



PRODUCTIVITY, VISIBILITY, AND SAFETY:

How Improving Contractor Compliance Enhances Facility Operations

Welcoming contractors into your site opens the door to risks that demand careful and strategic oversight. Lack of due diligence can increase the likelihood of compliance violations, operational disruptions, and even safety incidents.

Proactive compliance means being ready to navigate challenges with confidence and preparing for unknowns. Reliable processes and systems play a critical role in keeping contractors compliant, onboarded, and ready to work — without facilities managers having to manually mastermind the entire compliance operation.

How are industrial companies handling contractor compliance for their facilities? Are they leveraging the right tools to automate proactive compliance so contractors are ready to work?

To find out, FacilityOS and Manufacturing Dive's studioID surveyed 150 facilities managers across manufacturing, construction, logistics, warehousing, and transportation. The results revealed that **contractor compliance weighs heavily on organizations** as they look for ways to track compliance in real time, manage documents, communicate requirements to contractors, and standardize compliance processes. Thankfully, there are straightforward ways to overcome their biggest obstacles so they can keep operations running smoothly and securely.

The exclusive data and expert insights featured in this report can be used to benchmark an organization's approach to contractor compliance, pinpoint areas of weakness, and create an improvement plan.



Contractor Compliance: How It Is Slowing Down Facility Operations

Contractor compliance is closely linked to successful operations and the ability to maintain productivity, safety, and profitability within facilities. **Operational problems often stem from gaps in compliance management — and vice versa.** This can become a recurring cycle that perpetuates costly delays, safety violations, and workflow disruptions.

66%

of the surveyed facilities managers across manufacturing, construction, logistics, warehousing, and transportation identify contractor compliance as a significant barrier to operational efficiency.

Top operational challenges for industrial organizations



*Respondents could choose multiple answers

Whether you regularly have five contractors or 50 contractors on-site, **establishing a system to manage compliance is essential to avoid complications** like denied site access, lengthy onboarding timelines, and project delays.

“Contractor compliance is an ongoing responsibility that requires consistent attention,” says Paul Khakhan, CTO at FacilityOS. “It’s not something that can be addressed sporadically — it demands daily management. While it’s time-consuming, it doesn’t directly contribute to value creation. Instead, it often acts as a friction point in the process of engaging contractors and getting work underway.”

He also points out that, when controlled manually or with disparate systems, contractor compliance is inefficient at best. **When fragmentation and miscommunication occur, operational failures become inevitable.** This could include a contractor arriving at the site but not able to work, schedules being dismantled, and critical operations coming to a full stop.



How Well Is Technology Being Leveraged for Compliance?

To manage contractor compliance, facility managers rely on technology to:

- Streamline compliance management (66%)
- Automate contractor onboarding processes (61%)
- Communicate requirements between their companies and contractors (57%)

But are they using the right digital systems and tools? Not all platforms are created equal. Relying on basic technology limits what can be accomplished.

“No matter how you choose to manage contractor compliance, you shouldn’t be the one holding everything together,” emphasizes Khakhan. **“You don’t want to be the decision engine behind the tools. The tool itself should serve as the engine, driving progress.** The complexity should reside within the system, enabling you to act as a controller. This could mean checking status updates or implementing policy changes and not worrying about how those changes are communicated or enforced across your contractor base.”

Top strategies to overcome contractor compliance challenges

66% 

Using digital systems and tools to streamline compliance management

61% 

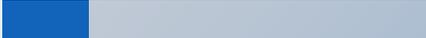
Using a digital system to automate contractor onboarding processes

