



# PRE-LOSS PLANNING GUIDE



# Table of Contents

This document is an introduction to Disaster Planning and Restoration. If you are currently experiencing an emergency, contact **866 RECOVER** (1-866-732-6837) for assistance.

Introduction	Page 1
Pre-Loss Planning	Page 2
The Plan	Page 7
Water Damage Questionnaire	Page 9
Fire Damage Questionnaire	Page 11
Resources	Page 15
Planning Checklist	Page 18
Claims Checklist	Page 19
Potential Claims Items	Page 20
Possible Extra Expenses	Page 21
Forms	
Vendors	Page 22
Hazards	Page 23
Planning Committee	Page 24

# Introduction

"Disasters happen".... and when they do, they are potentially enormous risks to structures and their contents. Many of the losses inflicted on physical structures and their contents can be avoided. Formulating a disaster plan and taking the necessary preventative measures may mitigate the destructive effects in the event of a catastrophe. Given the inevitability of natural disasters, prevention goes a long way toward protecting lives, saving buildings and redeeming the billions of dollars spent on repairs. There is no doubt that planning ahead can save both lives and property.

There are two common denominators that apply to the philosophy of disaster planning. 1) No one thought it could or would ever happen to them. 2) Those who planned were repaid countless times over. How? By saving lives, property and in many cases their business.

The goals of a business continuity plan or contingency plan include, but are not limited to the following:

- Minimize interruptions to business operations
- Limit the severity of the disruption
- Establish alternative means of operation
- Resume critical operations within a specified time after a disaster
- Expedite the restoration of services
- Assure customers that their interests are protected
- Maintain a positive image of the organization
- Minimize financial loss
- Train personnel and familiarize them with emergency operations
- Establish awareness

Recognition and use of your experience level is paramount to the overall success of a continuity program. With that in mind, the goal of this guide is to establish some simple parameters. This guide is intended to provide an overview of some of the basic issues associated with business continuity planning. The content is based on the assumption that all readers have a general working knowledge and basic technical skills in continuity or contingency planning. Even though actual procedures will be discussed in subsequent text, the materials discussed in this guide will be in generic form.

# Pre-loss Planning

*“Planning for the worst is the best for your business.”*

## Executive Support

The first step in developing a disaster plan is to obtain executive support. Without such support, the resources necessary to accomplish the overall task may never be allocated. When presenting the concept to upper management it will be necessary to share the objectives of implementing the program, but be prepared to discuss the associated budget. In that regard, it is also wise to present the consequential cost *of not having a plan* in effect.

## Planning Committee and Their Responsibilities

This committee should oversee the development and implementation of the plan. For the plan to be successful, membership on the committee must reflect a holistic approach including input from all departments allowing each to share the vision and their concerns from the plan’s infancy to implementation to assure proper communication.

- Committee Chairperson: Different organizations use different title designations; Business Continuity Planner (BCP), Risk Manager, Recovery Coordinator, etc., but regardless of terminology this individual is the person responsible for overall synchronization of a recovery project or claim. In large corporations there is usually a designated Risk Manager who coordinates the various insurance coverage and acts as a liaison between the disaster victim and the insurance company. As the primary party in the recovery process, the person given this mission must have the autonomy and authority to make decisions of emergency and to assemble services as needed.
- Executive in Charge: An Executive in Charge will ultimately be held accountable for the entire enterprise and will be responsible for executing (signing) any documents necessary to expedite the recovery process. An effectively constructed recovery plan includes the delegation of proper authority from this executive to the BCP.
- Adjuster: Since the insurance adjuster is managing the resources of third-party organizations, they are obligated to represent the insurer’s interest. It is the desire of most claims personnel to provide any assistance to make the claims process go as smoothly as possible. In a professional relationship, the needs of the customer and the insurer need not be adversarial. When constructing the plan, it is advisable to proactively seek the participation of the insurer and their designated claims representative to assure communication and ensure that steps being taken are best practices.

