



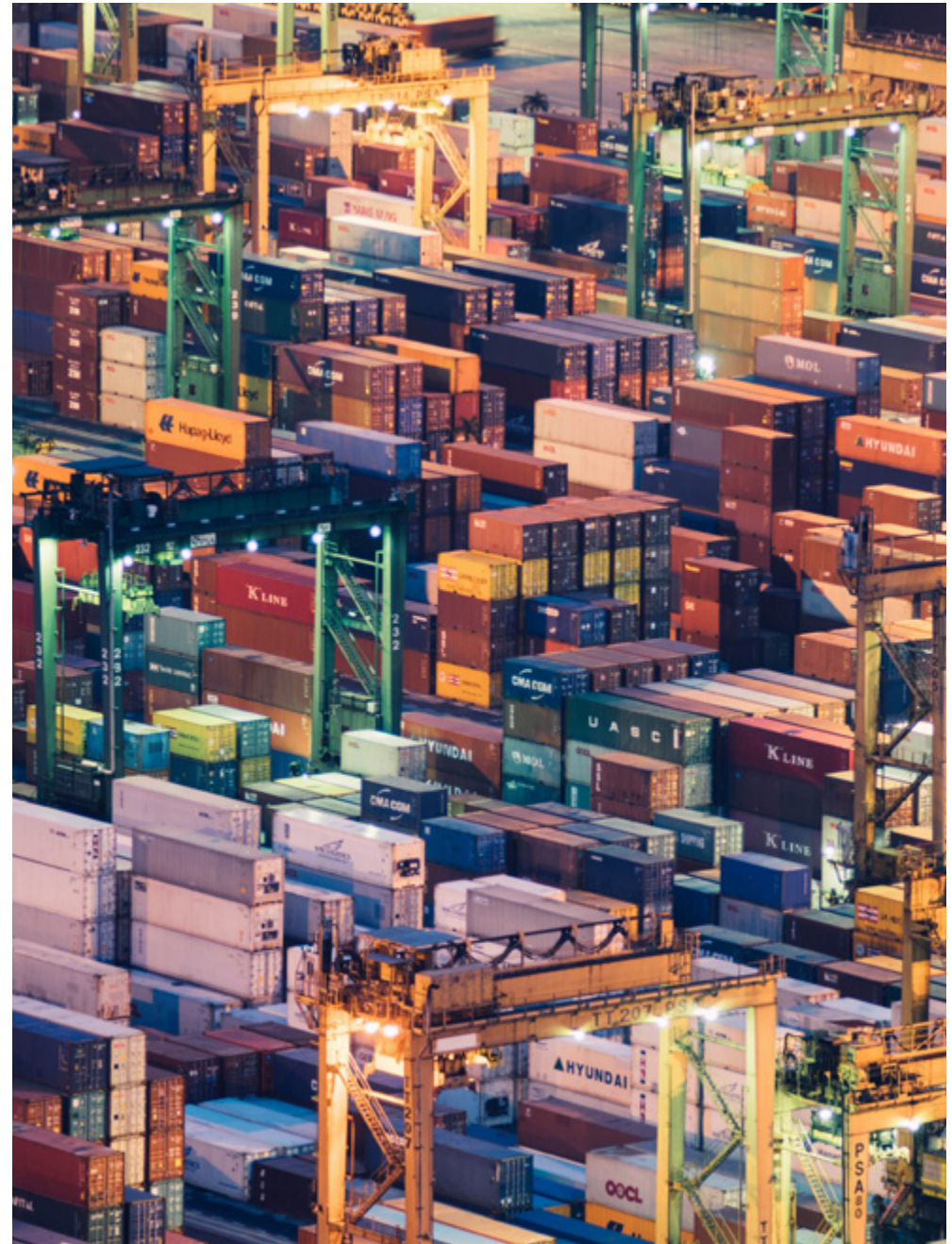
Subcontractor Vetting

Marine Risk Bulletin

In order to assist with the successful operation of your business as a logistics service provider [or LSP], this best-practice risk control bulletin provides practical guidance regarding aspects that should be considered for information and support in haulage subcontractor usage. Non marine warehouse sites with similar risks, will also benefit from the guidance provided.

