

Repair vs. Replacement

**How Your Facility Can Reduce Risk,
Save Time And Money By Learning The
Basics**

Introductions

Doug Renkosik, Moderator

Director, Operations and Maintenance



Jim O'Callaghan, Speaker

Managing Director, ACR, Inc.



**Bob Smolka, AMRT, CDS, FSRT, CMR,
Speaker**

Production Director, ACR, Inc.



Jim O'Callaghan

Managing Director, ACR, Inc.

Presenter

- 35+ years in restoration
- Industry subject matter expert
- Systems & Process
- Emergency Planning
- Healthcare Consulting
- 30 Years in the Education Sector



Bob Smolka, Production Manager, ACR, Inc.

Presenter

- 30+ years in restoration
- CMR, AMRT, CDS
- Certified Mold Remediation trainer for:
 - *CAMICB*
 - *IL Department of Insurance*
 - *SEIU Local 1*



Course Overview

- 3 keys to a successful restoration outcome
- Understand the “disrupters” in your facility and how they impact time, risk and cost
- Why having a risk management plan in place is vital
- What is operational continuity?
- 4 steps your restoration contractor should always follow
- 3 local case studies

Repair vs. Replacement

3 Keys to Success



RISK

You can AVOID, ACCEPT, MITIGATE or TRANSFER
Environment
Resources
People

Repair vs. Replacement

3 Keys to Success



COST

Exceed limits
Supplements
Business Interruption
Lost Revenue
Reserve

Repair vs. Replacement

3 Keys to Success



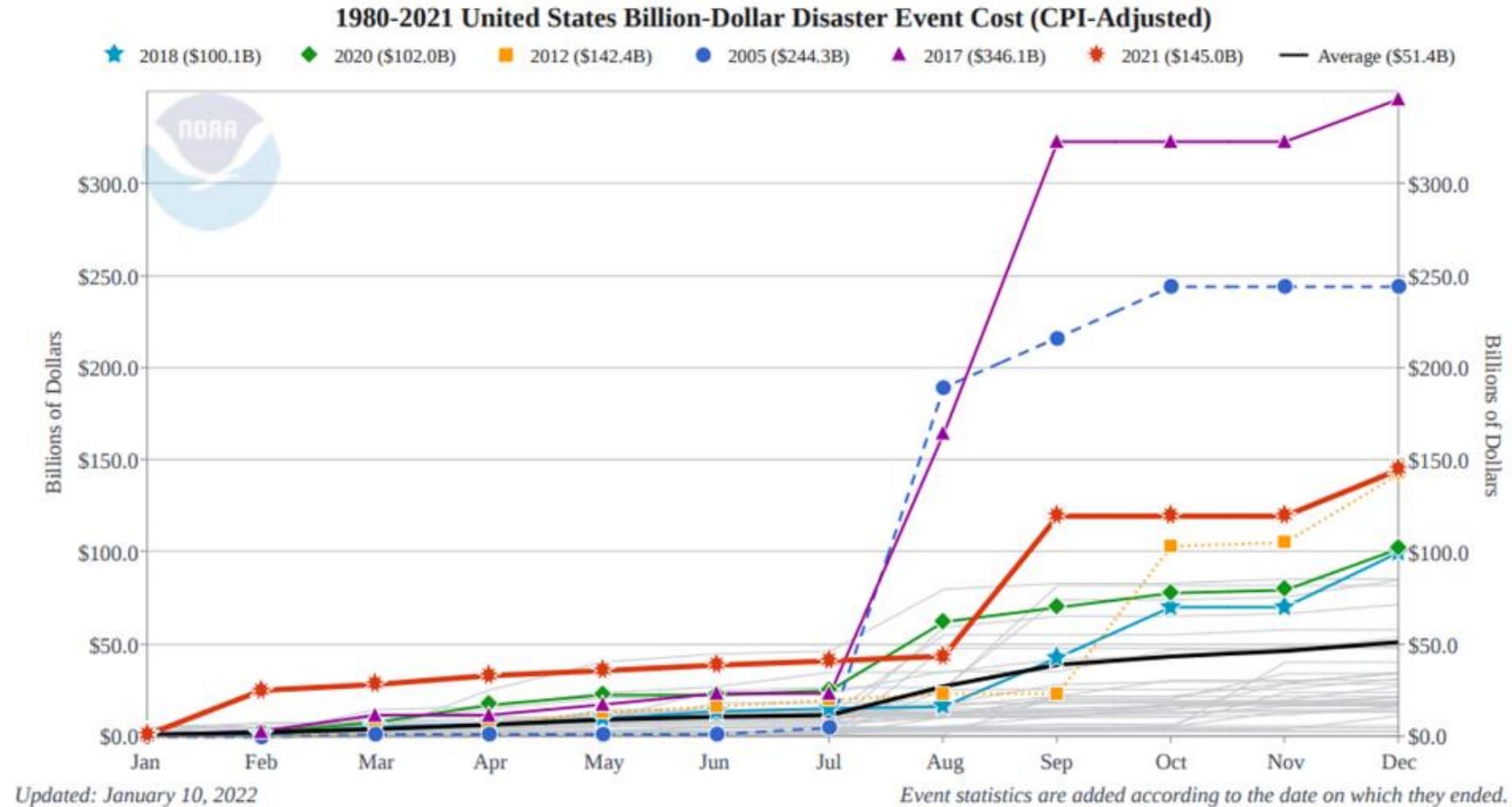
SPEED (or “TIME”)
Too Fast or Too Slow
Forward Acceleration
Timelines
Code Upgrades
Engineering Reports
Environmental