- Agent/Broker: In addition to the responsibility of administering the insurance policy, your agent or broker will assist in the claims reporting process. They should also act as a liaison between the disaster victim, insurance carriers and other similar representatives. These professionals have a considerable amount of experience in this capacity and can also prove to be a valuable resource when assembling other vendors such as salvage agents, restoration services, temporary equipment and other similar services. The broker will act as an advocate for the disaster victim and can assist when differences between the insured and the insurer arise.
- Property Owner: In situations involving tenant/building owner decisions the property owner should be included in the planning process to assure authority if and when a disaster should strike. Any decision that includes structure related issues will require their participation in the recovery phase, thus the need for proactive inclusion.
- Department Leaders/Delegates: Representatives from operations, support, integrated systems, communications, accounting, records management, personnel, warehouse and distribution and any other pertinent departments must participate and submit the necessary information to complete a Risk Analysis. They must review their function in the organization and determine the potential impact associated with any possible disaster.
- Purchasing: In addition to the potential need for replacement of raw stock and materials, there is the very real possibility of outsourcing production or services on an interim or long-term basis. The procurement process should allow for such contingencies as well as proactively seek “disaster recovery” vendor services while in normal business operations rather than attempting to do so in the resulting chaos that can, and usually does, follow any catastrophic event.

## Review Insurance Policy

The time to recognize problems is prior to an insurance claim. To avoid the surprises commonly encountered in the aftermath of a catastrophic event, review your policy carefully. Pay particular attention to clauses, exclusions, values and limits, business interruption, depreciation and other similar issues. It is strongly recommended that this step be performed in conjunction with your agent or broker.

## Regulating Authorities

In the aftermath of a catastrophic event, whether it is an isolated fire, a regional flood or hurricane damage, there is a strong likelihood that one or more government authorities will be involved in the emergency response. Your plan needs to incorporate how those government authorities may impact the recovery of your business.

Should a fire occur, you need to be “on the same page” as the local fire department. They will want to know that you have an evacuation plan and that all staff members are familiar with the escape routes and the rally point. Your facility should display the proper placards to notify emergency responders of the potential risks and hazards awaiting inside. Proactive discussions with representatives of the fire department can, not only help you as you assemble your plan, but also provides an avenue of communication to those authorities that will improve cooperation while helping them understand your priorities.

Should an area wide event occur, it is highly likely that law enforcement will be utilized to bring order and security to the affected region. Municipalities, counties, states and regions each may have a part in the recovery process. Since this varies so drastically from region to region, it is incumbent upon the committee chairperson or their delegate to investigate the policy in their respective district. Gaining access to your facility can be delayed drastically without the proper identification or credentials. By taking these steps in advance, your professional, yet personal relationship with these agencies may expedite your recovery process.

If you are dealing with a city or municipality, you should know whether it is the Mayor's office, the police department, the fire marshal or other emergency agency that is the primary contact. If damage is widespread enough to default to county agencies, will it be the sheriff's department or other civil defense organizations? As the area expands to the state level, the Department of Public Service, the governor and even the National Guard may play a part.

In severely affected regions it is probable that federal government agencies will be in control, such as the Federal Emergency Management Agency (FEMA). When losses involve suspected foul-play such as arson or explosives, the Federal Bureau of Investigation (FBI) and its special arm, the Bureau of Alcohol, Tobacco and Firearms (ATF), will be the controlling authority.

The lesson to be learned from these issues is that when an emergency situation arises or is declared many of the variables involved may be beyond your control. By taking the time to determine who the likely participants will be in that time of crisis can drastically accelerate your access and thus your recovery process.

## **Capital Asset Inventory**

In the perfect world, you already have access to a list describing in detail each piece of equipment and machinery. In the real world, it is more plausible that such an inventory will need to be constructed. When assembling the inventory, the item should be identified by type, manufacturer, age, original cost including freight, installation, peripherals and modifications. It is not necessary to utilize a third-party vendor to complete a formal list and appraisal; it can be accomplished using internal resources. Often omitted from these inventories are those items which were purchased as general expenses rather than capitalized or whose book value has been amortized and is no longer on the ledger. These items still have value to organizations and to the claims and therefore must be included in the inventory process. The inventory should be updated periodically (at least annually) and recorded via photograph or videotape. All inventory records should be duplicated, and the second set should be kept in a fire-resistant storage facility off campus.

