakers, etc.

The external compliance organization that performs safety record and program qualification reviews for the various businesses of Berkshire Hathaway Energy perform this task is based on either a grading element basis (*A, B, C or F*) or acceptable/unacceptable criteria as designated by the businesses (e.g., red, yellow, green designations). The minimal requirements are for prime and sub-contractors are:

- A drug and alcohol program that aligns with business requirements
- Self-reported health and safety performance statistics (*e.g., OSHA 300 log statistics or similar*)
- A review of their submitted health and safety program against applicable governing legislation
- Workhours at Berkshire Hathaway Energy sites (*monthly basis*)

Optional requirements (*by specific business*) are:

- Confirmation of current liability insurance and workers compensation insurance (*Required for BHE level contracts*)
- Supplier's current workers compensation premium rate (*surcharge or reduction based on performance*)

Occasionally, there are reasons to use a contractor that is below a "B" grade (*or not willing/able to qualify through external compliance organizations*). Some examples include:

- Specialized work
- Minor differences in alcohol and drug policies
- Stakeholder relations
- Working with aboriginal organizations on aboriginal land

If the requirement to proceed with work with such a supplier is clearly demonstrated, an exemption process is available. Any exemption must be documented and approved by a specific business procedure that includes the accountable business unit vice president and the most senior safety professional (vice president or director) responsible for health and safety. If required, a delegate with official signing authority for the accountable vice-president may substitute. Special considerations may be required to proceed with the work (*e.g., approved work methods, additional oversight*).

Registration Criteria

Qualification Criteria

Exemption Process