62% 

Conducting regular audits to ensure compliance with policies and regulations

57% 

Using digital systems to communicate requirements between us and contractors

20% 

Manually storing files in a single location

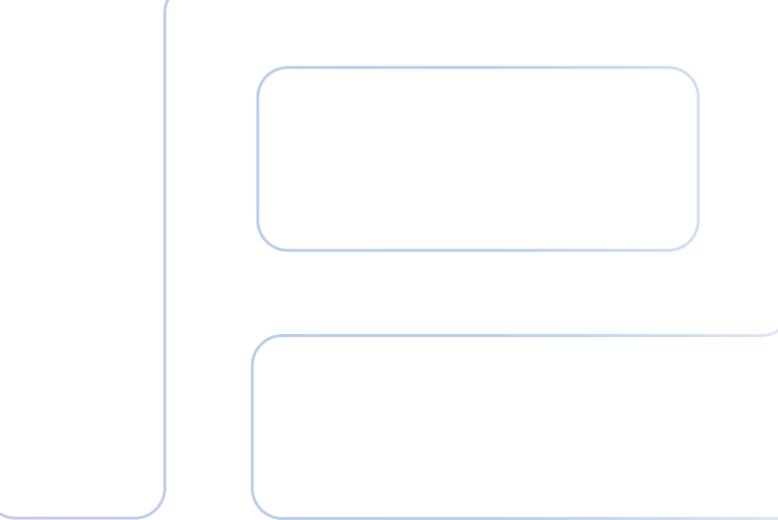
15% 

Better defining expectations in contracts

6% 

We haven't implemented any of these strategies

*Respondents could choose multiple answers



For most companies, achieving this state means a solution that simplifies compliance management while also making compliance data easy to access and understand. When you realize what your data is telling you, you can immediately identify a non-compliant contractor or a document nearing expiration — and be confident that swift action is underway to remedy the issue without manual intervention.

“Given the number of contractors on most sites and the volume of documentation and compliance requirements involved, relying on tools like Excel and email is no longer effective,” notes Khakhan. “This fragmented approach makes it difficult to track deadlines or identify who needs to meet upcoming compliance requirements. Having real-time visibility into those insights is essential in proactively closing compliance gaps.”

Stronger Compliance Depends on Data Mastery

55%

of surveyed facilities managers indicated navigating data insights is an operational sticking point.

Making sense of this information requires a compliance management solution that can:

- **Ensure contractors are always ready to work** with real-time tracking of site access requirements.
- **Eliminate manual processes** and make sure all documents are accurate and accessible.
- **Clearly and proactively communicate** compliance requirements to foster transparency and reduce delays.
- **Automate workflows, reduce variability, and create a single source of truth** by standardizing compliance processes.
- **Eliminate bottlenecks** with streamlined approvals.

When facilities managers cannot navigate complex data and analytics, it hinders audit readiness, which is a critical part of mitigating risk and safeguarding operations.

Centralized and automated compliance systems and processes eliminate vulnerabilities like time-consuming data retrieval and incomplete and inaccurate records, establishing a clear audit trail and demonstrating compliance with regulations and standards.



How Companies Are Keeping Contractors in Check — and Where They Can Improve

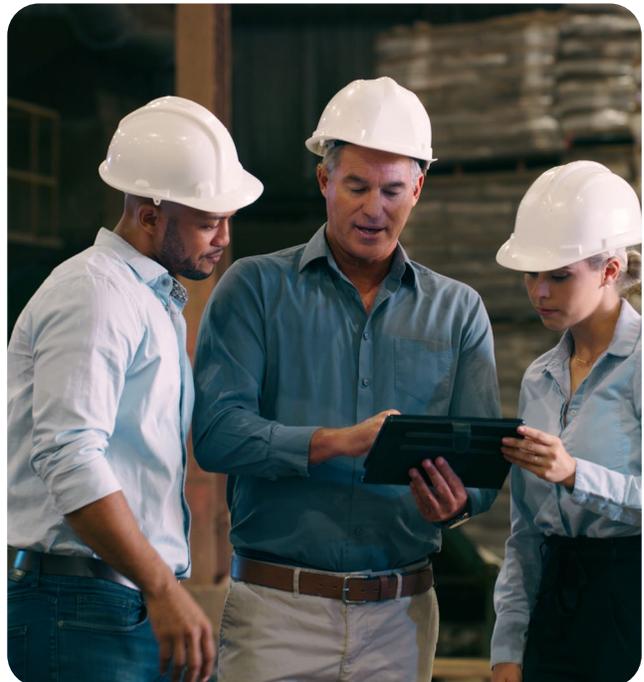
While most facilities managers are tracking contractor compliance at the surface level, they often need to go deeper by prioritizing features that will be sustainable and scalable long-term as they:

- Grow and expand operations.
- Adhere to new regulations.
- Invite more contractors to their sites.
- Adapt to changing industry standards.
- Prepare for stricter inspections and auditing processes.
- Handle an increasingly diverse contractor workforce.