Navigating Facility Disrupters



Maintenance & custodial staffing issues
Winter freeze
Facilities reopening
Supply chain issues
Changing COVID-19 protocols
Water damage
Convective storms (thunderstorms)

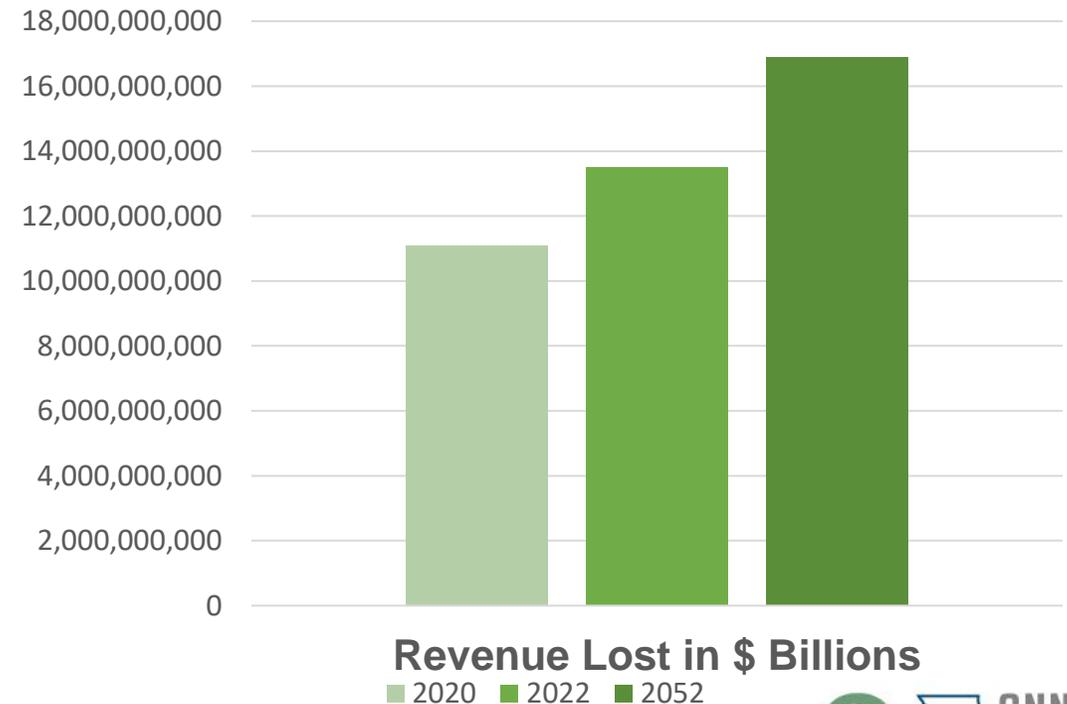
