



INTEGRAL CONSULTANTS

for Buildings & Business

NEWSLETTER for JULY, 2007

SYSTEM vs COMPONENT vs UNIT PRICING

Especially when reading or listening verbally to an engineer's report of damage interpretation is everything, so be careful of what you end up requesting. The more people involved in determining damage and pricing the restoration, the more confusing it can become and it will complicate end results, so it is important for everyone to get on the same page including the engineer.

With an insured, a restoration contractor, and a sub trade involved along with the adjuster that is 5 different interpretations of what has to be performed to repair damage. So let's look at recent loss where we had all these 8 elements involved and that is.

System ~ Component ~ Unit
Engineer ~ Adjuster ~ Restoration Contractor ~ Sub Trade ~ Insured

Now let's throw another element into the equation - obsolescence.

So now for a scenario that we have been involved in recently, a large windstorm passed through the city damaging structures and landscapes by blowing off siding, roofing materials, falling trees, etc. The wind blew off a major section of a roof of an industrial building housing several businesses exposing the steel decking and the insulation in a large area. It was strong enough to rattle the flashing and capping to a degree that it was loosened enough that it had to be refastened in areas. The roof is a flat roof with a small parapet for an edge around the perimeter of it.

A restoration contractor was called to secure the building and perform emergency service which they did to the best of their ability as it is extremely difficult to tarp and secure a large flat roof until a temporary patch could be applied. Finding a roofer to do the temporary patch and repair the damage after would have been a hard task because of the amount of damage that had occurred during this storm. There were so many locations around the area to mop and dash just to provide temporary patch.

Looking at this loss from another angle is the adjuster, he knew there was roof damage but to what extent he did not know so being a diligent adjuster, he called in a roofing engineer asking the engineer to inspect the damaged roof and report on its' condition which the engineer did.

Engineering reports are not the fastest thing to get back in situations like this so a verbal report is necessary to a degree. However with that said, definition usually gets lost in the transfer of information from one person to another and when it comes repair time, what the engineer suggests does not always get completed.

In this particular case, the term “repair the roof” was probably tossed around again and again. It is such a general term to use for this type of roof “repair the roof” meant something different to each individual. Here is how we saw it;

- To the insured, the entire roof
- To the engineer, the roofs covers, the insulation, and check the structure including the debris field
- To the restoration contractor, only the damaged section of the roof cover, the insulation, and the structure
- To the sub-contractor (roofer), the damaged insulation as necessary, and the damaged roof cover along with flashing and capping
- To the adjuster, putting the roof back in the same shape it was prior to the loss

Yes, for those reading this article the debris field would only be a concern of the engineer because it would normally be overlooked by the other parties unless there was actual physical surface damage that could be seen by the eye. In most cases where on a flat roof the cover is lifted off insulation exposing the insulation and allowing wind to get under the insulation and the cover rippling it like a blanket on a bed, especially if the original installation is minimum code requirements or the original installation had short cuts taken to save money.

A flat roof **SYSTEM** consists of the following:

<u>COMPONENTS</u>	<u>UNITS</u>	<u>UNITS</u>
	<u>Tar & Gravel Cover</u>	<u>Hot Mop Cover</u>
ROOF COVER	Cap Flashings Gravel Cover Hot Asphalt Cap Ply Hot Asphalt (up to 4 plies) Base Ply (up to 4 plies) B - Vents Flashings Plumbing Jack Flashings Drains	Cap Flashings Cap Sheet Hot Asphalt (up to 3 plies) Base Ply (up to 3 plies) B - Vents Flashings Plumbing Jacks Flashings Drains Hot Asphalt Fiberboard

	Hot Asphalt Fiberboard	
INSULATION	Fastening Devises Fiberboard Insulation Board Sealant	Fastening Devises Fiberboard Insulation Board Sealant
STRUCTURE	Steel Deck Steel Web Joists	Steel Deck Steel Web Joists

Tar and gravel roofs are now becoming obsolete with the newer hot mop method much more efficient, less weight and more economical to install the repairs were completed using hot mop rather than tar and gravel.

The replaced section of roof cover was hot mop up to the tar and gravel, the insulation component was repaired as necessary, and there was virtually no damage to the structure.

