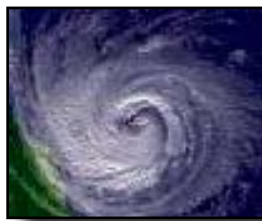


PROACTIVE

*A Hurricane Preparedness Program
for Temporary Re-Roofing*

How the Program Works



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SECTION 1 HURRICANE PREPAREDNESS PROGRAM

1.1 Executive Summary

The purpose of our Hurricane Preparedness Program (HPP) is to provide quick, efficient and cost effective temporary roof systems immediately following a catastrophe. Our objective is to mitigate damage, restore facility operations to a watertight state, provide a leak free environment for at least six months and to do it quicker than anyone else.

This program was developed by three companies: General Electric, Bayer-BaySystem North America and Servcor International. These firms, which manufacture and market permanent roofs (including the General Electric Roofing System), have the only formalized temporary roof system on the market. Further, it's the only temporary roof system that has a full 6-month manufactures leak free warranty covering both labor and materials. A warranty backed by a Fortune 50 Company.

Our long-term temporary roof system, developed by Bayer Material Sciences, is a value engineered version of the GE roof system, a system with over 35-years of proven performance. But we go further than just providing roof system innovation. We have put together a "turn-key" hurricane relief solution, a "soups to nuts" approach that solves the most common and devastating hurricane problem: a blown off roof.

We have extensively studied conditions post catastrophe, dating back to Hurricane Andrew. We have conclusively identified key factors which prevent quick response and have developed processes that address these "road blocks to relief."

The essential difference is quite dramatic. While others sit for weeks or even months with water pouring into their facility, frantically trying to locate and negotiate with a roofing contractor, we have crews installing roofs *literally the day after the storm*. Everything is pre-negotiated, pre-agreed upon, pre-planned. We just simply go to work.

Most hurricane roofing programs rely on "cost plus" or "time and material" charges to arrive at a final cost. These open ended contracts are easily abused and price gouging is common. This has become a major source of conflict for property owners, insurance companies and contractors. We have solved this problem by introducing fixed unit costs.

We have identified the most common types of damage sustained to a roof during a hurricane and assigned a repair cost to each of these items. When a roof is damaged, the areas are simply measured or counted and entered into the corresponding repair items on our Estimate Worksheet Form. That's it. Very easy to quantify, very simple to use, not open ended. It's a fixed cost.

Our permanent roof system, with over thirty years of proven performance, is the only roof system available on the market that is *guaranteed not to blow off in a hurricane*. We've learned that multiple hurricanes can occur in one season. That is why a re-engineered version of our hurricane proof roof is the perfect long-term temporary roof solution. And, we've proven it through the last two extensive hurricane seasons.

This is not an expensive endeavor. In fact, the cost is very minimal. Basically, you pay a minor administrative fee to get setup in our system. That's it. We've already done the hard work, we've thought everything through. We have the team. We have the solution.

SECTION 2 WHO IS THE TEAM

This HPP program was developed by the three firms that currently market the permanent GE Roofing System. General Electric (material manufacturer), BaySystems North America (material manufacturer) and Servcor International (Consultant). Together, they form the nucleus of the HPP.

1.1 General Electric

GE pioneered the Spray Polyurethane Foam (SPF) roof system in the mid 1970's. As one of America's largest corporations and leading manufacturers, the GE Roofing System has a proven 30-year track record. This time tested system, engineered and developed by some of America's foremost chemists and engineers, is fully backed and warranted by General Electric.

1.2 BaySystems North America

At the heart of the GE Roofing System is spray polyurethane foam manufactured by BaySystems North America, part of Bayer Material Science. Bayer, a company with over \$35 billion in annual sales and a workforce of over 93,000, is one of the largest suppliers of polyurethanes in the world. They are the national distributor of the GE Roofing System and the innovator behind the BaySystems Long Term Temporary Roof, a roof system engineered specifically for natural disasters. This system is the only formalized temporary roof system on the market and the only one that carries a full warranty against leaks, backed by the manufacturer. This 6-month warranty covers both labor and material.

