



Emergency/Disaster Management Planning Lessons Learned – Hurricane Katrina

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Purpose: This document is a compilation of various examples of lessons learned from Hurricane Katrina. These examples were shared by contractor and associate members of CFMA attending the joint Chapter Conference. The conference consisted of three presentations highlighting various aspects of emergency preparedness and disaster response for contractors. A stated purpose of the conference was to compile a listing of such lessons learned to share among the general membership of CFMA.

This compilation of lessons learned demonstrates the vital importance of proactively pre-planning necessary actions to ensure an orderly management of a crisis and to assist in resuming business operations. It is acknowledged that this compilation is not a complete listing of steps that are required or advisable to ensure business continuity.

Contents:

A. Internal Planning	2
B. External Planning	2
C. Internal Preparedness	3
D. Insurance & Risk Management	3
E. Information Technology Systems	4
F. Equipment and Supplies/Materials	4
G. Communication	4
H. Banking	5
I. Payroll Processing	6
J. Safety and Health	6
<u>K.</u> Significant Contributors	7

Note: This document is a listing of general and specific business and operational lessons learned shared by CFMA members for the benefit of other CFMA member companies. It does not constitute legal advice or warranty insurance coverage. It is acknowledged that not all lessons learned will be universally applicable to all business operations or geographic regions. There is no implied guarantee that these lessons learned will positively affect business continuity and disaster response.



A. Internal Planning:

1. Establish Emergency/Disaster Planning Team.
2. Conduct Vulnerability Assessment to determine major hazards and necessary preparedness plans. This will include a business impact analysis to prioritize planning and preparedness on those threats deemed to have highest probability with catastrophic impact on business.
3. Create written Emergency-Disaster Preparedness Plan that is available using memory sticks and/or the Internet.
4. Develop a timeline to outline when to activate emergency operations and implement on schedule. This will consist of 96-72-48-24-12 hour countdown milestones. (It is understood that the majority of scenarios will not afford 3-4 days lead time like a hurricane).
5. Designate Emergency/Disaster Coordinator and empower with authority and delegate responsibilities.
6. Determine likely locations to evacuate to where an Emergency Operations Center (EOC) can be established to keep your essential personnel together.

B. External Planning:

1. Request copies of emergency/disaster and business continuity plans from your key business partners (banker, internet service provider, accountant, insurance/surety agent, etc). Determine how an emergency they suffer will impact your business operations and ensure that all contact information is available.
2. Meet with US Postal Service and Express Delivery systems (e.g., UPS, FedEx, DHL, etc) to determine how emergencies/disasters will impact delivery. Determine primary and alternative lockbox strategies prior to disaster.
3. Establish contacts and agree upon terms and conditions for post-disaster contracts with local, state and federal governmental entities, if applicable.
4. Meet with local city/county (Parish) and/or regional Emergency Management Planning agency(ies) to evaluate emergency/disaster preparedness and recovery plan.
5. Pre-plan emergency operations including evacuation with local city/county (Parish) and/or regional public safety (police, fire and emergency medical services, including Med-Flight (Flight for Life).



C. Internal Preparedness:

1. Provide all employees with a company ID wallet card with pre-printed emergency contact information (e.g. website, 1-800 numbers) as well as verification for re-entry.
2. Maintain updated list of available office space and temporary housing in area(s) of likely evacuation and close to relocated operations. (Some temporary housing locations may allow for pets while others will prohibit.)
3. Procure extra laptop computers and two-way communication phones (e.g. Nextel, text or direct-connect ready) for emergency use. Investigate wireless ready phones with air cards.
4. Organize an evacuation kits (e.g. accounting, field, safety, etc.):
 - emergency plans
 - data recovery procedures
 - back-up data resources (including fobs with random number generation for gaining system access)
 - checks and invoices
 - check scanning hardware and software
 - laptop computers, etc.
 - current invoices
 - estimates, contracts, blueprints/plans
 - insurance policies
 - material/equipment contracts
5. Organize an inventory of non-perishables (water, food, blankets, flashlights, batteries, etc.) in the event that the evacuation is “shelter-in place” and you are not allowed to leave.
6. Conduct monthly tests of your Emergency/Disaster Plans.

D. Insurance & Risk Management:

1. Have your insurance policies with you as this constitutes a coverage contract. Request from your insurance carrier(s) that all policies be issued within “x” number of days after initially binding coverage and also following renewal.
2. Conduct a pre-renewal insurance coverage review with your broker/agent and insurance carrier(s):
 - a. Discuss the process for handling a disaster claim.
 - b. Ensure that the values for equipment and buildings in your insurance submission are currently valued.
 - c. Obtain examples of deductible calculation with a disaster impact.
 - d. Review impact of builders’ risk exposures and jobs potentially affected. Understand what each owner’s policy covers.
 - e. Does your policy cover increased costs?



- f. Run all possible scenarios for potential impact for business interruption/extra expense coverage.
- g. For small equipment, what is your piece limit and your aggregate?
- h. Does your policy for project trailers provide for actual cash value or replacement value?

E. Information Technology Systems:

1. Determine appropriate alternative power supply systems. Determine how long your system can be down and design a backup system to meet that requirement.
2. Establish redundant access data lines for each key facility/location.
3. Establish VPN/Web access and passwords for all key personnel.
4. Purchase document imaging (scanning) system and maintain scanned copies of critical documents, including contracts, invoices, etc.
5. Consider arranging for your backup enterprise system and data backup to be housed in a different state and/or region in case of widespread disaster.
6. Conduct test by logging into your backup electronic system and generating at least one test transaction.

