



Snow Removal - liability - slip and falls.

Transblue, a national provider of facility maintenance.

Introduction:

Transblue is a supplier of consolidated facility maintenance services spanning North America. Transblue provides six core facility services to hundreds of clients across North America. For this best practice we will discuss and review the process of providing snow services to retailer locations located in North America

We will look at these processes, and we will identify a plan for retailers and contractors that will lead to the road of business success. Here is a step by step break down of the liability control, risk management and slip and fall control plans.

The service:

Providing snow removal is key to protecting your brand from liability, slip and falls and increased insurance premiums. Snow plowing should cover every sq. ft. Of your parking lot. From sidewalks, to main parking areas, employee break areas, storage areas, and loading docks. The snow should be pushed to predetermined areas. Site plans should be created for employee parking, customer parking, and delivery vehicles. Having plans in place and identified by store managers will help to control risk management.

The example:

In 2009 a contractor was providing snow removal to a large national brand. The contract was corporate, but store managers had the ability to deny service with a service rejection work order. With this particular brand manager bonuses were based on store budgets. As freezing temperatures began dropping in November, this management team denied ice control for two solid months, on a daily basis. In early December, the general manager was busy with holiday shopping needs within his store, he had instructed all lower level management to reject service "no matter what." Soon a major storm hit dropping snow 2ft at a time. At 1 inch service was rejected, service was rejected 6 consecutive days, with over 7 ft. of snow fall accumulated. The Contractor calculated 36 rejected work orders during this storm. All signed by management. A month later the Contractor was contacted by corporate, and asked to defend 4 slip and fall lawsuits, that occurred during this period. The Contractor's insurance specialist team provide corporate council with the rejection work orders and corporate took responsibility for the slip n falls, The Contractor was cleared from all liability.

Several days later, The Contractor was contacted directly by the store, they asked for a meeting, as the DM (district manager) would be at the store. At the meeting was a panel of 7 managers.



All upset because there was no service, all blaming The Contractor. When The Contractor produced the work orders which rejected all services the room became very silent. The store budget was fined \$20,000.00 per slip n fall. The DM was furious with the Store GM. All of the managers were terminated from the location within two weeks of this meeting. The lesson here is, in snow removal, cutting services to save money, can cost double the service costs when taking into account the high costs associated with slip n fall claims.

How service should take place:

The Store trigger for snow fall is 1 inch accumulative. When service needs hits an inch, service must be provided. By doing this the liability is transferred to the contractor providing service. If there is a slip and fall the claim will be tendered directly to the contractor, this ultimately protects your brand. The brand is indemnified by the contractor, the brand is not forced to defend or settle a lawsuit and it does not have a raise in insurance premiums because of the claim. Emergency plans should be in place for all contracts in case the contractor fails to provide a timely service. In fact if the contractor fails to provide the necessary services, they are still liable under the contract to indemnify the brand.

The store trigger for deicing services should fall around 35 degrees when moisture is prevalent. Making sure moisture is part of the equation will provide cost savings because your brand will not be paying for services when there is no chance of slip and fall occurrences.

Insurance requirements:

As a brand that is hiring out contractors to provide snow removal service you must have an insurance plan in place for contracted limits. That plan should be built by an insurance claims expert in ensure your brand is fully protected against any slip and fall claim. This insurance plan must list the mandatory insurance that must be covered by your contractor. If they do not have the coverage, they must get it or forfeit the business. They must have the insurance at the time of the bid submission, and it must be a part of the contract between the brand and the contractor.

When your brand is utilizing a contractor that uses subcontractors, it will be vital that the subcontractor holds his second and third tier contractors to the same insurance requirements that your brand is holding the prime contractor to. This will ensure indemnification across the board. They must have each Certificate of Insurance in their possession before they allow there second and third tier contractors to provide services. In addition, they must provide the insurance endorsements to ensure they are carrying the insurance listed on their COI, this includes their Snow Service endorsement.

To ensure your are properly covered against any slip and fall claim it will be vital to have your legal team review the additionally insured verbiage, as an example you may want it to say we are



adding brand XYZ as additional insured, including all sites, property, clients, employees, and damages.

Once this is place, you will want to very that your contractor has a way to manage their subcontractor COI's. If they do not, then they will not know when they expire and that will lead to a gap in coverage and tendering of slip and fall claims. It is also a key to your brand to have a software platform in place that tracks the certificates of insurance for your prime contractors. Insurance is the safety net that is put in place to catch any error during the snow season.

Here is a sample insurance requirements specification sheet.

All Contractors awarded locations are responsible for maintaining the following minimum insurance coverages:

- Certificate of Insurance must be submitted to XYZ Companies before any snow plowing services are performed. Failure to provide a Certificate of Insurance will result in none payment.
- Workers Compensation Insurance at statutory limits.
- Commercial General Liability Insurance \$2,000,000.
- Personal Injury Liability Insurance \$1,000,000 per occurrence.
- XYZ, Inc. is listed as certificate holder.