These leaders must master how to use technology to automate this constant requirement, especially as compliance management becomes more involved.

“There are elements of traditional contractor compliance management that are inherently inefficient, yet many facilities managers have come to accept them as the norm,” says Khakhan. “They’ve grown accustomed to investing significant amounts of time and effort into managing the process: turning contractors away at the jobsite due to compliance issues, dealing with expired documents, and chasing down updated paperwork. But these challenges are no longer inevitable.

Today’s compliance management solutions are embedding greater intelligence into the process, making it far more streamlined and proactive.”



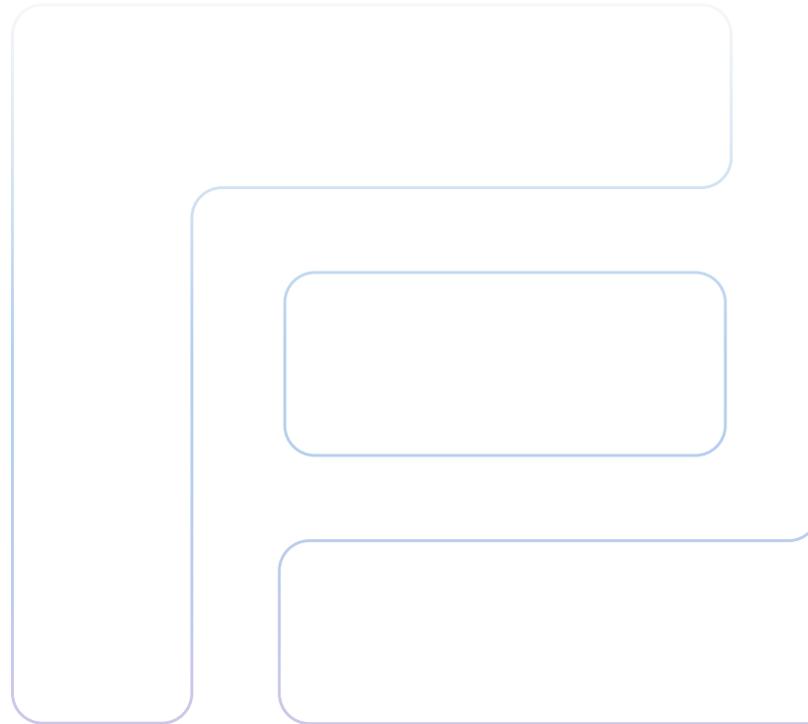


To Scale Compliance, Manual Processes Must Be Left Behind

As contractor activity grows, compliance management becomes more nuanced:

- The amount of compliance-related data increases, from certifications and training records to real-time safety reports and audit logs.
- There are more documents to track and keep current (for example, certificates, permits, insurance forms, and training records).
- Onboarding takes longer and experiences more bottlenecks as greater numbers of contractors need to be verified, trained, and integrated into operations.
- Communicating requirements and updates to a growing contractor base can require more time and coordination.

According to surveyed facilities leaders, **28 contractors visit their sites on average each month** — 81% report that between 1 and 50 contractors visit their facilities monthly.



Each contractor must provide documentation to ensure compliance with guidelines, standards, and requirements. This documentation must all be managed to avoid violations, operational disruptions, and liability risks. However, when these processes are managed manually or with a disjointed platform, they are **prone to oversights, delays, and inaccuracies**.

For example, many facilities managers rely on manual process checks, reviewing document compliance every six months or requiring contractors to seek recertification every year. Managing compliance at scale requires processes and systems that can handle increased demands without introducing errors and delays into the process. When you implement a proper compliance management solution, you will know where compliance is lacking, and the contractor can address that one gap instead of repeating the entire compliance process.



