

SAFETY PARTNERSHIP
STEP PLATINUM
INCENTIVE PROGRAM

**U.S. Department of Labor Occupational Safety & Health Administration and
Northern Illinois Associated Builders and Contractors, Inc.,
OSHA and ABC Safety Partnership
STEP Platinum Incentive Program**

Partnering Charter

Between the

United States Department of Labor

Occupational Safety and Health Administration

and the

Northern Illinois Chapter of Associated Builders and Contractors, Inc.,

The United States Department of Labor Occupational Safety and Health Administration (OSHA) and the Northern Illinois Chapter of the Associated Builders and Contractors, Inc., (ABC) mutually recognize the importance of providing a safe and healthful work environment for the Nation=s construction workforce. To advance our mutual goal, we strongly agree on the need to develop a working relationship that fosters mutual trust and respect for each organization=s respective role in the construction safety process. We recognize and embrace the responsibilities inherent in those roles.

We are committed to work as partners to achieve construction workplace safety through establishing a local partnership agreement under the OSHA and ABC Safety Partnership STEP Platinum Incentive Program (Platinum Partnership). The Platinum Partnership was enacted February 14, 2000 and signed by Charles Jeffress, Assistant Secretary for OSHA, and Thomas Musser, President, ABC. The implementation of this agreement is expected to result in decreased injuries, illnesses, and fatalities with a result in decreases in worker compensation costs.

Agreed to on the 19th day of July 2001.

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| Gary J. Anderson | Calumet City Area Director |
| Charles J. Shields | Aurora Area Director |
| Diane M. Turek | Des Plaines Area Director |
| Mark Johnson | President, ABC – Northern Illinois Chapter. |

1. Platinum Partnership
 - a. The Associated Builders and Contractors, Inc. (ABC), and the Occupational Safety and Health Administration (OSHA), mutually recognize the importance of providing a safe and healthful work environment in the construction industry. To advance our

mutual goal, we strongly agree on the need to develop a partnership that fosters mutual trust and respect for the respective roles of each organization in the construction safety process. We recognize and embrace the responsibilities inherent in those roles. We are committed to work as partners to achieve construction workplace safety through shared strategies and objectives.

- b. This agreement in principle between the ABC National Office and the Assistant Secretary of Labor is intended to serve as a template for the ABC local chapters to utilize as a basis of partnerships with OSHA Area Offices. The actual partnership will be negotiated between the local chapters of ABC and the OSHA Area Directors.
 - c. Implementation of this agreement is expected to result in decreased injuries, illnesses, and fatalities for participant contractors with a resultant decrease in worker compensation costs.
 - d. This agreement provides incentives to construction contractors that voluntarily participate in the ABC Safety Training and Evaluation Process (STEP) program and demonstrate implementation of effective safety and health programs.
 - e. This agreement will not in any way affect employees' exercise of rights under the OSH Act and OSHA regulations, including walk-around rights.
2. Specific goals
- a. Reduce by 3% annually the number of injuries, illnesses, and fatalities affecting participant employers, with an emphasis on reducing injuries and fatalities resulting from falls, struck-by and caught-in mishaps, and electrocution (focused four construction hazards).
 - b. Increase the number of construction companies that implement effective safety programs.
 - c. Decrease worker compensation costs and OSHA penalties for contractor participants.
 - d. Allow OSHA to focus resources on companies that require assistance from OSHA, rather than companies that have demonstrated existence of effective safety programs.
3. Program
- a. ABC has implemented a program to assist its member construction companies in evaluating their safety and health program performance and their safety and health training programs. This program is known as the Safety Training and Evaluation Process, or ASTEP@ program. The ABC national Office processes all applications and, in turn, presents awards to qualified applicants.
 - b. The STEP program was created by the ABC National Safety committee in 1992. The National Safety committee is composed of construction safety professionals drawn from ABC member companies throughout the United States. Along with this national committee, ABC has over 60 safety committees formed in various chapters across the United States and Guam. Safety committee members at these local chapters identify and provide safety courses and seminars on safety compliance programs pertinent to their geographical area. These committees convey concerns, stance on issues and other items of construction safety interest to the National Safety Committee.
 - c. A Partnership Steering Committee from the National Safety Committee will oversee the activities of the STEP Platinum Incentive program. The Partnership Steering Committee will be comprised of safety and health representatives from ABC member companies. The committee will review and approve or disapprove Platinum

applications. OSHA=s Directorate of Construction will serve as advisor to the Partnership Steering Committee.