## **Vital Records**

Again, in a perfect world, all vital records and documents would be duplicated and stored safely off-site while computer files would be "backed-up" every day. In the real world, documents are kept on-site and exposed to potential peril, while computer files may go weeks before being stored properly. Problems can and will result if the information on these records must be recreated without an appraisal, inventory or ledger. As a general rule, records managers are some of the most informed and proactive individuals in terms of preparing a contingency plan. As a group they tend to see the value in taking the necessary steps as well as the potential cause and effect of disaster scenarios.

It is estimated that between 5% - 7% exist in its original form. It is important as the process is taking shape to define what really is considered vital to your organization's recovery process. Determining factors include federal mandate, business needs and customer demands. In many cases the duplicate may be satisfactory, but some issues require the original document because it is not only the information on the record, but the condition of the information itself.

## **Business Impact Analysis**

Working in conjunction with the accounting department, the Business Impact Analysis (BIA) is performed to determine the "real dollar" value of the business or section of the business being out of commission. A function of the BIA is to establish a timeframe for business resumption, which will establish the time line, needed to return the facility to pre-loss condition or the need to use a temporary location. A BIA must consider the interdisciplinary factors of the various departments and establish priorities based on their impact to the business.

## **Hazard Analysis**

Members of the planning committee will be responsible for gathering data necessary to prepare a claim. While the assumption is that they will represent all departments, we cannot assume that they know their responsibilities nor would we assume they are familiar with the sense of urgency required. Once they have been identified, you must give them the appropriate training on the issues related to the tasks they will be assigned.

One such task is the *Hazard Analysis* or Risk Analysis. Team members should envision prospective loss scenarios. An effective plan contains a Hazard Analysis that includes a range of possible disasters. And whether they represent natural, technical or human threats. The functional area of the organization should be analyzed to determine the potential impact associated with each disaster scenario and any related "domino effect." Subjects that should be considered are: Financial Impacts and Exposures; Operations Impacts such as Customer Service, Reduced Quality, Loss of Competitive Advantage; Intangible Impacts such as Public Opinion, Employee Morale and Employee Confidence; Critical Business Functions; Requirements for Business Continuation; and Loss of Customers.

Certain perils are more likely to occur than others when factoring domiciled region, site location, building construction, type of operation, stored materials and other similar contributors. Although it would not be feasible to forecast every prospective loss, it is possible to establish several what-if scenarios.

When considering any *Business Continuation Strategies* it is important to look at all options. For example, will relocation be necessary? If so, are you better served to move to short term locations such as a hotel, the Chamber of Commerce, a customer or service provider facility? Or, are you best served to move to a location for an extended period while repairs are made? Is it possible to modify the current facility, perform a rapid reconstruction, utilize normal reconstruction or a combination of all three? Can the Integrated Systems function using an emergency generator or is a hot site required? Do they have the capability to run "mirrored systems"? Is there a "sister facility" within the organization, or does the company utilize the "cold site" principle? If by extension the warehouse/distribution center is affected, can your suppliers hold their deliveries? Can the transportation carrier

reroute deliveries to another facility or back-up site? What is required to keep the lines of communication open: radios, the phone company, cellular, satellite, and answering service? Should production equipment be affected, will you restore or replace? If replacement is selected, do the lead-time requirements of the new equipment force the need for restoring an item even if for short-term use? If restoration is selected, will the services be provided internally or externally by a professional restoration vendor? In order to maintain your employee base, how will payroll be produced? Will it be necessary to rerun a previous payroll? Can an outside vendor complete the task? Can a “sister” facility perform the duty or is another method necessary? While these are not the only areas of concern, they do provide a representative overview of potential situations to be encountered. The committee must use the Risk Analysis to establish priorities for the overall operation of the plan.

Plan for a potential loss by putting some forethought into loss scenarios before they occur. Many organizations have an established process with the above mentioned components in case of a real or threatened catastrophic event. Keep in mind that by envisioning these mock scenarios, it will make the claim settlement process easier, minimize business interruption, and help keep your customers.



# The Plan

## CLASS DESIGNATIONS

Upon notification that you have sustained a water damage claim you should have an internal checklist to determine how you are best served. Classifying how different situations would be handled could expedite the recovery process tremendously. Since there is likely to be a common point of contact internal to your organization, it would make sense for that individual to put the claim location through an interview process to reach the point of designation. ServiceMaster Clean designates losses as Class I, II, or III. It is this assessment that determines who is dispatched to the loss for inspection and or restoration services. While some flexibility is required, the following indicators reflect how each Class would be addressed.