Preventing Work Delays and Last-Minute Chaos

21%

of surveyed facility managers indicated contractors were denied site access on a daily or weekly basis.

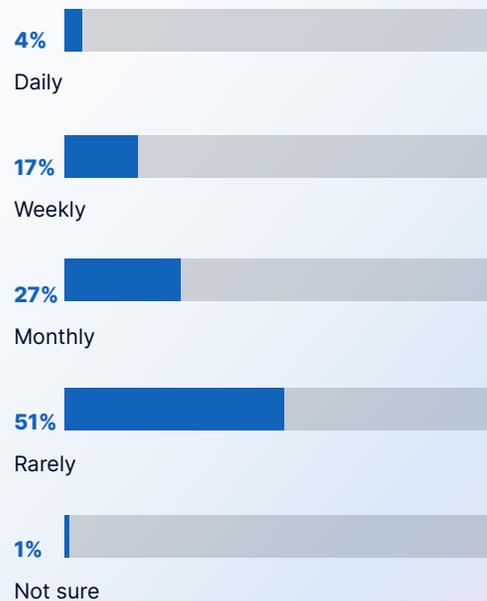
“A system that can automatically detect when action is required, initiate the appropriate steps, and carry out the work enables you to focus on other higher-value priorities,” says Khakhan. “Compliance becomes a background process that only surfaces when your input is truly needed.”

Cumbersome, labor-inefficient processes are manifesting themselves as operational bottlenecks for more than 20% of respondents, who say their **contractors are denied site access daily or weekly due to missing compliance requirements.**

Another 27% report denied site access as a monthly issue. When contractors show up but cannot work, it can cause a scramble to resolve compliance issues on the spot. This results in delayed projects, increased costs, operational disruptions, and more intense administrative workloads.

However, these disruptions can be avoided with a compliance management solution that automates requirement checks, flags missing requirements, and proactively alerts managers about gaps before contractors arrive.

Q: How often are contractors denied access to your facility due to missing compliance requirements?



Ensuring Efficient Contractor Deployment

Over 40% of respondents indicate that it takes **up to three full weeks to onboard a new contractor**, with nearly half stating that onboarding takes between one and two weeks.

When onboarding takes too long, these delays can trickle through operations to influence productivity, strain internal resources, and compromise project milestones.

As contractor activity increases across sites, onboarding processes become even more inefficient. Tracking down missing documents, verifying credentials, and ensuring compliance can quickly become overwhelming.

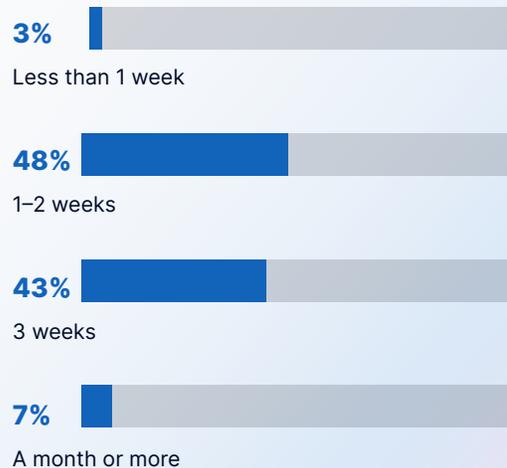
The process can be streamlined through a compliance management solution that guides contractors through the steps quickly and efficiently by:

- **Simplifying document uploading and review** for contractors and facilities managers.
- **Handling submission, approval, and renewal processes** with automated workflows that minimize manual effort.
- **Staying ahead of requirements** with proactive alerts for expiring documents or missing compliance items so they can be addressed before arriving on-site.
- **Determining which contractors are ready to work** — and which are not — to reduce bottlenecks and problems at the site.

“A well-defined, effective process naturally drives employee buy-in,” says Khakhan. “When team members understand the process and trust that it works, they’re far more likely to follow it. On the other hand, if the process is unclear — or doesn’t exist — that’s when issues start to emerge. Employees may deviate from protocols simply because there’s no reliable framework to guide them, or the existing framework is too difficult to support.”

This is key advice for companies struggling to get contractors to use their compliance management solutions, such as the 15% of surveyed facility managers who indicated they were experiencing this issue.