Emergencies By The Numbers



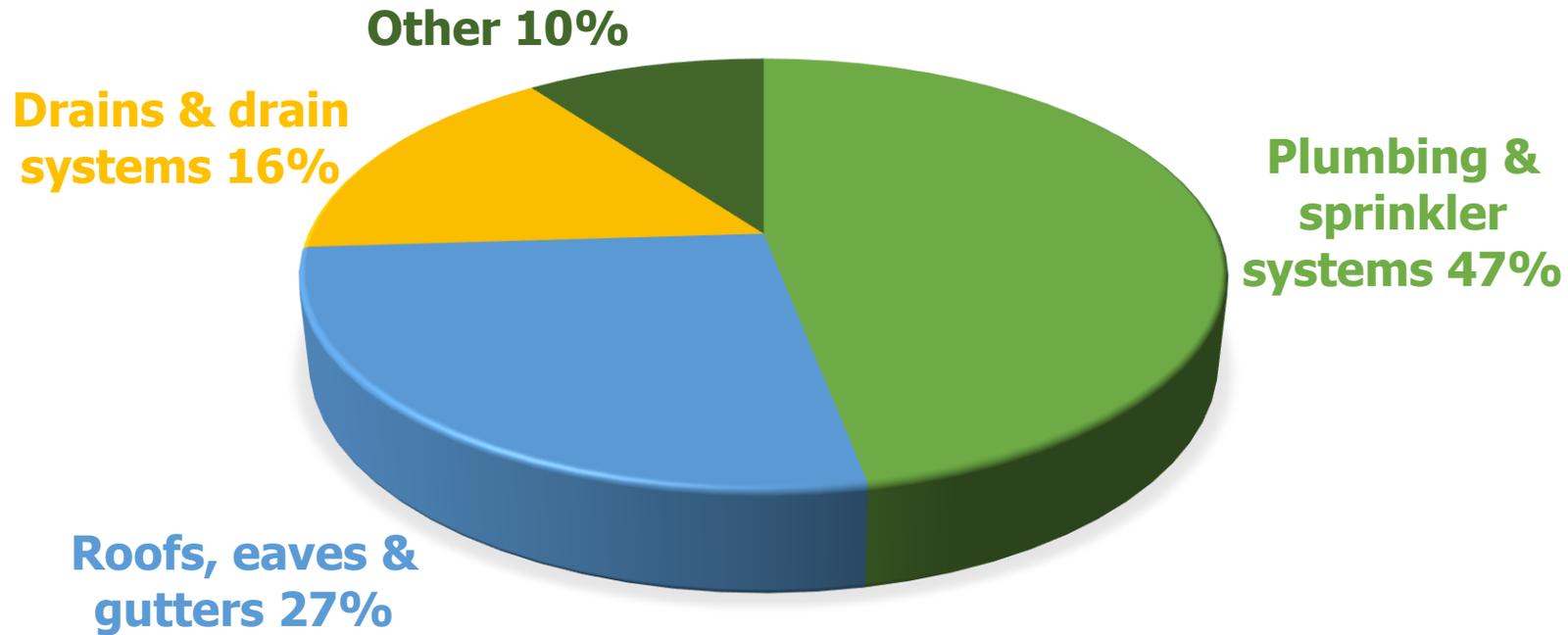
Commercial Insurance Claims & Lost Revenue

2020-2052 Projected

- 751,000 in 2020
- 769,000 projected in 2022
- 992,000 projected in 2052
- **29% Increase from 2022 to 2052**