The following information is not exhaustive, but provides guidance on key procedures to build into company policy when engaging subcontractors.

This guide makes reference to guidance and best practice published within the United Kingdom.



Subcontractors should not be used without first ensuring they are who they say they are by carrying out the following checks:

- Verify the authenticity of the subcontractors' address and telephone numbers provided.
- Obtain references from current or previous companies the subcontractor has worked for.
- Obtain a copy of their Operators Licence or obtain their O-Licence number and check the details in the operator search facility of the DVSA / GOV UK website: <https://www.gov.uk/find-vehicle-operators>
- Avoid any Subcontractor who does not have a valid O-Licence.
- For UK limited companies, check the subcontractors' details on-line using the Companies House / GOV UK website: <https://www.gov.uk/get-information-about-a-company>
- If an European Economic Area [EEA] registered company, obtain the company number and tax number.
- Periodically (at least annually) re-check all relevant documents, such as driving licences and O-Licences, to ensure they are still valid.
- Ensure the subcontractor has the relevant experience and vehicles/equipment to undertake the traffic they will handle.

If the Subcontractor is an owner-driver or provides vehicles and/or drivers that work exclusively for you [as a logistics service provider and/or as their principal under a contract of carriage] and take their work instructions from directly from you, then the following processes should be used:

- Check, scan/photocopy and retain driving licences and relevant vocational certificates e.g. Driver Certificate of Professional Competence (CPC) sometimes called a 'driver qualification card' or 'DQC', ADR [dangerous goods qualification] and digital tachograph cards.
- For foreign nationals obtain documents that prove their entitlement to work in the UK. We recommend that you view the following GOV UK website for full information on employing people <https://www.gov.uk/browse/employing-people/recruiting-hiring>
- Treat such drivers as your own employees for the purposes of training and provide them with the same written instructions and/or manuals as issued to your own drivers.
- Provide the subcontractor with instructions regarding the safety and security of the load e.g. parking, vehicle/trailer defects procedures, loading & stowage instructions etc.
- Provide the subcontractor with relevant contact numbers/details e.g. your Traffic Office to use in instances such as delay, breakdown or accident.

In addition

Send a Standard Subcontractor Agreement (SSA) to the subcontractor, which they must sign and return as evidence of their acceptance of the SSA requirements. Such a document should include the following:

- The conditions of carriage applicable between you as their principal, and the Subcontractor, forming the basis of the contractual relationship for any services rendered, and a statement to the effect that the Subcontractor agrees to accept cargo and indemnify you, as their principals, for liability incurred under such conditions.
- Request for a copy of the Subcontractor's goods-in-transit insurance schedule to be returned with the signed / completed SSA.
- Notice that no further onward subcontracting is allowed without prior written agreement.

General points for Logistics Service Providers to consider:

- Keep a file on each Subcontractor with all the details obtained about them.
- Build a panel of pre-approved subcontractors and arrange to have your own business put on any similar list operated by other carriers or cargo owners. There should be a preference to using an approved panel of contractors instead of freight exchange sites. If there is no alternative to using freight exchange sites then as a LSP you should complete due diligence / company checks as described above, to ensure the contractor is legitimate, before releasing any cargo in to their custody. Do not solely rely on any checks completed by the exchange site(s).
- If possible, do not subcontract high value or thief attractive cargo. If such cargo is subcontracted then you should agree adequate security procedures with the subcontractor that are appropriate to the nature of the cargo.
- If Hazardous Goods are to be carried, confirmation should be obtained that the subcontractors' drivers have been suitably trained and hold the correct ADR vocational training certificate for the goods in question (tanks or packaged goods), as well as obtaining details of the nominated DGSA (Dangerous Goods Safety Advisor). These should be obtained prior to any movements taking place.

For further advice please speak with your normal insurance advisor.

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