F. Equipment and Supplies/Materials:

1. Pre-negotiate equipment/supply provision agreements (contracts) for critical supplies ("x" number within "y" specified timeframe at "z" unit cost).
2. Determine legal storage method of diesel fuel for expected multiple days of emergency use for generators, trucks and equipment.
3. Move all equipment to "high ground" or safe zone.
4. Disburse equipment to multiple locations, if possible, to segregate risk to minimize concentrations.
5. Rent equipment and job site trailers with insurance, if possible. If not, ensure rental contract values are consistent with insurance policy.
6. Terminate rental and return rented equipment if advance notice exists before emergency/disaster strikes.

G. Communication:

1. Compile telephone tree of key internal employees and external business partners:



- a. Maintain updated master listing of all personal email addresses and personal cell phone numbers for employees, suppliers/vendors and key business partners. Be prepared to send email blasts on status, pre- and post-notifications.
 - b. Obtain a phone number and mailing address from each employee and key business partners of a relative who will be able to contact them and/or receive mail for them during a time of evacuation.
 - c. Obtain a likely evacuation destination from each employee and for key business partners. This should include the likely city and state, as well as the name and contact information for the likely host.
 - d. External contacts should include: banker, surety, insurance agent, accountant and key vendors.
2. Purchase only cell phones equipped with text messaging capabilities and/or direct connect capabilities.
 3. Provide lessons in how to use text message in case land and cell services are disrupted.
 4. Have additional phones and/or satellite phone units available for emergency use.
 5. Establish call forwarding capability and establish procedure for activating call forwarding protocol. This must be completed before switching stations lose power or are knocked out of service. (Bell South reportedly provides this service.)
 6. Consider purchasing alternative telephone systems:
 - a. Voice Over Internet Phone (VOIP) service for key locations. This is not fool-proof as this service will only work when the internet is functional. This requires a base desk phone station to be carried to be taken in an evacuation to allow access.
 - b. Satellite telephone service for essential personnel or at key locations. This is not fool-proof as the best service may occur between satellite transmitter to satellite receiver.
 7. Establish method for communication with employees, vendors and suppliers (dial-in number vs. website access).
 - a. location of relocated company offices
 - b. location for employee reporting
 - c. how to receive or verify payroll
 - d. how to access benefits information
 8. Schedule regularly scheduled conference calls for staff to phone in every 24 hours. This will force contact and allow you to determine status and location of your employees and monitor their emotional state for working.

H. Banking:

1. Convert as many paper transactions as you can to electronic transactions.



2. Review account information and account structures for all bank accounts, and verify authorized signers, security administrators, user id #'s and entitlements for accuracy.
3. Determine if your bank/banks offer ACH blocking capability/service. If not, institute a positive pay system to regularly audit transactions for exceptions to approvals transactions.
4. Know your bankers' client services department to contact bank from another branch location in another state/region to keep cash flow moving.
5. Evaluate if a web-based payment system to pay bills and/or receive payment for services rendered is warranted. This also allows people to make donations to your organization for your employees.

I. Payroll Processing:

1. Take steps to ensure that you can pay your employees as quickly as possible in the event of an emergency or disaster. This is a retention strategy and designed to help maintain morale and create loyalty.
2. Identify company (competitor, vendor/supplier) with same software system to be able to run your payroll (e.g., Timberline).
 - a. Confirm enterprise payroll system can be accessed and run via the Web.
3. Educate employees on benefits of Electronic Fund Transfer (EFT) and wean the employees from paper paychecks to direct deposit or stored value card options.
 - a. Investigate ability in your state to make EFT/Direct Deposit a condition of employment. (Louisiana statutes allow for this and many contractors have implemented this policy.)
 - b. Stored value card is a better alternative than debit card program as there is less potential for fraud. Stored value card program is the best option for employees who do not have bank accounts (due to poor credit rating, history of non-payment or bankruptcy, etc).
 - c. Stored value cards can be programmed to allow use at ATM's, automatic credit card processing stations.
 - d. A benefit of the stored value card is that credit card transactions require telephone verification, which could be subject to blackout due to power outage or overloaded circuits.

J. Safety and Health:

1. Ensure that all personnel involved in emergency response support operations have all required vaccinations.
2. Stockpile emergency safety personal protective equipment and safety devices, including disposable clothing, replacement respirator cartridges, compressed breathing air, atmospheric monitors, etc.



3. Inventory if any internal staff are medically trained and maintain listing of capabilities for rendering first aid and emergency medical services.
4. Consider purchasing Automatic Electronic Defibrillators (AED's) and having available in centralized locations in case of emergency need in the field or office locations.
5. Establish requirements maintaining large volume first aid kits and maintain supplies to replenish.
6. Consult with appropriate medical personnel to determine the need for maintaining over-the-counter medications for allergic reactions and/or to treat insect and snakebites.
7. Maintain folder of toolbox talks regarding safety and health precautions for typical, expected recovery operations.
8. Maintain stockpiles of utility safety supplies, such as flashlights (and replacement batteries), spray paint, caution/warning tape rolls, duct tape, rope, knives, etc.

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