2020 Commercial Property Insurance Report by Percentage Of Claims



Water is Often the Culprit



**“What if we don’t change anything at all ...
and something magical just happens.”**

“Water damage is one of the largest loss causes we deal with in the commercial insurance industry, yet only a small percentage of clients have a formal Water Damage Prevention Plan in place.” —

Patrick Daley, Head of Large Property with The Hartford

2022 Projected CHICAGO Area Commercial Claims Lost Revenue vs Lost Days



- 22,000 Water Claims
- \$448 Million lost revenue
- 88,660 Facility days lost

Operational Continuity

op·er·a·tion·al  *adjective* \-shnəl, -shə-n^əl\
: ready for use : able to be used
: of or relating to the operation of a business or machine

con·ti·nu·i·ty  *noun* \kən-tə-'nū-ə-tē, -nyū-\
: the quality of something that does not stop or change as time passes : a continuous quality
: something that is the same or similar in two or more things and provides a connection between them

Ability of the key operations of a firm to continue without stoppage, **irrespective** of the adverse circumstances or events.”

Maintaining Operational Continuity In The Restoration Phase **SAVES MONEY**



- Reducing operational expense and loss of use
- Concentrating on restoration vs. tear-out and replacement
- Driven by systems, process, planning



Preparation And Planning

Pre-select a mitigation vendor



The worst possible time to find a quality mitigation vendor is *during* an emergency.

- Assess experience
- Check credentials
- Upfront contract

Preparation And Planning

Assess your mitigation vendor and seek certifications that maximize results



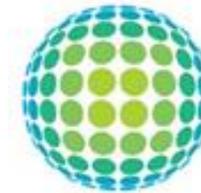
CR: RIA Certified Restorer

WLS: RIA Water Loss Specialist

MWR: IICRC Master Water Restorer

MSR: IICRC Master Fire & Smoke Restorer

ICRA: Certified Healthcare Remediator
Supervisor



IICRC
*Institute for Inspection, Cleaning
& Restoration Certification*



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STRONGER TOGETHER. SMARTER TOGETHER.

Preparation And Planning

Share the Risk

INTERNALLY

- Principal
- Superintendent
- Buildings & Grounds

EXTERNALLY

- Insurance carrier
- Suppliers & Vendors
- Restoration Contractor



Emergency Response and Mitigation



2022 ANNUAL
CONFERENCE

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Emergency Response and Mitigation