Q: How long does it take your company to onboard a new contractor?



Where and How Contractor Compliance Can Improve

Surface-level, semi-manual processes can be time-consuming and resource-intensive — without producing results. These inefficiencies add up quickly for the office and the field, especially when processes delay schedules by hours or days.

61%

of survey respondents have adopted specialized software to track compliance, which is encouraging.

While that is a step in the right direction, the majority of those using specialized software work in the medical device/pharmaceuticals industry, which is typically ahead of other industries when it comes to digital transformation and technology implementation.



Among this group of companies using specialized software, **90% report software issues**. Despite their investments, they struggle with capabilities such as:

- Real-time compliance status tracking (56%)
- Standardized compliance processes (38%)
- The ability to communicate requirements to contractors (38%)
- Document management (35%)

These capabilities are critical for facilities managers who need to ensure operational continuity, maintain quality control, and reduce risks as they bring contractors on-site. They work together to ensure that facilities managers can oversee contractor compliance with little manual intervention, all while maintaining operational continuity and mitigating risk.

Q: How does your company track contractor compliance?

61%

Specialized software

21%

Manual tracking (pen and paper, spreadsheets)

19%

Outsourcing to a third party

Top challenges in contractor compliance management across all respondents



*Respondents could choose multiple answers

According to Khakhan, at the very least, industrial companies need a robust solution that enables them to track compliance status in real time.

“Without a system in place, you’re exposing your organization to unnecessary risk,” says Khakhan. “Lack of visibility can lead to non-compliant individuals gaining access to your site. If a non-compliant contractor is injured on the job, the consequences can be severe — both legally and financially. For example, you might schedule a technician to arrive in two weeks without realizing their compliance is about to lapse. By the time they arrive and sign in, the issue has already become a liability. Your platform should be able to verify compliance both at the time of invitation and at the point of entry.”

Beyond real-time tracking, standardized compliance processes are also important to consider. They reduce administrative burden and support consistent, reliable processes for compliance management. The ability to communicate requirements to contractors is equally important in helping facilities managers convey expectations clearly to all contractors, avoid misunderstandings, and ensure parties are aligned.

Document management is another fundamental aspect of compliance management. By implementing an organized approach to handling critical paperwork, everything required for informed decision-making can be accessed quickly.

Given the importance of having a robust solution, how can industrial organizations claim to have digital tools and specialized compliance software in place but still be missing these critical capabilities? They are often relying on rudimentary platforms.

For example, some systems may be able to tell that a driver's license complies at the document level. More robust systems can analyze the license's individual fields, such as first name, last name, license number, expiration date, address, and classifications.

When you have a platform that can examine the individual components of the document, you know what needs to happen and why. This prevents last-minute notices about non-compliance that do not provide insights into what changed or expired.

“This capability can simplify your entire compliance process by reducing the number of touchpoints required with contractors,” explains Khakhan. “It enables you to monitor compliance at a much more granular level — not just confirming the presence of a document but verifying whether specific values within that document meet compliance standards.”



Making Compliance Improvements for Real Business Value

All facilities managers surveyed are committed to improving contractor compliance management. It is a process ripe for transformation, offering the potential to streamline operations, reduce risks, and improve productivity.

Through these improvements, they hope to see advances in **cost savings and efficiency and productivity.**

76%

of surveyed facility managers believed improving contractor compliance management would increase cost savings, and 67% indicated it would improve efficiency and productivity.

How do industrial organizations plan to make these improvements? According to the survey results, they will rely on a combination of tactics, including:

- Improving documentation recordkeeping (73%)
- Leveraging data for informed decision-making (68%)
- Conducting regular audits and assessments (52%)
- Accelerating automation and technology integration (51%)

