

May 12, 2011

INSURANCE INFORMATION NOTICE 2011-10

SUBJECT: Claims and Remediation Procedures for Flood Damage

In anticipation of the rising flood waters and possible flood events due to the Mississippi River and other tributaries, ORM would like to advise all state agencies to follow your procurement guidelines for protecting your property from flood and any emergency repairs needed if flooding occurs. If your agency adheres to guidelines other than those posted with the Office of State Purchasing, please make sure ORM is sent copies of your procurement guidelines when presenting a claim.

All contents in basements or on floors that are below the lowest elevated floor should be considered for relocation to a higher floor or relocated away from the risk of flooding. Contents coverage is limited for items in basements and in areas below the lowest elevated floor. Necessary precautions must be taken to protect state property.

With flooding comes the need for remediation of water damage to buildings and contents. Remediation applies to water extraction and drying out. It does not include permanent repairs. During a period of emergency procurement, prices must be solicited from a minimum of three contractors. Documentation of these solicitations, such as, copies of e-mail and notes must be kept to show that competitive pricing was sought. Proper documentation must be provided by the contractor to support their invoices. The following must be considered when procuring remediation services:

- The remediation contractor must be licensed in the State of Louisiana.
- A detailed scope of work for each facility must be developed and included as part of the contract. The scope of work should identify the damage and the work necessary to remediate the facility. Photographs of damage must be taken.
- If additional damage is discovered beyond the scope of the initial contract, a change order should be prepared with supporting documentation to include a detailed analysis of the cost necessary to complete the work.
- An agency representative or their designee is responsible for supervision of the work being done by the contractor.
- ORM requires approval by the agency of all work performed prior to its consideration of an invoice for payment.
- Detailed billing from remediation contractors should be submitted on a weekly basis. Bills should not be allowed to lag behind the actual work performed.

In most instances, emergency water extraction should be concluded within 5 to 7 days after water has receded from the building. Reasonable, prudent judgment is critical in managing the remediation process and in minimizing further damage to state property.

Any permanent repairs necessitated by flood damage will be reviewed by ORM who will determine whether the contract for permanent repairs is to be handled by the effected agency or by the Division of Administration, Office of Facility Planning and Control.

Attached is a list of the ORM property claims personnel, their phone numbers and email addresses. Please contact any one on the list if you need assistance. ORM appreciates the opportunity to be of service to you and your agency.

ORM PROPERTY TEAM CONTACT INFORMATION

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