4 steps you and your contractor should take to save money

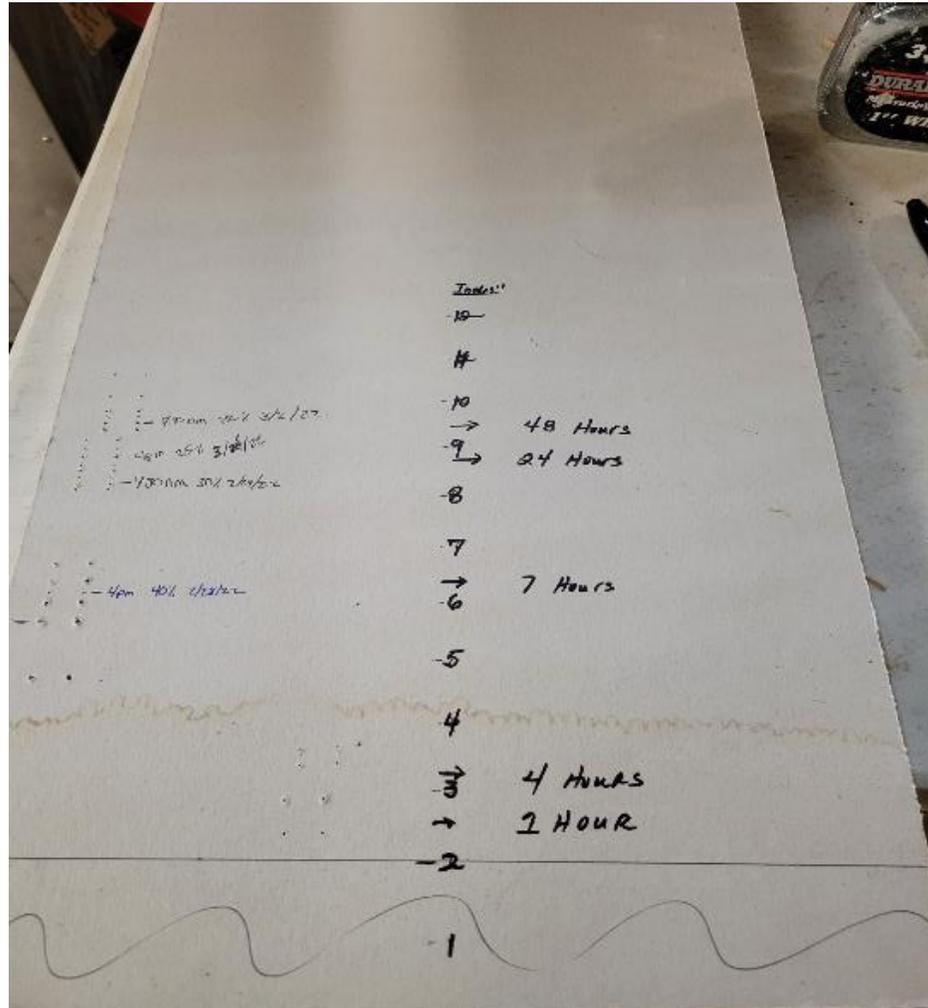
Assess

Communicate

Isolate

Mitigate

SHOW AND TELL #1



VS.



Case Study #1

Chicago Area Community College

February 2020

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The Event

- Toilet overflow on the 2nd floor
- Auditorium and 15 classrooms affected
- Double drywall
- Limited power on 2nd floor due to electrical panel underwater
- Discovered fungal issues unrelated to loss
- Many built-in cabinets adjacent to wet drywall; in some cases, cabinets obstructed the ability to use meters on walls



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The Outcome

- Able to save the drywall
- Base dried, removed and reused (School decided to replace)
- All cabinets were saved
- Used vents to create air movement to dry more quickly
- No long-term relocation due to reconstruction (students)
- **Job completed in 12 days**
- **Mitigation cost was \$38,907.68**

