

**SOUTHERN COMPANY'S BEHAVIORAL BASED SAFETY OBSERVATION PROGRAM
– SAFETY THROUGH EVERYONE'S PARTICIPATION**

1. The Contractor shall utilize Purchaser's Behavioral Based Safety (BBS) Observation Program; Safety Through Everyone's Participation (STEP), owned and developed by Southern Company. All provisions of this document shall be binding upon Contractor.
2. The Contractor's utilization of Purchaser's STEP program will include: 1) a formal safe behavior observation process; 2) a formal training program on how to make observations, rank at-risk behaviors, and give feedback. 3) a requirement that employees regularly reinforce safe work; 4) a requirement that employees coach safety one-on-one; 5) a process for communicating the observation results to Contractor employees; 6) a Safe Acts Index or similar tool to be used for the communication of areas of improvement; 7) a weekly reporting system consisting of, at a minimum, the number of observers, observations, safe behaviors, at-risk behaviors, severity of at-risk behaviors, and category of at-risk behaviors.
3. The Contractor shall identify a competent person onsite to serve as the designated Contractor STEP program representative. This individual shall be responsible for interfacing with Purchaser, as required, to ensure the STEP program requirements have been met. Contractor's program representative, and other Contractor personnel, as needed, shall participate with Purchaser in periodic onsite meetings to review the safe behavior observation results and identify any related trends. Contractor's program representative may be required to issue a monthly focus checklist based on the previous month's safe behavior observations and communicate the same to Contractor employees. The requirement for the monthly focus checklist shall be at Purchaser's discretion. Prior to commencement of work, Contractor shall give written notice of its proposed program representative to Purchaser for approval. Upon Purchaser's request in writing, Contractor shall replace its program representative with an alternate representative subject to Purchaser approval.
4. The number of active observers, as required by the Special Conditions of the Contract, shall be submitted monthly to Purchaser. The cost of Contractor's observer participation in STEP shall be included in the Contractor's overhead. During each walk-down, immediate feedback by Contractor shall be provided to Contractor employees concerning both observed safe and at-risk behaviors. The feedback should be provided in a positive manner directly to the individuals observed and result in safer behavior.
5. Contractor shall enter the recorded information from the safety behavior walk-downs into Purchaser's database on a weekly basis at a minimum. This data entry will include safe behavior observations recorded during the preceding week and shall be entered no later than noon of the following Tuesday. Each week the Contractor shall discuss the previous week's Safety Behavior walk-down results with all Contractor employees. The cost of inputting data into the Purchaser's database shall be included in the Contractor's overhead.
6. Purchaser, at no cost to Contractor, shall provide the required STEP training, training material, and training instruction to the Contractor's program representative. Purchaser may elect, at Contractor's cost, to have a third-party provider, Predictive Solutions, provide the STEP training to Contractor's program representative. Purchaser shall reimburse Contractor for the Predictive Solutions actual

training cost. The STEP training and required information will be provided during mobilization.

Once trained, the Contractor's program representative shall then provide observer training and the required training materials to all Contractor observers. The cost for Contractor's employees participation in the STEP training shall be covered by the Contractor's overhead.

7. Purchaser's STEP database resides in a software product provided by Predictive Solutions called SafetyNet. Based on the criteria provided in the Special Conditions of the Contract, the Contractor shall include in its proposal the number of SafetyNet licenses required. Upon award, Purchaser will procure the number of licenses required at no cost to Contractor.
8. Access to Predictive solutions SafetyNet will be granted such that the Contractor's information will be limited to Contractor and Purchaser. Contractor's information will be reviewed, along with other contractors' information, at Purchaser's weekly project meetings. SafetyNet access shall be limited to only those Contractor employees approved by Purchaser.
9. Consistent with the General Terms and Conditions of the Contract section titled "Subcontractor Obligations," Contractor shall include Contractor's subcontractors in the STEP program.
10. Purchaser will not direct, provide suggestions, or approve any behavior changes in Contractor's workforce related to at-risk behaviors. It is the Contractor's sole responsibility to utilize the STEP program to focus on and reduce the at-risk behaviors.
11. Purchaser may modify Contractor's STEP requirements by providing written notice to Contractor.

STEP FREQUENTLY ASKED QUESTIONS

1. How do I pay for STEP? What is the cost?

Contractor user licenses for the database will be provided by the Purchaser at no cost to Contractor. All additional cost (training, observations, feedback, etc.) associated with the STEP process shall be included as part of the labor rates or included in the Lump Sum bid price.

2. How long does it take to perform an observation?

Observations can be accomplished as part of normal business in the field. Typically, the observation and immediate feedback can be accomplished in a period of 5 to 10 minutes.

3. How long does it take to enter information in the database?

The amount of time it takes to enter information in the database depends on the method used to enter the observation. Electronic devices, such as blackberries, smart phones, and PDAs, can be used in the field for instant downloads in the system. If an observation is performed with a paper checklist and manually entered in the database, expect to allocate approximately 5 minutes for each observation.

4. How much training is required?

Each contractor will be provided a "Train the Trainer" video and is required to designate a person to become familiar with the STEP training program and lead Observer training for all users. Observer training is typically instructor-led onsite and can be accomplished in approximately 5 to 7 hours, depending on class size. When approved by site management, contractor personnel can complete training through designated Southern Company provided training classes.

5. Who can see the results of the observations?

All Southern Company administrators will be able to see the results of observations entered in the database. Reports can be generated and sent to anyone on the project team including contractors. Specific reports of contractor observations will not be shared with competing contractors.

6. Who is required to perform observations?

Site management will determine which contractors will be required to perform observations and identify the number of observers the contractor must use on each project through the special conditions of the each contract.

7. How many observations are required?

Site management will determine how many observations are required from the observers. Typically, one observation per day is expected.

8. What if I have an established Behavior Based Safety process in my company? *Contractors must utilize the Purchasers STEP program. However, Contractors with an established BBS program can continue to separately utilize it to supplement and enhance the Contractor's safety program.*