



NYSIR Risk Transfer Program Contractor Vetting Best Practices

Overview

During our Meeting with Subscribers on 02 November 2023, several strategies were discussed to further vet contractors to determine the “Lowest Responsible Bid”. Meeting Participants asked for further details and examples which are provided below.

Best Practice – Workers Compensation Experience Modification

- Ask the bidders for their Workers Compensation Experience Modification. This is a direct reflection on how they operate and their losses. A Workers Compensation Experience Modification of 1.00 means they are paying 100 percent of the rate charged by payroll category. If their Workers Compensation Experience Modification of 0.75 means they are paying 75 percent of the rate charged by payroll category [a 25% savings]. A Workers Compensation Experience Modification of 1.25 means they are paying a premium for coverage – 1.25 times the payroll category rate. Their rate is being debited 25%.
- In analyzing Workers Compensation Experience Modification ratings, you want contractors with Experience Modification factors of 1 or less. This provides one glimpse on their operations and losses.

Best Practice – OSHA Citations and Workplace Fatalities

- From OSHA’s home page: <http://www.osha.gov>
- Go to the link:

<https://www.osha.gov/enforcement/toppenalties>

In the “State” column, select NY, NJ, CT and PA and review findings to see if the contractor is listed for initial penalties of \$40,000 or more. The table allows you to see the section of the standards allegedly violated, proposed penalties and the status.



- Go to the link:

[https://www.osha.gov/fatalities#&sort\[#incSum\]=0-1-1-0&page\[#incSum\]=1&size\[#incSum\]=10](https://www.osha.gov/fatalities#&sort[#incSum]=0-1-1-0&page[#incSum]=1&size[#incSum]=10)

In the “State” column, select NY, NJ, CT and PA and review findings to see the list of fatalities. Click on the inspection number for the contractor’s name and investigation results. This data is current, plus five years.

Best Practice – Google Search

- Conduct a Google Search of the Contractor. Look for the following potential red flags:
 - ❖ Articles on OSHA Citations.
 - ❖ Articles on Fatalities or Serious Injuries involving the Contractor.
 - ❖ Wage of other related litigation involving the Contractor.

Best Practice – Formal Safety Program Review

- Ask for a copy of their Formal Written Safety Program. Most contractors will have a comprehensive safety program which covers a broad array of items. Not having a formal written safety program/manual is another red flag, especially when involved with high hazard work such as roofing, window replacement, and demolition.
- NYSIR Risk Management can assist with these reviews.

Best Practice – Certification of NYS Sexual Harassment Legislation Compliance

- Ask for an affidavit of having a compliant sexual harassment policy and annual employee training.
- NYSIR Risk Management has a sample affidavit form to assist.