



Montana

Department of Labor and Industry

EXHIBIT 3
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HB 72

House Bill 72

Require Bidder Workplace Safety History for State Construction Contracts

Sponsor: Rep. Galen Hollenbaugh

Program Contact: Jerry Keck, Employment Relations Division Administrator 444-1555

Currently, the State does not collect any safety information on construction bids.

- Collecting safety information from bidders has been industry standard for 20 years on major construction projects.
- In the private sector, companies with poor safety records are excluded from being awarded contracts.
- Industry practice has developed to avoid unsafe companies working on construction sites due to:
 - Safety
 - Liability
 - Delays
 - Quality
 - OSHA
- Having a minimum State contract standard will encourage companies to improve their safety.
- The standard will be based on a 3 year average of Incident Rate (IR) and the Experience Modification Rate (EMOD). The standard will only apply to contracts over \$25,000.
 - IR is the ratio of incidents correlated to the number of hours worked
 - Online IR calculator <http://data.bls.gov:8080/IIRC/>
 - Explanation of IR <http://www.bls.gov/iif/osheval.htm>
 - EMOD is a numerical score given by the insurance companies
 - Explanation of EMOD http://www.ncci.com/media/pdf/abc_Exp_Rating.pdf
- Bidder categories:
 - **No additional requirements for bidder:** If **both** the EMOD and the IR are better than average, the contractor may be awarded State contracts and no further information is required.
 - **Safety consultation required:** If **either** the EMOD or IR, or both, are between average and 50% worse than average, the contract may be awarded upon the condition that the contractor gets safety help from the Department of Labor and Industry. Independent contractors will also require a safety consultation.
 - **Excluded from bid:** If **both** the EMOD and the IR are at least 50% worse than average, the contractor is prevented from being awarded State contracts.