



WHITE PAPER

False Confidence

Why contractor-level scorecards are not enough to prevent serious injuries and fatalities in the utility sector

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01 THE ILLUSION

Where the confidence comes from, and why it is false



What this paper shows: An approved contractor is not a verified worker. How that gap opens, why utility work leaves no margin for it, and what closes it.

Contractor prequalification has become a cornerstone of risk management throughout the utility industry. Electric utilities, natural gas providers, power generation facilities, and transmission operators depend on contractors for construction, maintenance, outage, inspection, emergency response, and specialized technical services.

While scorecard metrics provide valuable information about a contractor's overall safety management system, they are often misunderstood as indicators of workforce competence. Many utility owners/operators mistakenly equate strong corporate safety metrics with verified worker competency, creating a gap between perceived risk and actual risk exposure.

This reliance on organizational indicators can create what safety professionals refer to as a “false sense of security.” Contractor-level qualification only confirms that the organization has met certain administrative and performance criteria.

The distinction matters in utilities because much of the work involves exposure to high-energy sources and potentially fatal hazards. A single worker lacking the proper qualification can introduce catastrophic risk regardless of the contractor's company-level safety rating.

The question can no longer be limited to whether a contractor appears safe as an organization.



What a scorecard measures

- ✓ Total Recordable Injury Rates
- ✓ Experience Modification Rates
- ✓ OSHA citation histories
- ✓ Insurance coverage
- ✓ Financial stability
- ✓ Written safety programs



What it cannot confirm

- ✗ Current certifications
- ✗ Required licenses
- ✗ Task-specific qualifications
- ✗ Documented competencies

02 THE CORE DISTINCTION

Contractor risk does not equal worker competence



One of the most significant misconceptions in contractor management is the assumption that organizational performance accurately reflects workforce readiness. Although contractor-level indicators are useful for identifying trends and evaluating safety management systems, they provide only an indirect assessment of operational risk.



Contractors do not perform work. Individual workers and teams perform work.

Every prequalification metric looks backward

- **Injury rates** measure past performance.
- **OSHA citations** reflect prior regulatory interactions.
- **EMRs** are calculated using previous workers' compensation claims.
- **Written safety programs** demonstrate policy intent.

None of these factors verify whether an individual assigned to install equipment, enter a confined space, perform switching activities, or operate specialized machinery has the skills and qualifications necessary to execute the work safely today.



What investigations find

Investigations frequently reveal that workers involved in catastrophic incidents lacked critical training, misunderstood hazards, failed to follow established procedures, or were performing tasks beyond their demonstrated competency.

In other words, organizational systems may appear robust while workforce competency remains inadequately verified.

03 THE TIMING PROBLEM

Approval is a point in time



Perhaps the most critical limitation of contractor-level prequalification is timing. A contractor may successfully complete a prequalification review months before work begins.

What changes between approval and the work



Approval: A contractor completes prequalification review months before work begins.



During that period: Employees leave. Certifications expire. Licenses lapse. Qualification requirements change.



The work: Without continuous monitoring, utility owners/operators rely on assumptions rather than objective evidence.

Visibility fades as exposure rises

Tier	What The Owner Sees	Exposure
Prime contractor	The scorecard, clearly	Lower
Subcontractor tiers	Visibility fades	Rising
The crew on site	Often nothing at all	Highest

Utility projects involve multiple tiers of contractors, each employing workers with different training histories, certifications, and qualifications. A prime contractor may possess excellent safety statistics while subcontractor personnel perform the actual field work

A favorable EMR does not prevent a fall

OSHA continues to identify falls, electrocutions, struck-by incidents, and caught-in/between events as leading causes of fatalities in high-risk industries such as utilities. A contractor's favorable EMR does not prevent a fall, stop an arc flash, or eliminate a struck-by hazard. Competent workers do.

04 THE ENVIRONMENT

Why utility contractors present unique risks



Utility operations present a unique combination of hazards rarely encountered in other industries. Contractors routinely interact with high-energy systems capable of producing immediate and fatal consequences when control measures fail. As a result, even small gaps in worker qualifications can have disproportionately severe outcomes.