**Class I** - those losses categorized as Class I can most likely be produced by the efforts of a single vendor.

**Class II** - a Class II designation requires the efforts of multiple vendors from a variety of task disciplines. While damage is probably light to moderate, there is likely to be enough volume that the resources of a single vendor business are exhausted. A visit to the loss site by a large-loss specialist such as ServiceMaster Clean is suggested

**Class III** - in cases where complexity of the loss and volume of damage are greater, there will be the need for specialty vendors. Class III losses will include not only the services provided by ServiceMaster Clean and franchise resources, but also the need for one specialty service. These services include, but are not limited to electronics, document freeze drying, building engineering or other specialization.

## LEVEL DESIGNATIONS

While similar standards will be used to identify fire damage losses, another term will be utilized. Fire damages will be designated LEVELS 1-4 based on the information gathered during the interview process by a primary contact person. Criteria used to establish LEVELS 1-5 are as follows:

**LEVEL 1** - are small losses in terms of square footage volume. LEVEL 1 losses have received light and varying degrees of soot and or smoke damage. Additionally, a LEVEL 1 fire loss will be free of complex services, such as HVAC, electronics, hazardous by-products, etc. LEVEL 1 restoration services can be adequately provided by the resources of a typical day operator or internally.

**LEVEL 2** – the degree of damage can range from light to moderate; however, due to the volume of area affected, larger operators or franchise resources will be required. Still free of complexities such as EDP, HVAC or Production equipment a LEVEL 2 fire loss may require dehumidification services if any significant water was introduced. While a LEVEL 2 loss may be effectively restored by the efforts of local operators, a site visit by a large-loss specialist may be considered. After the customer has consulted with a large-loss representatives, upper management would decide wheter to utilize the large-loss specialist or have an outside consultant oversee those efforts and provide a single point of contact for customer.

**LEVEL 3** – While local franchise representatives can provide some limited emergency services, a LEVEL 3 project will be served primarily by the resources of a large-loss specialist such as ServiceMaster Clean. Project duration of a LEVEL 3 fire loss will average 10 days to 2 weeks. As a matter of protocol a LEVEL 3 project should be inspected by a member of management and Site Health and Safety Plans will be required.

**LEVEL 4** – in addition to requiring the resources of ServiceMaster Clean and local franchises, a LEVEL 4 fire loss will call for additional assistance from Specialty Vendors. The complexity of a LEVEL 4 fire loss will necessitate longer project duration, multiple shifts or both. A LEVEL 4 project will require a larger volume of supplies and equipment than previously identified Levels. ServiceMaster Clean would mobilize virtually all warehouse resources up to and including semi tractor-trailers to provide adequate materials and secure storage. The project duration of a LEVEL 4 fire loss is anticipated to last 3-6 weeks.

### Write it down...

After the planning committee has performed the tasks associated with Risk Analysis and researched the various items associated with their department, the chairperson should provide a standard format that details all procedures included in the recovery plan. To ensure that the plan will be effective, the planner must educate and train the entire organization. A spectacular plan contained in an impressive presentation format will have absolutely zero impact if it is not shared with the people who need to know, the organizations employees.



18. If yes, please provide us with an overview of the type of equipment and its primary function: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19. Have these items been turned off and disconnected form the power source? Y  N

20. Have any preventative measures been taken to delay corrosion? Y  N

21. If so, what? \_\_\_\_\_

22. If yes, have they been turned off and disconnected from the power source? Y  N

23. Is space available to place electronic items in a controllable environment (i.e. moisture-free, air conditioned room)? Y  N

