

Construction Risk Management Best Practices Award Submission

OSHA's VPP and Rifenburg Construction

Using the OSHA Voluntary Protection Program

to reduce injuries and increase profit

“If safe operations and competitive, but profit making bids continue, such work will probably remain the money making core of the firm - a safe company is a profitable one”

Rifenburg, 2001 IRMI Award Recipient

“We recognized that in addition to our moral obligation to safety, better safety performance is integral to our competitive survival”

Cianbro, 2000 IRMI Award Recipient



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Construction Risk Management Best Practices Award Submission – Rifenburg 2001

As Submitted:

Methods used to detail the risk management tools for identifying and quantifying the need for the effort:

The firm has always been a safe one. The corporate mission statement is “To provide safe and efficient high quality construction projects for our clients”. The president of the firm tasked the candidate with the need to both foster better business relationships while helping improve safety at the firm. Upon getting hired in 1997 he submitted a business plan that included the following statements:

“If *safe operations* and competitive, *but profit making* bids continue, such work will probably remain the money making core of the firm” also “A safe company is a profitable one. If someone gets hurt, a replacement is needed; the original employee remains on the books and compensation rates will ultimately rise. All resulting in a lower return on every employee – no matter how hard they work”

As a result of his joining the firm, it was decided that though measurements were in place to track injuries, there was no real mechanism for gauging the true safety of the organization (aside from EMR data) or how to effectively get the employees involved in the “fixes”. To accomplish this, he used the following tools for assessing our safety performance. The foundation of the safety effort was a working safety committee.

SAFETY COMMITTEE:

- ❑ June 5, 1998 – Candidate submitted to the corporate officers the idea of a safety committee at both the NY and NC offices.
- ❑ June 8, 1998 – Candidate organized a meeting with the Regional OSHA Area Director to investigate the structure of the committee. Of note was one item on the agenda “Can we shoot for the OSHA VPP Star and Merit Program?”
- ❑ July, 1998 – The first safety committee meeting was held.
- ❑ August, 1999 – Decision to proceed with VPP made
- ❑ May 2000 – VPP awarded

Without exception, there has been a safety committee meeting held each month with a special quarterly meeting that involves a guest speaker. This committee has been so successful that it was awarded the New York State Regional Safety Award. The candidate also awarded the same distinction.

The OSHA office has been using the committee and its structure as a model for other construction firms in the area. In some cases a firm may get in hot water with OSHA. OSHA might point the offenders in our direction for help in getting a committee together. The fundamental reason for safety success at this firm is our safety committee. Members include county officials, OSHA, state safety directors, clients, vendors and numerous field employees.

NEAR MISS TRACKING:

In February of 1999 the candidate initiated the tracking of near misses in the firm. First presented at the annual Safety Day, this has been a valuable tool in tracking worksite incident activity. These near misses are summarized each year and presented to all the employees. The safety committee looks into each near miss submitted and determines if any actions are needed. The following are some examples of the data and summaries presented:

Near Miss Example

98-010 Hot tar splashes employee	Retrofit of unit with vendor
Supervisor was starting tar pot	switch to de-energize
and hot asphalt splashed from unit	when top is open.
striking employee on head and neck.	See reports in SC file.
Super	Acc. Inv John and Doe

Identified Hazards 1999

Of interest: Lightning strike on vehicle and no heat related problems.

Summary: The lack of incidents between man and machine should be noted. Though one near resulted in the placement of a spotter on the ground, this may not be the correct response.

Improvements: There was also a lack of incidents involving lifting devices, strapping etc. This from the 1998 company-wide emphasis on these devices.

Goal: It is suggested that the emphasis of further programs be directed toward ATV operation a A review of vehicles most often involved in near misses defined trucks and ATVs top the list.

With a good idea of where the hazard were through near miss data and an effective method of dealing with the corrections (safety committee) it was decided by the candidate to take these successes and apply a program to reduce the near misses and hopefully the corresponding injuries. VPP seemed like a fit whether the firm qualified or not. There was a huge opportunity for lessons learned through the effort.

Details of the design of the technique or process:

The process the candidate used was based on compliance with the OSHA VPP application “*So you want to apply to VPP? Here’s how to do it - USDOL 1997*”. This 27-page application required a strong health and safety program, safe work history and management commitment to submit to the lengthy application process and inspection.

This program must provide evidence of a *great* safety and health program. Not a dusty book on a shelf among other dusty volumes but evidence that the firm has an *outstanding*, working, safety program.

The VPP Application requires some of the standard measures of performance but also more philosophical questions. The following are the main areas that required satisfaction:

Injury and Lost Work Day Rates

Management Leadership

Employee Involvement

Worksite Analysis

Hazard Prevention and Control

Training

Not all members of the corporate staff were receptive of applying the firm for VPP. In particular, the thought of failing the application and inspection was feared. The president made the decision and the candidate then started to complete the application almost a year before it was submitted. It should be noted that the final application submitted was 52 pages long with an additional 200 pages of supporting documentation. This did not include copies of documents like respirator programs that were referenced. Working on the application, full time, it took the month of October to complete. Ironically, the candidate had reconstructive surgery to his ankle that month and there was no escape!

As a result of the initial look at the application, if areas were weak, they were strengthened, if components were missing, they were put into place. Programs were then tested, tweaked and became routine on the worksite.

When the VPP components were in-place, the candidate brought the design of the process to the job. Each of 21 subcontractors was contacted to get their cooperation and our employees were educated on the program. Why “the way we used to do it” would no longer work and how we had to move as OSHA stated “from a safe company to a VPP caliber one”. The firm would have to set examples for the industry if awarded the recognition.