Geographic dispersion

Work spans urban centers, remote transmission corridors, substations, generating stations, and emergency response zones.



Credential complexity

Workers may require electrical qualifications, equipment-specific training, confined space certifications, crane and signal person credentials, operator licenses, and site-specific authorizations, each with its own expiration and renewal cycle.



Surge staffing

Storm restoration and major outages scale workforces fast. Pressure to restore service compresses or bypasses verification.



Technology change

Renewable integration, distributed generation, battery storage, and grid automation demand increasingly specialized skill sets.

Competency Is Dynamic, Not Static

A worker qualified for a task in the past may not remain qualified indefinitely. Continuous verification keeps qualifications current.

05 CASE STUDY

The Kleen Energy power plant explosion



February 7, 2010 · Middletown, Connecticut · Six workers killed, more than 50 injured



The work: Startup and commissioning activities at a newly constructed natural gas-fired power generation facility.



The task: Workers were conducting a fuel-gas piping cleaning operation known as a “gas blow”: releasing high-pressure natural gas through piping to remove debris before the facility entered service.



The failure: The gas accumulated near the work area, encountered an ignition source, and exploded with devastating consequences.



The toll: Six workers killed, more than 50 injured, prompting a comprehensive investigation by the U.S. Chemical Safety and Hazard Investigation Board (CSB, 2010a).



The finding: The CSB found that many organizations performing similar work had utilized the same methodology, and that the practice was widespread throughout the power generation industry (CSB, 2010b).

Why this matters for contractor management

The disaster is relevant to contractor management because it occurred during a specialized commissioning activity involving multiple organizations and numerous contractor personnel. Such work frequently involves non-routine operations, increasing the need for qualification verification.

Organizational approval alone does not ensure that every individual understands the hazards associated with specialized work activities.

06 WHAT CLOSES THE GAP

From periodic review to continuous verification



The ultimate purpose of contractor management is not administrative compliance. It is the prevention of injuries, fatalities, environmental incidents, and operational disruptions. Achieving these outcomes requires understanding where risk actually exists: at the worker-task interface, not within a contractor's historical performance metrics.



WHAT PROGRAMS WERE BUILT TO DO

Periodic review of the company

Developed to satisfy procurement, insurance, and regulatory requirements. Attention has historically gone to:

- Collecting documentation
- Calculating scores
- Reviewing statistics
- Maintaining qualification records

While these activities remain important, they should not be mistaken for effective risk reduction.

A contractor may satisfy every administrative requirement, maintain exemplary injury statistics, and possess comprehensive written programs while still deploying workers who lack the qualifications to safely execute critical work.



WHAT THE WORK REQUIRES

Continuous verification of the worker

Cloud-based Software-as-a-Service (SaaS) systems have transformed contractor oversight. Organizations can now maintain continuous visibility into workforce qualifications in a single system (Veriforce, 2024):

- Certifications and licenses
- Training records
- Competency assessments
- Medical clearances
- Site-specific requirements

Rather than depending on spreadsheets, manual audits, and paper records, utility owners/operators can establish automated alerts for expiring certifications and qualification gaps.

This verifies competency at the point of work, rather than relying on assumptions derived from historical contractor performance.

07 FUTURE OF CONTRACTOR MANAGEMENT

Ready before the work starts



Contractors do not perform work.

Individual workers and teams perform work.

The industry's challenge is no longer obtaining contractor information. It is ensuring the right information is verified and used before work begins.

The future of contractor management lies in integrating organizational prequalification with worker-level verification.

Combining contractor scorecards, qualification management, competency validation, certification tracking, and real-time workforce visibility gives utility owners and operators a more accurate picture of risk and allows them to identify potential failures *before* they lead to incidents.



Approved the company.

Checked the worker?

[Get the contractor readiness playbook for utilities](#)



08 APPENDIX

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James A. Junkin is the chief executive officer of Mariner-Gulf Consulting & Services, LLC and the chair of the Veriforce Strategic Advisory Board and past chair of Professional Safety journal's editorial review board. He is a member of the Advisory Board for the National Association of Safety Professionals (NASP).

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