Focus areas for strengthening contractor compliance

73%

Improve documentation recordkeeping

68%

Utilize data to make informed decisions

52%

Conduct regular audits/assessments

51%

Accelerate automation and technology integration

43%

Improve communication with vendors

13%

Implement best practices to ensure continuity from site to site

*Respondents could choose multiple answers



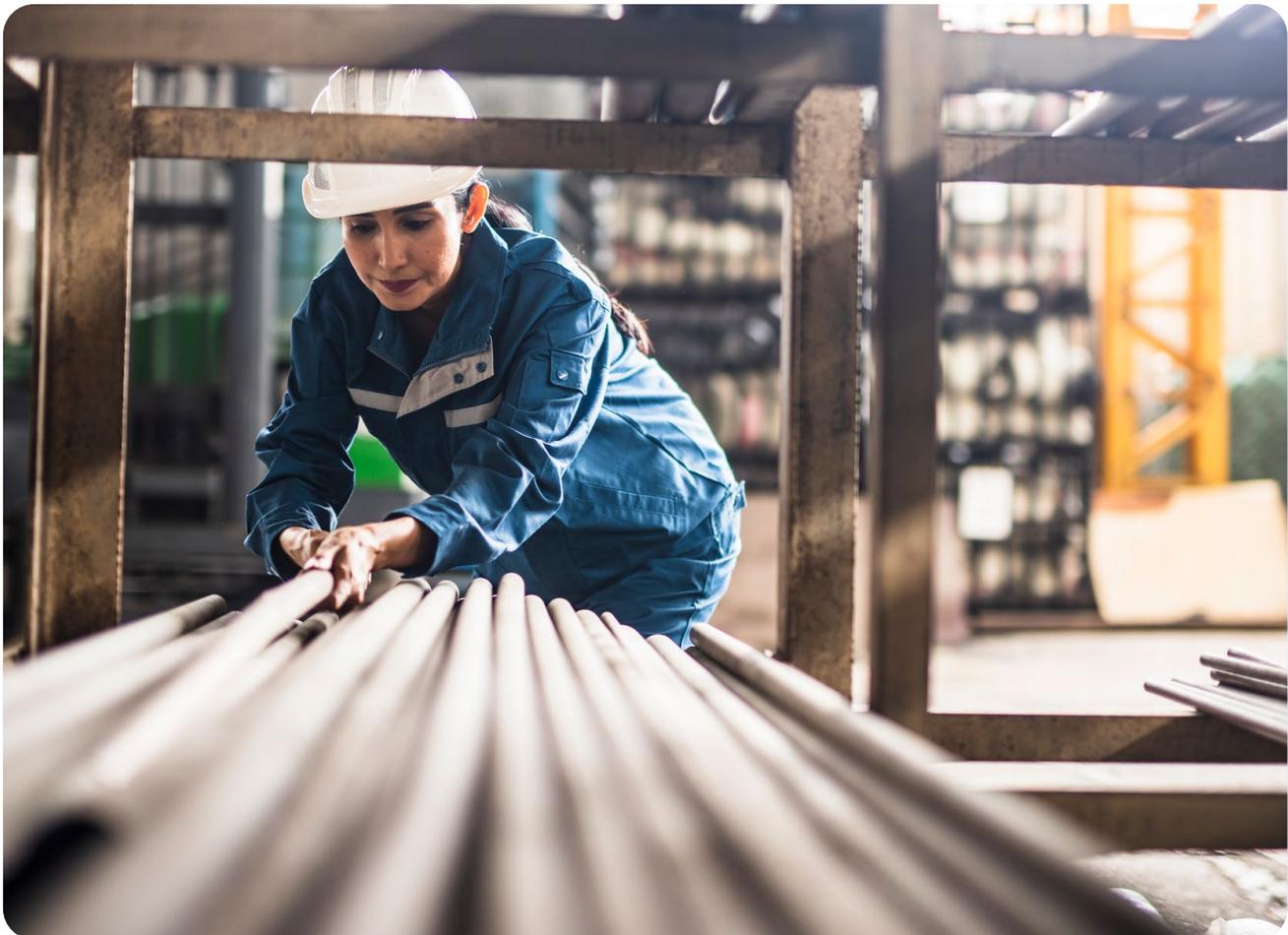
All these advancements are possible with the **right tool — one that doesn't wait for you to ask it to do something.**

Here is how it might work:

- Beginning at 30 days from expiration, the system sends a request to the contractor to update and resubmit required compliance documents.
- As the compliance expiration date draws closer, the frequency of reminders escalates.
- If no actions are taken by the contractor within the designated timeframe, then the system alerts you that the contractor is no longer compliant so you can act appropriately.