- d. The STEP program has four award levels. The Bronze, Silver and Gold awards are based on self-evaluation scores and are administered by ABC. The fourth category, Platinum, will be open to those companies whose achievements in the area of worksite safety are, certifiably, the best of the best. Acceptance into the Platinum level will require additional validation of safety and health program efficacy through an on-site verification inspection. Contractors which are accepted into the Platinum level will receive incentives from OSHA, as listed in Section 6 of this document.
- e. Once a partnership has been established between the local chapters of ABC and the Area Offices, the Partnership Steering Committee will inform the local chapters of their members who have successfully completed the application process and are thus eligible for participation in the partnership. The local chapter will then follow the procedures developed in the local partnership to inform the Area Director of the qualified contractors.

4 Program Implementation

A. The STEP program is implemented in two phases:

1. First phase is the completion of the STEP application. ABC national will distribute applications to construction contractor members. The application consists of a two-part form. Part One of the form requests safety statistical data. This data is found on summary OSHA 200 logs. Part Two of the form is the self-evaluation section. Here, contractors answer a series of questions related to the safety program; each response has a numerical rating. Responses from questions are totaled, providing a self-evaluation rating.
2. The second phase of the STEP program is the evaluation of applicants and the distribution of certificates. Application evaluation is conducted at the ABC National office. Data from each application is keyed into ABC National=s database. This includes information from the applicant=s Summary OSHA 200m Log, employee work-hours from the noted calendar year, as well as the self-evaluation score. While Summary OSHA 200 Log data are collected from all STEP participants, these data will be used for evaluation purposes only for Platinum award level applicants; self-evaluation scores are used to determine the award level of Bronze, Silver, and Gold.

B Applicants seeking Platinum status will have additional criteria to satisfy. Platinum applicants must:

1. Have been recipient of Gold certificate in the prior year and must qualify as a Gold level (self-evaluation score of 120 or higher) in the current year;
2. Submit their Summary OSHA 200 Log and have an occupational injury and illness recordable rate (total case per BLS formula) below 8.0;
3. Supply a statement from their insurer that verifies the applicant=s self-evaluation score;
4. Receive a verification inspection of at least one active job site to be conducted by the Partnership Steering Committee or its designated representatives;

5. Have a written site specific safety and health program based on the ANSI A-10.38 guidelines or the OSHA 1989 Safety and Health program Management Guidelines;
6. Show evidence of employee involvement in the safety and health program, for example, participation in self-audits, site inspections, job hazard analyses, safety and health program reviews, safety training and mishap investigations;
7. Show evidence of effective employee training for avoidance of hazards specific to the contractor=s work site(s);
8. Have provided construction site supervisors with training equivalent to the OSHA 10-hour construction safety course;
9. Have designated safety personnel who, through training and experience, are able to recognize work hazards and have the authority to take prompt corrective action. Training curriculum equivalent to the OSHA 30-hour Construction Safety Course will be deemed to be satisfactory.
10. Have no willful violations in the last three years;
11. Have no repeated serious violations in the last three years;
12. Have no fatalities or catastrophes within the last three years that resulted in serious citations related to the incident.

5. Program Verification

1. The ABC National Director of Safety and Health is responsible for the following monitoring activities:
 - a. Periodic reviews of participatory ABC chapter activities to ensure that program requirements are met;
 - b. Reviews will include random on-site verification of Platinum participants to validate partnership program administration;
 - c. Termination of a participating contractor=s status of finding indicate unacceptable performance or submission of falsified documentation;
 - d. Providing recommendations to the ABC National Safety Committee for program improvement.
2. Additionally, participants randomly selected from the Platinum member list will that the effectiveness of their safety and health programs verified through onsite inspection by OSHA. The number of the OSHA onsite verification inspections per partnership jurisdiction is a minimum of 5% and a maximum of 10% of participants annually, at the Area Director=s discretion. In addition, any OSHA inspection of a Platinum Partner=s job site can serve as a verification inspection.
3. Bronze, Silver and Gold STEP participants will not receive OSHA incentives.
4. Information submitted by contractors as part of the application or renewal process, as well as information obtained by virtue of the contractor=s application or participation in the program, will be held in strict confidence within the confines of the partnership program. However, in event of an OSHA inspection, such information that is relevant to any element of an investigation and normally is available will be provided to OSHA upon request.