Details of the implementation of the technique or process:

The project the candidate targeted for VPP was a 28 million dollar highway reconstruction and expansion in western New York State. Approximately seven miles of highway were to be expanded from one to two lanes divided-highway, bridges were to be replaced, rail lines rerouted, a bike path installed and utilities like sewer and water installed. The job was estimated at a three-year completion.

First, a safety committee was formed at the project to oversee the conformance of the job to the application.

After almost a year of work on-site to exercise the working plan, the firm met with OSHA at the site during the winter season and reviewed the upcoming VPP effort with the Owner (State) and the project coordinators.

The candidate submitted the OSHA VPP application the following November, it was approved in December and the inspection completed the following spring. This four-day inspection (by four OSHA senior investigators) highlighted areas where some improvement was needed and these were incorporated into “merit goals”. The candidate has often stated publicly these were the worst four days of his life. Cocky enough to have stickers made for each employee’s hardhat that stated “WE ARE READY VPP NOW!” the inspection turned out extremely painful but fair. During the closing conference the firm learned that the team would receive the OSHA VPP Merit distinction for the efforts.

Celebrations were organized for the on-site workforce and subcontractors and a second for the corporate staff and other clients who helped us along the way.

A reinspection of the project was completed in the spring of 2001 and again, the firm was recommended for Merit status. Based on conversations with OSHA during the reinspection, Star status, the top level of award would be difficult for any construction site due to the limited historical data. However it should be noted with almost three years in the project there has not been a lost workday! This is risk management at its best.

Details of the results of the technique or process:

The technique the candidate used - the OSHA Voluntary Protection Program is in use at approximately 750 sites across the United States. From small metal fabricators to the General Electrics of the world, the list covers most industries. To quote Travelers Loss Prevention – These sites are said to be “monuments of excellence” in safety. They tout many benefits: reduced lost workday incident rates at least 50% below that of an “average site” of the same size in their industries (often 60-80% below) reduced absenteeism, reduced workers compensations costs (up to 90% in some cases) etc.

- ❑ The program requires a good safety record to start and continual improvement when awarded.
- ❑ The Voluntary Protection Program Participants Association (VPPPA) out of Virginia coordinates outreach activities, mentoring and conferences among VPP members. You do not need to be a VPP participant to join. Numerous regional conferences provide information to potential candidates on the VPP application and other preparation techniques.
- ❑ OSHA will provide at no cost the application packet and resource guide. The entire process is free of charge. There is some cost to the applicant (\$14,000 in our case) during the process but the return pays for the work.
- ❑ There are three levels of VPP participation, Star, Merit or Demonstration. A star site has met all the requirements and would only require a reinspection after three years. Merit and Demonstrations are reinspected annually to determine progress with goals that have been established.

Overview of Technique or Process Form

Control # _____
(For IRMI's use only)

Candidate Information

1.) Candidate's Name

TJ Lyons, CSP

2.) **Candidate's Title** - Special Projects Coordinator

3.) **Candidate's Number of Years in This Position with the Organization** - four years

4.) **Candidate's Address** - 224 Hunt Club Road, Old Chatham, NY 12136

5.) **Candidate's Telephone Number** – 518-794-9441

Organizational Information

1.) **Name of Organization** – Rifenburg Construction, Inc.

2.) **Description of Organization's Business** – 325 employees completing Heavy Highway, landfill expansion and closure and mineral overburden removal. The area of operations include the NY and NC. Family owned and operated since 1958.

3.) **Organization's Annual Revenues** - 50-70 million

Technique or Process Information

1.) **Category for Award Consideration** – Construction Risk Management Best Practices - Loss Control

2.) **Title of Submission** – Taking a chance on OSHA – Why it works

3.) **Brief Description of Technique or Process** – The OSHA VPP program was tailored to manufacturing and widget makers. The candidate took the model and used it as a marketing edge, morale builder and loss control tool. It worked. And in each case proved that safety *does* pay. It was not a pleasant endeavor but the results were fantastic. The candidate is now sharing this success with others in our field, including competitors, in hopes of affecting the entire industry. As a family owned business, the firm is one of only two such construction firms in the US to get VPP recognition and boy are they proud.

4.) **Results of Technique or Process** – A dramatic drop in expected lost workdays in the first two and a half years of the project. In fact, there were none! For a 28-million dollar project this is unheard of. When taken into account the industry average supplied by our loss control group of about \$25,000 (for the each of expected nine lost workdays based on man-hours expended) a profit of \$225,000 was realized. Since this amount was unencumbered by overhead and profit, our comptroller has suggested that the value is actually twice the amount expected and closer to \$500,000. For an initial investment in time of \$14,000 that is a great return.

In addition, the firm now has access to other VPP level clients that recognize the value of VPP status. One example is International Paper. Having worked at their plant for the last few years, their tough subcontractor policies were instrumental in our safety success; yet, they have yet to qualify for VPP. The applicant is now helping them! The firm is now qualified at three of their plants and have been asked to look at a large project of theirs out-of-state. Other VPP holders now approach us to work on their projects. This technique works!

Last, due to the uniqueness of the award, the candidate is often asked to speak with trade groups and safety societies on our success and how they may be able to participate in the program. With some groups of over 120 safety directors in the audience, this has been a huge marketing success. Since the firm does not typically advertise, the name recognition has been a terrific - solely as a result of the effort to keep our people safe.