Tools like this exist today, and they are already helping industrial companies go beyond surface-level compliance to improve visibility and eliminate manual work. Instead of manually navigating the complexities of monitoring, verifying, and enforcing compliance, look for a compliance management solution that relies on real-time compliance tracking, standardized compliance processes, and centralized document management. This will allow you to dedicate more time to broader operational goals as you spend less time handling daily compliance challenges.

With the right tool, rather than being the engine that keeps compliance running, **facilities managers can be the controllers of streamlined, automated, and reliable processes.**



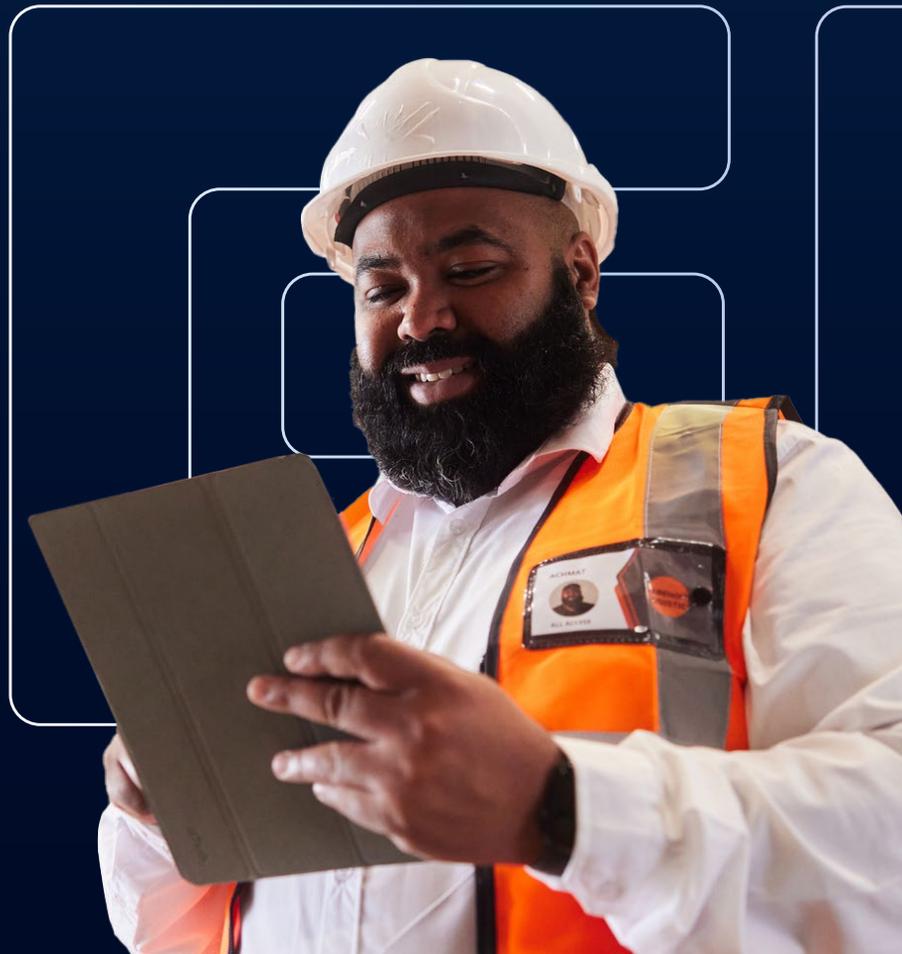
FacilityOS

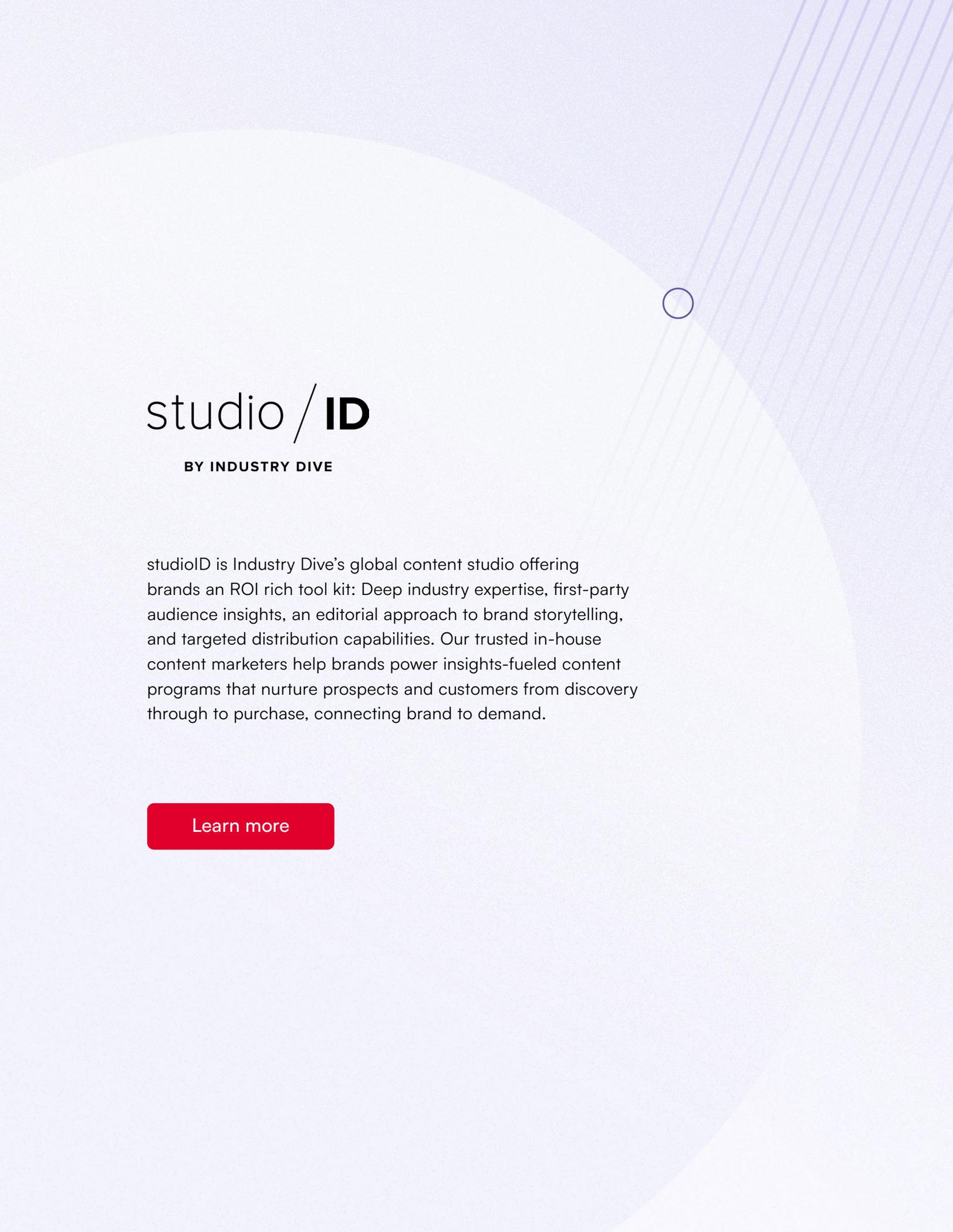
Deployed across more than 7,000 sites worldwide, FacilityOS powers complex work environments by optimizing and automating key facility processes to achieve regulatory compliance, enforce safety protocols, improve operational efficiencies, and drive site security requirements.

The integrated FacilityOS platform is supported by robust reporting, turnkey onboarding, and extensive configurability that ensures a strong impact in many industries, such as manufacturing, construction, logistics, warehousing, and transportation. Each module within FacilityOS is designed to work standalone or together with other modules to maximize the impact of the platform.

FacilityOS is a global company with offices in the United States, Canada, and Europe. Learn more at www.facilityos.com.

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