24. Has data been backed-up on disk? Y  N

25. Is there a computer room with special raised flooring? Y  N

26. Are any hazardous materials known to be present? Y  N

27. If so, what are they? \_\_\_\_\_

28. Was building constructed prior to 1980? Y  N

29. If so, is there documentation to confirm the building is free of Asbestos? Y  N

30. Is the building currently occupied? Y  N

# Fire Damage Questionnaire

1. Approximately how much area is affected? (in square feet)  
 1 - 50,000       50,001 - 100K       101K - 200K  
 201K - 500K       501K - 1M       >1M
2. What was consumed in the fire?  
 Plastic/Petroleum       Paper/Wood       Protein
3. What was used to extinguish the fire?  
 Water       Powder       Foam       Combination
4. Was the HVAC system on and working at the time of the disaster?      Y       N
5. Is the building considered structurally safe?      Y       N
6. Is the building secure? (access & inclement weather)      Y       N
7. Are all utilities available?      Y       N
8. What is the primary function of the facility? \_\_\_\_\_
9. On a scale of 1-10 (light to heavy), how would you rate the level of smoke and soot on horizontal and vertical surfaces? \_\_\_\_\_
10. Were vital documents contaminated?      Y       N
11. Was production equipment exposed to soot fallout?      Y       N
12. Have the occupants returned to their workstations?      Y       N
13. Was retail product or stock affected?      Y       N
14. On a scale of 1-4 (4 being the most dense), how densely populated is the structure with contents? \_\_\_\_\_
15. What is the realistic time frame in which the customer must return to operation? \_\_\_\_\_
16. Have the appropriate decision-makers been contacted?      Y       N
17. Was anyone injured at the site?      Y       N

18. Have investigating officials given clearance to begin restoration procedures?

Y  N

19. Are union employees or prevailing wages required?

Y  N

20. Are any hazardous materials present?

Y  N



## And so it begins....

### Activate Notification Protocols

Contact the appropriate local emergency agency, such as the police or fire department. Assuming that they have completed their task or you have moved to a safe location, contact:

- *Insurance Carrier* – Via your risk management department, agent/broker or via special toll free number, report the claim to your insurance carrier.
- *Mitigate the Loss* - While it is an important step, simply calling your carrier does not eliminate your obligation to mitigate any further damage. Included in the language of virtually all insurance policies is a disclaimer holding the “insured” accountable for taking steps to mitigate the loss. (Ask your carrier to refer a Rapid Mitigation Company if you are not able to perform task)
- *Communications* – In addition to those who are part of the recovery process, it will be necessary to inform staff members who will be charged with internal communication to staff members, suppliers and other vendors. It may also be necessary to have a “statement” ready for media purposes. Should your organization have a high profile in the community it is best to prepare remarks proactively and appoint a single point of contact for that role. Team members who potentially may receive such inquiries from outside the organization should be trained on the do’s and don’ts as well as where to direct such calls.
- *Damage Assessment* – The recovery team should begin the task of damage assessment as soon as reasonably possible upon receiving authorization to return to the facility. This time should be used to gather information on the claim including photo documentation. Priorities should focus on documentation of loss.
- *Restore Fire Protection* – In order to reoccupy a facility following an emergency activation, the fire protection/suppression system must be operable or adequate alternatives established. Examples include replacing sprinkler heads, recharging the sprinkler system, recharging fire extinguishers, repairing broken lines, etc. but there must be a protection system in service.
- *Preventative Maintenance* – Once there is no danger associated with the affects of the loss, begin the process of protecting property and equipment. Depending on the amount of property and the degree of damage, it may be necessary to preserve affected surfaces until such time as full-scale repair effects can begin.
- *Start the Reclamation Process* – Whether internally or using outside resources begin the cleaning and restoration process as soon as possible. It is usually wise to segregate items into salvageable and unsalvageable categories. If you are unsure a Restoration Company will assist with this process. Special care should be paid to items prone to further damage such as metal, paper, etc. Exposure to water or soot by-products can cause irreparable damage if not addressed in a timely fashion. If any significant water was introduced into the environment, it may be necessary to install dehumidification equipment to stabilize the ambient air.

- *Keep Tabs on Costs* - It is important to you and your insurance carrier that people in the organization track the costs associated with the claim process. In the chaos that can follow catastrophic events, it is easy to forget or omit costs associated with expenditures resulting from insurance claims. Establish special work or purchase orders, tracking numbers, or accounting procedures that readily identify and capture expenses directly related to the claim.
- *Enact Temporary Repairs* – As an extension of mitigating the loss, temporary repairs should be performed if common sense or logistics require them to save, protect or preserve property or equipment. If possible communicate your needs to claims personnel and document your efforts in whatever manner possible.
- *Complete Final Repairs or Replacement* – Once all parties have agreed on the scope of services required to return to pre-loss condition and funds have been authorized, finalize repairs or if necessary replace “totaled” items.
- *Return to Normal Operations* – As time permits and assuming all restoration and repairs have been complete, you will return to normal operations. This may be a gradual transition, but eventually everything will be as it was. The more seamless this appears, the less likely for long-term side effects.