The Risk:

- According to the US department of labor the cost for a slip or trip, and fall is \$28,000.00 in medical expenses.
- The National Safety Council estimates that approximately 8.9 billion trips are made to emergency rooms annually from slips, trips and falls.
- They also report that slip and trip falls resulted in 25,000 deaths in 2009 and is listed as the second leading cause of accidental death.
- Slip and falls can lead to increased insurance premiums or cancellations of policies. Slip and falls can result in lost sales and damage to a company's bottom line. Slip and falls can also lead to the loss of key employees during critical industry time frames.

Qualified partners:

It will be crucial to the success the snow season to hire professional snow removal partners who have proven they can and will succeed during the years worst winter storms. Checking references and ensuring the provider has serviced similar brands with success will be a key indicator you are choosing the right partner.



An example of a snow provider you would not want to choose is a provider that does not own any equipment but has connections to a rental facility. And says they will rent the equipment when a snow storm hits.

Verifying partner equipment is very important to making sure your partners can produce what they say they can produce. If a contractor has two trucks or two hundred trucks you will want to have feet on the ground verify that the provider can service what they claim. If you are utilizing a firm which subcontracts you will want to ensure they verify their subcontractors equipment and they have the technology in place to handle your brands work load.

When choosing your contractors ask to see their current client list, choosing a partner that has their hands full may not have the capacity to service your locations properly. Asking how much growth they will need to go through to add your brand to their service list will be a great indicator as to how much of your business they can PROPERLY service.

Technology:

What technology are your service providers bringing to the table? This question is vital to the success of the snow season. Technology becomes more and more important as technology advances and changes with rapid speed.

Are you interested in using a third party technology firm? If so, it is important to weigh the pros and cons of such a decision. There are many companies that track attendance and allow work to be scheduled through their portals. They can also work with a company's financial department and help with invoicing and payment to vendor partners. Some software allows Facility Directors to add work orders or notes to a specific maintenance service or project.

Some facility maintenance providers have a 'one-stop shop' facility solution that includes a software and service platform combined. This can potentially reduce costs but the key is to make sure the software works as claimed and that your firm has done a thorough investigation of the demonstration, and that the software can handle the service load it claims to hold.

Some providers still utilize paper work order requirements. As we grow in technology, we need to assess how this works. Often a vendor partner can wait in a store location for over an hour waiting for the proper manager to accept the work order. This old technology, while in some cases still has it uses, needs to be replaced with faster technological options. When a vendor has to wait a long time to get a work order signed, service begins to slack. Vendors have to make up the time somewhere, and they do not want it on their dime. Using this manual technology can lead to service short cuts.



When making a provider decision or when implementing criteria for verification of work completed, think about how it can be done utilizing technology, for example, text message software systems can alleviate many problems.

Consider this, a snow provider was plowing the lot, they had finished their work, they checked in and out through a text message software platform and the store manager or designated responsible person was notified with pictures, time in and time out, and is able to verify service from a smart phone, that technology saved all parties time and made everyone more efficient! In fact, the manager graded service and approved the work complete with “one click” this can be done directly from a smart phone or tablet, now, if your team could harness that technological power wouldn’t that be a huge savings of time and efficiency?

Many national providers utilize an IVR (Internal Voice Recognition) system which was an effective solution in the early 2000’s but it may not be as reliable as once thought. Most IVR’s can be called in from a contractor’s office or home and do not require the contractor to actually be onsite. This lack of accountability has begun to show its failures, service takes a back seat to the IVR requests. As technology moves forward consider what options are in place regarding IVR systems.

Some third party technology firms have integrated the IVR system into the stores telephone. When a vendor arrives onsite, he must call the IVR from the facility location or the service is not registered. As this is an improvement to most IVR systems, it is still utilizing old technology that will soon be obsolete.

As telecommunications and technology continue to emerge, we must prepare for the fact that the LAND line phone age to be coming to an end. The wireless systems are taking preference and so must our technology options for recording and presenting services performed. Finding a partner that utilizes cloud based, wireless software will be an advantageous solution to your company’s needs, present and future.

Picture verification (before and after) should be included with every service provided. The services should also have financial reporting capability within the work order system. This helps ensure that the retailer is not receiving invoices 100 days past the date the work was completed. The system should be easy to use and easy to understand and include the option for multiple languages: English, French, and Spanish are a must. By utilizing technology your brand will set its self apart and be assured the services you need provided in the worst winter storms are provided, this will help reduce slip and falls and brand liability all winter long!

Snow Service Pricing – the truth about cost vs. performance.

In the snow removal industry the lowest price often comes at the highest price to your brand. In the East Coast and Midwest brands are likely to choose a pricing model which is based on a seasonal price. What happens when a snow event comes along that is bigger than expected and it is December and your provider walks away from a seasonal price because he is losing money?