6. Incentives

1. Platinum participants will receive special recognition in ABC=s national publication.

2. Upon acceptance as a Platinum participant, the local OSHA Area Director will provide certain incentives to participants:
 1. After successful conclusion of an OSHA verification inspection, that contractor=s sites within the Area Office jurisdiction will not receive another programmed inspection within the next twelve months;
 2. After such verification inspections, Platinum participants will receive unprogrammed inspections only in response to reports of imminent danger, fatalities/catastrophes and signed formal complaints. OSHA will us telephone and fax to handle all other complaints except in cases of reported serious injuries. When an inspection of an informal complaint is deemed necessary, a copy of the complaint will be provided to the ABC National Safety Director;
 3. OSHA will not issue penalties for non-serious violations, provided the violations are abated within a prescribed period of time;
 4. If cited by OSHA, Platinum participants in good standing will be eligible for the maximum good faith, size and history penalty reductions currently available in the OSHA FIRM (CPL 2.103);
 5. During OSHA inspections of non-participant employers, Platinum participants whose program has been previously verified by OSHA inspection will not be included in the inspection unless the compliance officer documents that the Platinum participant is responsible for employee exposure to hazards listed in 2.A. (Specific Partnership Objectives).

7. Program Evaluation
 1. The partnership pilot will be evaluated annually for achievement of the annual goal of a 3% reduction in the number of injuries, illnesses and fatalities has been met. ABC is responsible for gathering baseline data upon which the partnership will be measured.
 2. Participant aggregate injury/illness incidence rates (total case rates) and fatality rates will be compared with BLS published data to determine whether the goal has been met.
 3. Participant incidence of the focused four construction hazards (falls, struck-by, caught between and electrocutions) will be measured and compared against a baseline established in the first year of the partnership.
 4. The ABC National Office will prepare an annual report evaluating the merits of the program and providing recommendations for continuous improvement. The report will include injury/illness total case rates, fatality rates and focused four incidence rates. Copies of the report will be provided to all of the organizations participating in the partnership.
 5. The partnership annual report will be reviewed by OSHA and the Partnership Steering Committee and may be revised based on recommendations for continuous improvement.

8. Contractor Termination
 1. A contractor=s participation will be terminated and OSHA will be informed in one or more of the following occurs:
 1. An inspection reveals a significant deviation from program criteria;

2. The contractor has falsified information on the application or supporting records;
 3. The contractor=s injury/illness rate rises above 8.0;
 4. The contractor takes other such actions that may be determined to be grounds for termination by the Partnership Steering Committee.
2. Prior to termination of a contractor=s status, the following will occur:
 1. The contractor will be notified in writing of the intent to terminate;
 2. The notice will include an explanation of the reasons for termination;
 3. The contractor will have an opportunity to reply to the written notice with a period of thirty (30) days; and
 4. The contractor will have the right to make an appearance before the Partnership Steering Subcommittee.
 3. The Partnership Steering Committee will have the authority to reinstate the contractor if it determines that the contractor=s experience was unusual and not necessarily inconsistent with a sound safety and health program. In this event OSHA is free to conduct another verification inspection.
 4. Any contractor may terminate participation in the program at any time.
9. Duration and location of Pilot Program Partnership
 1. The partnership pilot shall have an initial term of three years and may be renewed if all parties concur.
 2. Either party to the partnership may withdraw from the agreement at any time after submitting written notification of intent to the other partner.
 3. It is anticipated that this Partnership Program will be negotiated and implemented locally at OSHA Area Offices for a period of three years from the date of this Partnership agreement.