### **All Good Things Must End....(After the loss)**

Inspect the property, both structural and content. Once the recovery process is complete, it is time to prepare for potential future contingencies. Since a loss has occurred, some or all of the information contained in your plan may be obsolete. Subtle changes may be required or a complete overhaul of your plan may be required depending on the severity of damage experienced. While the data is fresh, inspect the property and document, photograph or video the results and incorporate them into the “new” recovery plan. Communicate the results of the inspection to other members of the committee.

### **Practice, Practice, Practice....**

After having constructed a plan, the most effective way to share the vision with others, as well as make adjustments, is to exercise the plan. A scheduled practice run gives all parties or departments the opportunity to see action steps that work, those that don’t, and those that require some tweaking.

### **It’s not really over....**

Implementing the plan is not the end. It will be necessary to perform plan maintenance on a continual basis. As a rule of thumb, the plan should be reviewed on a bi-annual basis and revised annually. This annual revision is required to account for updates in information and strategies, changes in notification lists and team membership, changes due to advances/obsolescence in Integrated Systems technology, changes in service providers, changes in production equipment and even business priorities.

## USING A RESTORATION SERVICE

### Choosing a Service

Unless one is a professional in the insurance claims business or involved with risk management, chances are they are not familiar with an autonomous industry: restoration. As applied to the context of this article, Restoration refers to returning property damaged by catastrophic events such as fire, water and smoke to pre-damaged condition. Restoration is the chosen vernacular because the term “cleaning” does not accurately reflect steps required to accomplish the objective - pre-loss condition.

### How to Choose

There are two primary methods of identifying a restoration vendor. First, and most common, is to seek their services in the aftermath of a disaster. This method is used most often because, as alluded to earlier, the customer is not aware that such services exist. Therefore, they give it no forethought. Thus, disaster victims find themselves facing a myriad of decisions when hours count and delays can have a greater effect. As the property owner, the disaster victim is ultimately responsible for choosing the restoration vendor. If no research has gone into proactively identifying a vendor, the disaster victim typically relies on the advice of the insurance company’s claims representative. In doing so, several vendors may be contacted and asked to submit bids (scopes of service). From these bids, decisions are usually made based on economic criteria. The reader should be advised to compare the submitted estimates closely. As a rule of thumb, if the scopes submitted are the same, the cost should be very similar as well. A distorted range of prices usually is an indicator that either the vendors differ in their opinion of the degree of damage, or one of the estimators has made a calculation error. The second method of securing a restoration vendor is “pre-selection.” Having a member of your organization proactively seek out a restoration vendor is highly recommended in disaster planning. Historically, this step is commonly overlooked when the planning committee develops a business recovery plan. Proactively selecting a restoration vendor prior to a loss can have a dramatic effect on the recovery time as restoration services can begin immediately.

### Service Relationships

It is important to re-emphasize a couple of issues. As the property owner, you are responsible for selecting the vendors who will provide the service. While the claims representative is an interested third party, for legal reasons, the agreement must be between the property owner and the service provider. Therefore, the restoration vendor will initiate an agreement and expect the designated representative of your vendor to sign it, authorizing the vendor to proceed. This agreement is a contract, a covenant if you will, between two parties agreeing to meet their respective obligations. The restoration vendor should state in writing, the services they will provide, how they will perform the tasks, how long it will take and how much it will cost. In return, you agree to compensate them for services rendered. Ultimately, the vendor is accountable to the customer, the disaster victim, and must follow their direction and submit all reports to them. It is logical to allow

communications between the vendor and the insurance company's claims representative and promote trilateral communication during the process to keep all parties informed. If damage is such that it will require long-term restoration efforts, it is not uncommon for the restoration company to request "progress payments." Each company has their own policies and procedures regarding this matter, and it should be addressed at the beginning of the recovery process.