So what's our point to this article? Simply that the restoration of this process took a lot longer than it should have because of misinterpretation of what was required and it got temporarily derailed which resulted in more money being spent on this process that was necessary.

Whose fault is it? No one party can be blamed, as everyone thought they were doing what was required of them to complete the restoration.

What's the solution to stop claims of this nature from spirally out of control? Simple. Appoint a loss consultant to act as an auditor for an active file. In this case the adjuster saw the claim starting to go in the wrong direction and was proactive by appointing an independent consultant who had no vested interest in the loss to oversee the process.

The fee to the consultant of this nature resulted in a fraction of the cost of the total roof repairs overall.

CLAIMS AUDIT SERVICES - ACTIVE FILE REVIEW FORMAT

Our Active Claims Audit File Review Format is designed to control and audit a loss from the first report to the final turn key completion of the property. It will oversee the recovery of the property from the emergency service stage and will continue throughout as the rebuilding process continues. It will include for both the building

and the occupancy design fixtures a loss appraisal report, and a damage assessment report.

Site inspections are conducted at crucial stages in conjunction with the restoration contractor:

- emergency service
- demolition
- permit application
- site work
- concrete & masonry work
- metal work
- framing enclosure
- exterior doors and windows
- building envelope
- exterior finishes
- rough in electrical, plumbing, ventilation, and heating services
- insulation & drywall
- interior millwork
- floor coverings
- electrical and plumbing fixtures, heating and/or air conditioning plant
- interior and exterior decorating
- specialty construction
- punch list

We will complete a progressive job costing of costs for material, equipment rental, and labour charges at different intervals where the restoration contractor will require completion draws.

By being involved from day one, we can complete a standard deficiency inspection that is a visual assessment of the condition of the building at the time of inspection. The inspection and inspection report are offered as an opinion only, although every reasonable effort is made to discover and correctly interpret indications of previous or ongoing defects that may be present. Normal wear and tear is conducive with age and type of occupancy, which may or may not become an issue in the cost to restore.

A visual inspection may not determine the extent of damage and an exploratory inspection may be required. This is a standard deficiency inspection that can be described as an exploratory, visual examination and that may or may not be technically exhaustive. This means we may have to dismantle or damage any part of the property or building components in order to collect data or make observations. This type of inspection will allow us to be able to make topical observations, however other specialist may be required such as specialized engineers. It is to be expected that this type of building inspection will generate the comprehensive, thorough analysis that examination by a specialist or engineer can offer in order to write a detailed accurate scope of damage.

Also often overlooked, after a loss has occurred is who manages the restoration site? This can be a more critical decision than who does the restoration work.

Outside influences such as government bodies can directly impact how the restoration process is going to take place. If the insured is not confident that the restoration contractor can effectively manage this, an experienced claims auditor has the experience to negotiate terms to a successful solution. Sometimes referred to as restoration management services our service incorporates into the equation design services, budget auditing and problem solving.

We have many years of experience keeping a project on course. As a restoration manager we can speak the language of all parties, and can effectively communicate directions and concerns to the trades.

As an active claims auditor we provide a site management service to protect the integrity of the loss and the restoration cost. Change orders should be issued by a claims auditor and not at the request of the contractor. It should always be the adjusters, or the insured's decision to make changes, and not the contractors.

As your claims auditor we will scope the damage, assess the conditions of the risk, estimate the cost or repair, provide a schedule of the work to be performed, provide all necessary loss reports and revisions, qualify the contractor and sub trades, and obtain WCB and CGL certifications, negotiate permits, attend all site meetings with engineers, inspectors, etc., site supervision, quality control inspections, etc., provide weekly status reports, until the completion certificate is signed and the deficiencies are corrected to the satisfaction of the insured.

In summary, we can:

- Keep the Project on Budget and Schedule
- Assist in qualifying all Trades who work on the Project
- Assist in locating Suppliers for Materials & Equipment
- Resolve on site situations and orchestrate decisions before they become problems
- Find resolvable solutions for concerns of Municipal and other Government Bodies
- Fast track the Restoration Process to reduce Business Interruption or Additional Living Expenses

This service would usually be considered for losses over \$ 250,000 in size.

To learn more about our services, our company, and our clientele please visit us on the web at our new and improved website - <http://www.integralconsultants.ca/>

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