This does happen, and it presents a great risk to your brand, it can lead to lost revenue from customers not having access to your brands store, it can lead to employees not showing up, and it can lead to a great number of slip and falls, not to mention the cost and time to find and assign a new vendor partner in the middle of a snow storm.

Snow service seasonal pricing is based on history and average accumulation. It is good to have in place a prorated per inch price that goes into effect and is paid per inch if the average snow fall is exceeded by 20%. On the other side of the coin, if the snow fall was 20% below the seasonal average the brand would receive a refund per inch for every inch below the 20%. This will protect your brand and your vendor from being hit with a storm they cannot pay for, having this provision builds trust and ensures to the vendor that you have them in mind when assigning contracts. Your service will be continuous and revenue will be boosted, you will separate yourself from brands who allow good contractors to walk when they cannot afford to continue providing snow services. This will save your brand in the long run from increased insurance premiums and slip and fall law suits from failed services.

The RFP:

Creating the RFP is a key to getting the project started right. The RFP is the bidding process by which your brand will assigns its snow removal locations to its vendor partners. It will be key to make sure the RFP template is straight forward and simple to read.

It is important that all pertinent site information is included in the RFP packet. This includes addresses and scope of work for each location. This should also include a site contact with whom to touch base in case there are any site specific restrictions or needs that may not be transposable in the RFP packet. An example would be an area of the parking lot sectioned off for container storage. Having the pricing broken down by service type is important so you can see exactly what you are paying for. Another key to a successful snow RFP is to have employee parking and loading dock requirements broken out as key points on the site map so all bidding partners have the exact service expectations at their fingertips.

Every piece of the project comes at a cost. But by being prepared and having an easy-to-use, straight forward, concise RFP can save thousands of dollars. When using an RFP properly, you can adequately budget and prepare for the needed services for years to come. Your dollars can be maximized and you will know exactly where they are going. One thing to also keep in mind is that the lowest bid price often comes at the highest cost. Under bidding can result in having to removing an under qualified contractor and having to take costly steps backwards in the process and possibly affect next year's budgeting process. Budgets can be affected when slip and falls occur. Many retail locations are charged high dollars to their operation budget when slip and falls occur at their store locations. Many managers receive their yearly bonuses based on a store closing budget. Slip and falls can easily cost more than a missed service.



Quality Assurance:

Having a detailed quality assurance plans and checklists in place will help the vendor partner and store managers work together and be accountable. A detailed list of agreed upon services should be available to location managers and Quality Assurance (QA) managers. Having both parties on the same page is crucial to a successful snow season. For example, if the snow service is on call, you will want to have a detailed service by time. And if the service is seasonally priced you will want to ensure your service partner is on site as soon as the snow fall service triggers have been hit. By having a good QA policy in place for both retailers and contractors, both parties will save aggravation and time.

For Snow removal accounts we suggest a pre site visit with a store's operation manager or designated supervisor. This will help level the playing field and set store branding expectations. It will help ensure that the services being paid for are being received. Store personnel should never accept low standard of work or low quality service to be performed at their location. The parties should expect service at the contracted level. It is the contractor's job and responsibility to fulfill the contract expectations through the completion of the project and service.

This is also a key because snow piling and removal needs to be pre-determined, if the contractor places snow in areas such as cart corrals, or handicapped areas there will be a much higher chance of a slip and fall then if they are strategically placed in the store's parking lot.

Conclusion:

As we bring this best practices piece to an end, please consider: What servicing model are you moving from or transitioning to? If your current model is location-based, or if you are moving from one national provider to another, then there are many critical functions to consider in this process. Once you have chosen a vetted vendor partner, it is their responsibility to provide a comprehensive project management plan. It is also their responsibility to complete the RFP to the end, whatever that takes and entails.

Once you have created an RFP and implemented the Best Practices that fit your organizational needs, you have positioned your company for a successful RFP. Once the projects have been awarded, it is up to the expertise of your vendor partner to position themselves to succeed and use their business policy and procedures to bring the project through implementation to completion. Choosing the right partner is crucial to this final success.

Choosing the right partner with the right experience can save your company up to 30% of project costs and costs associated with the project. Some of those attributes which allow you to harness such savings are the use of modern technology, scheduling and logistics, project management tracking, project and field management, billing, point of contact, project completion, and close out. Choosing a company without these attributes can be disastrous, these potential savings can be lost, and the cost of the project can actually become more than what was originally budgeted.



This can cause a loss of credibility for all parties. Before you make your final vendor partner selection, make sure they are the best fit for your company, and you have the confidence they can deliver on the RFP you have designed and implemented.

By implementing some of these best practices, you will give your company commanding control over your RFP and the costs associated with the project. By staying the course, your company will end up in the position you want it to be in. Your liability and risk management will be controlled. Your stake holders and corporate officers will be pleased with the outcome, and you will guarantee a much better chance of sourcing and delivering a successful snow removal RFP program. Good luck this summer season with your RFPS and invitations.

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