## Service Capability Differences

As with all industries, there are vendors with varying capabilities and resources. For those involved with contingency planning, it is more than likely your interest will lie with a company that can provide services on both small and large scales in conjunction with a wide service area. When putting together a recovery plan, the contingency planner must consider a "worst case" scenario. If a commercial facility is affected, does the vendor being considered have the resources to address the building and all of the contents involved should full-scale contamination occur? Most vendors are staffed and prepared to meet a certain volume of production in a short period of time. In cases where damage is so severe, or the volume of work that must be produced in a short period of time exceeds vendor resources, a restoration vendor who specializes in large-scale commercial services is the better choice. By comparison, commercial disaster victims historically present different challenges than those encountered in residential cases. For example, electronics and automated production equipment present different recovery needs and technology than typically found in a home. Therefore, the ideal restoration vendor has the capability to adapt their service to the needs of the client. The ability to complete a large volume of work in a short period of time is important to the disaster victim as well as the interested third party claims personnel. In choosing the vendor, it is also important to consider their objectives and integrity. A vendor who is willing to inform all parties of the situation as it truly is, rather than pacify with "things you want to hear" is an invaluable asset to the recovery process.

## Steps in Dealing with a Restoration Vendor

You will want to select a vendor whom you can trust, who provides quality service, who provides value and who can respond to your needs. Here are some guidelines to accomplish the task.

- Select the type of vendor that suits your organization. If your vendor is domiciled in one location, a "local" vendor may meet your criteria. However, if you have multiple properties in various locations across the country, you will probably be best served to utilize a national vendor who has the resources to meet that obligation.
- Decision Factors. You will want to select a restoration vendor who, not only has the staff and equipment, but also the technical experience necessary to meet the production needs. Restoration knowledge is a given, but seek to determine if they have the experience necessary to deal with a commercial loss that may be large enough to equal a restoration vendor's annual production. The differences between a residential loss and large commercial loss cannot be capsulated in the space available here. Needless to say experience in that arena is a necessity. In addition to quick response, offered twenty-four hours a day, look for a vendor that values its personnel (and yours) enough to have a written health and safety plan.

Since the likelihood exists that the project could be extensive, it is necessary to determine whether or not the restoration vendor has the financial ability to fund the project and adequate staff members to accomplish the feat. You should determine if the vendor has a “pre-registration” program that makes you a priority should a regional disaster cause wide spread damage.

- **Expectations.** In cases involving large-scale damage, it could conceivably take longer to provide a unit cost estimate than to complete the task. For this reason be prepared to encounter Time and Material contracts. This method allows for a prompt estimate with much paperwork to follow. Items you can expect the vendor to inquire about include: the type of facility affected, the size of the facility measured in square footage, number of floors or cubic feet, severity of damage, source of damage, and finally, how quickly do you want the task completed. Since the vendor has risks as well, be prepared to answer questions about the profile of the building to include any previous maintenance, asbestos, hazardous materials, physical hazards or any known concerns.
- **Things you should know.** In addition to references, it is logical for you to want to know some basic information about the restoration vendor. Look closely at the references provided and try to ascertain if they include customers with similar profiles to yours. The experience of the company is important, but also inquire about the experience of the individual performing the assessment. Pertinent information should include response time, any service guarantees and the scope of services offered.
- **Final Step.** Use the opportunity to pre-select a potential vendor proactively, rather than reactively. When disaster strikes, you will face numerous difficult management decisions. By taking the necessary steps to select the vendor now, the vendor is able to gather information about your facilities that will allow them to respond to the specific needs of your situation with a sign of urgency. Ultimately, it will avoid costly delays associated with post-disaster decision-making. Think of it as adding a virtual team of restoration professionals to your staff, without the added overhead.



# Planning Checklist

	Date	Delegated to
Obtained Executive Support	_____	_____
Planning Committee Assembled	_____	_____
Obtained Executive Support	_____	_____
Planning Committee Assembled	_____	_____
Insurance Policy Review	_____	_____
Regulating Authority Contacted		
Municipal	_____	_____
County	_____	_____
State	_____	_____
Federal	_____	_____
Capital Asset Inventory	_____	_____
Vital Records Established	_____	_____
Business Impact Analysis	_____	_____
Hazard Analysis	_____	_____
Loss Classification Established	_____	_____
Plan Written	_____	_____
Practiced	_____	_____
Maintained	_____	_____

# Claims Checklist

## Enact Notification Procedures

	Date	Delegated to
Executives	_____	_____
Insurance Carrier/Agent/Broker	_____	_____
Recovery Team	_____	_____