VS

Cost/time of replacement

Case Study #2
North Suburban Middle School
November 2021

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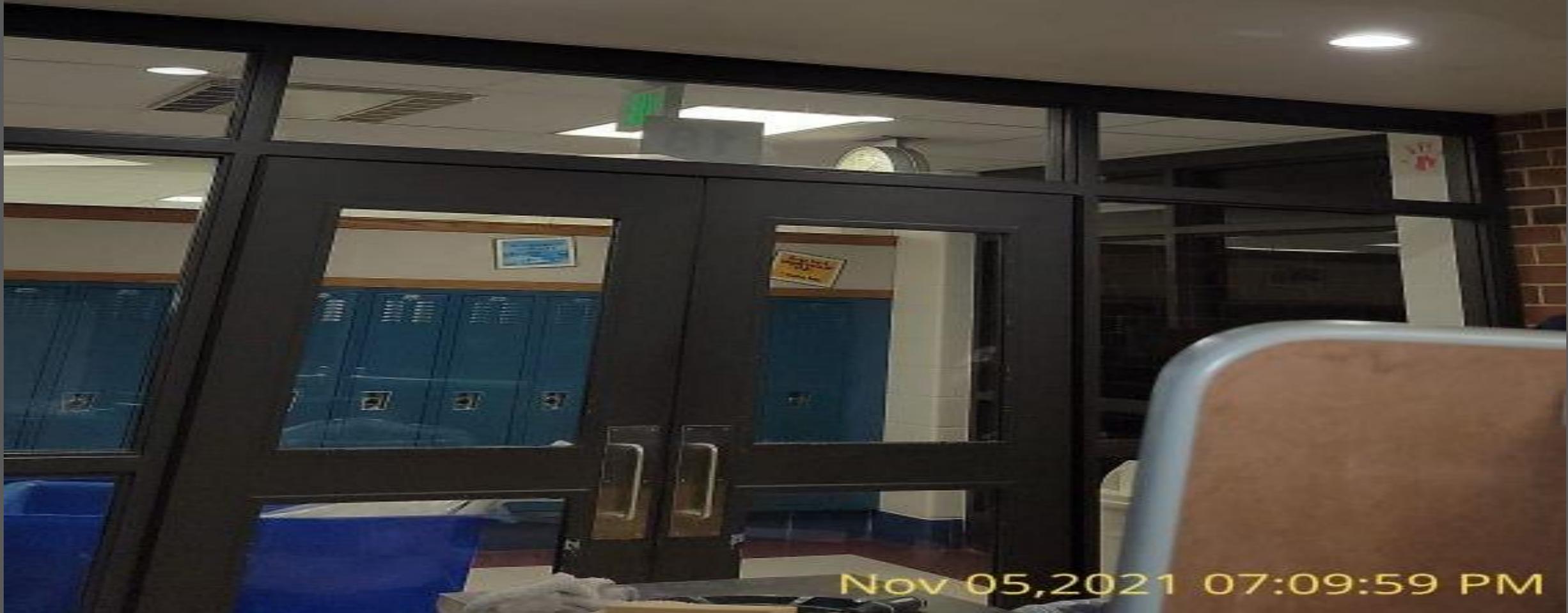
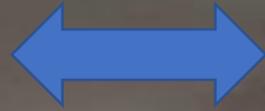


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The Event

- Received call at 2:00 AM
- Floor scrubber caught fire in vestibule, setting off sprinkler system.
- 1 hallway and 6 classrooms affected
- No soot found initially, odor and water in classrooms
- Students arriving to school within 5 hours of event





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The Outcome

- Performed work from 2:00 AM-7:00 AM and 6:00 PM-9:00 PM
- School staff began immediately extracting water
- Removed 2 layers of cove base
- Hepa Vac and sponge clean walls & windows in vestibule
- 1 day
- Zero disruption to students
- **Total cost \$9642.65 to mitigate**
- (\$11,570.38----ceiling tile, carpeting, toe kicks, etc.)

SHOW AND TELL #2



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Case Study #3

Northwest Suburban High School

November 2020

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The Event

- Gatorade poured onto gym floor
- Two small sections of floor were wet and cupped
- One section of floor was completely saturated affecting the floor and the plywood subflooring





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The Outcome

- Set pins within 24 hours on February 6
- Created containments to reduce drying area
- Used inject-a-dry system
- Added a heater ducted underneath floor
- Job completed on February 11
- **Floor saved for a cost of \$8491.83 vs \$75,000 + overall replacement time**
- Maintained operational continuity

Maintenance Considerations



- Freezing HVAC coils
- Frozen water pipes
- Checking for leaks, standing water etc.
- Exterior air dampers on air handlers
- Boiler maintenance
- Steam valves
- Snow blocking exterior vents

Do You Have a Plan?

“An ounce of prevention
is worth a pound of cure”



-Benjamin Franklin

Emergency Response Agreement

Restoration Company Name

EMERGENCY RESPONSE AGREEMENT

ERA ID: **16.0420**

COMPANY

INITIATOR/TITLE

ADDRESS/MAIN
Multiple ERA projects see Attachment A

DATE OF INCEPTION

ACR, INC. 205 N. GUY DR. SUITE 6 WHEELING, IL 60090 www.acrestoration.com
24 HOUR EMERGENCY CALL CENTER: 866.645.165

Final Thoughts



Time is of the essence

Select vendors **before** an event happens

ALWAYS know who in your facility is in charge during an emergency

Don't forget that Risk management directly affects the bottom line.

Questions and Answers

We thank you for your time!

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