## Important Information

Name and physical address	_____	_____
Loss Site	_____	_____
Date Of Loss	_____	_____
Loss Type (fire, water, etc.)	_____	_____
Property Involved	_____	_____
Degree of Damage	_____	_____
Contact Name	_____	_____
Phone/Fax Numbers	_____	_____

## Damage Mitigation

Restore Fire Suppression System	_____	_____
Preventative Measures	_____	_____
Temporary Repairs	_____	_____
Secure Vital Documents	_____	_____
Start Reclamation	_____	_____

## Claim Submission

Submit police or fire reports	_____	_____
Partial Payment/Emergency Funds	_____	_____
Submit Estimates	_____	_____
Submit Invoices	_____	_____
Submit Photo's/Video documentation	_____	_____
Capital Asset Inventory	_____	_____
Special Costs	_____	_____
Submit blueprints, drawings, etc.	_____	_____

# Potential Claims Items

Consult with your accountant regarding potential claim items. They may include the following:

Advertising

Bad debts

Bonuses

Claim preparation expense

Commissions

Consulting Fees

Corporate Charges

Depreciation

Discounts

Dues and subscriptions

Engineering services

Experimental expenses

General administration expenses

Insurance and benefit cost

Interest

Labor

Legal Fees

Licenses

Other Taxes

Overtime

Postage

Payroll Tax

Rent

Repairs/Maintenance

Sales Department

Supplies

Telephone

Tooling

Travel

Unemployment compensation

Utilities

Worker's Compensation

# Possible Extra Expenses

Additional Manufacturing Expense

Advertising

Bonuses

Build-out of Temporary Space

Engineering Service

Extra Labor

Overtime

Relocation Expenses

Security Service

Telecommunication Installation

Temporary Equipment Rental

Temporary Space Insurance

Temporary Space Rental

Transportation Expenses

Travel Allowances

Utilities (light, gas, water)

## Vendors

Vendor Type	Contractor/Vendor	Business Phone	After Hours Phone
Architect			
Carpenter			
Computer Service			
Data Recovery Service			
Electrician			
Disaster Restoration & Reconstruction Partner	<b>866 RECOVER</b>	<b>1-866-732-6837</b>	<b>1-866-732-6837</b>
Fork Lift Service/Rental			
Freight Service			
Freezer Space			
Hardware			
Janitorial Supplies			
Locksmith			
Pest Control			
Plumber			
Rental Space - Temporary			
Rental Space - Storage			
Rental Space - Work Overflow			
Specialty Item			
Telephone			
Truck, Refrigerated			

## Secondary Hazards that can be triggered by a Primary Hazard

<i>Primary (Triggering) Hazards</i>	Landslide	Tsunami	Flash flood	Slow-Rise Flood	Rural fire	Urban fire	Levee/Dam failure	Aircraft wreck	Train wreck	Shipwreck	Multi-vehicle wreck	Building collapse	Power failure	Gas failure	Water supply failure	Chemical spill	Nuclear spill	Oil spill	Air pollution	Water pollution
Earthquake	•	•				•	•		•		•	•	•	•	•	•	•	•		•
Landslide			•				•		•		•	•	•	•	•					
Tsunami							•					•								
Flood							•		•		•	•	•	•	•					
Storm	•		•	•			•	•		•			•							
Human Epidemic																				
Animal Epidemic																				
Plant Epidemic																				
Rural Fire																				
Urban Fire												•								
Levee/Dam Failure			•	•											•					•
Aircraft Wreck					•	•						•	•			•	•			
Train Wreck					•	•										•	•	•		•
Shipwreck																•	•	•		•
Multi-vehicle Wreck					•	•										•	•			
Building Collapse						•														
Power Failure					•	•														
Gas Failure					•	•														
Water Supply Failure																				
Chemical Spill					•	•													•	•
Nuclear Spill																			•	•
Oil Spill					•	•														•
Air Pollution																				
Civil Disturbance					•	•	•	•	•				•	•	•	•	•	•		•
Nuclear War					•	•	•					•	•	•	•	•	•	•	•	•







POWERED BY **SERVICEMASTER CLEAN**®

24/7 RAPID RESPONSE SERVICE: 1-866-732-6837