1.3 Servcor International

As a consultant for both GE Roofing and BaySystems, Servcor is the primary author of this program and provides administrative and coordinating support during the emergency response effort. They are the designated national representative of the HPP program providing both technical and sales support services to customers. In addition to the HPP program, Servcor provides the following services to both GE Roofing and BaySystems North America:

- A. National Account Representatives
- B. National Roof Consultant Representatives
- C. Material Distribution
- D. Consulting/Program Design Services

1.4 Construction Management

For contracting purposes and coordination of field crews, a construction management (CM) firm is utilized as the operations portion of the team. Our authorized CM firms may vary depending on geography, but they all specialize in exterior construction, roofing and waterproofing. The designated construction management firm for the southeast U.S. is Tarheel Corporation. Your contract will be with a general contractor and a multi-state licensed roofing contractor. In this capacity they will provide the contract administration, field and contractor coordination and quality control services.

1.5 Network Partners

Servcor International has a national network of qualified design professionals consisting of roofing and waterproofing consultants, architects, and engineers with various areas of specialty. Working in conjunction with our Network Partners, we provide competitive national consulting and personalized services to our customers.

1.6 GE Contractor Network

Our applicator network consists of over 60 certified contractors nationwide. Collectively, these contractors provide us with access to over 200 roofing crews. Our authorized contractors perform the actual installation of the temporary roof system.

SECTION 3 HOW THE HPP WORKS

1.1 Introduction to the HPP

There are many pressing issues immediately following a hurricane. In the confusion during the aftermath, those without a plan tend to follow a similar trend, analogous to the flow of traffic. When everybody is trying to do the same thing at the same time, you end up stuck in a “traffic jam”. The trick is to bypass the highway during “rush hour”. This is achieved by simply pre-planning your route.

1.2 The Importance of a Temporary Roof

If your roof has blown off, getting it secured and watertight is an obvious priority. The question becomes how high a priority should it be? Since the damage is done i.e. the roof has already blown off, what difference does a little more time make? Without the benefit of experience, this would seem a logical conclusion.

However, the true damage actually occurs after the roof has blown off. Why? Hurricane season is also rainy season. Without a roof covering, these rain storms wreck havoc on the interior of the building. Initially, the area below the damaged roof gets water saturated. As the summer rains occur, the water spreads further throughout the interior, wicking into walls, ceilings etc. Mold begins to grow and spread rapidly, ruining the interior finishes, air conditioning duct work etc.

1.3 How Small Problems Grow Into Big Ones

Basically what starts out as a damaged roof, isolated interior damage, and lost consumables grows into a complete interior loss. But the problems continue to grow. Once the interior becomes a total loss, everything becomes more complicated:

- A. Your insurance claim escalates from a moderate one to a large or extremely large one. This generally means your file goes from a quick settlement to a long drawn out settlement (because of the higher dollars involved.)
- B. The number of contractors required to rebuild escalate from a few contractors to the full spectrum of contractors. Remember, post hurricane, contractors are exceedingly difficult to find.
- C. The construction required to rebuild goes from mainly a reroof job and interior repairs to a full scale, major construction project.
- D. With a smaller construction project, owners often hire contractors direct for repairs, expediting the recovery process. However, for major remodel work, an architect is often needed for blueprints and a general contractor is required to oversee the project. This takes the process to a whole new level. More time, more money more everything.
- E. Construction time for getting the building operational goes from days/weeks to months or even 12 – 18 months.

Preventing a small scale construction project from escalating into a major reconstruction project can often be achieved by the installation of a temporary roof.

1.4 The HPP Process

Getting roof quotes during the hectic aftermath period is very difficult and in a short time becomes almost impossible. Also, there is no time to negotiate prices and contracts. Our program solves these problems by pre-negotiating unit pricing and signing agreements before the work is needed (pre-hurricane.) Here's how it works:

A. Pre-Hurricane Annual Agreement

1. A Master Agreement is signed which contains the contract terms, conditions and price structure (in the form of unit pricing.)

B. Performing Emergency Work

1. A purchase order or other authorization directive is issued that references the Master Agreement thereby incorporating its terms, conditions and price structure.
2. The quantities from the damaged areas are entered into the unit price worksheet arriving at the cost of the work.

In our agreement is a simple Worksheet Estimate Form that provides unit costs for the most common damage found on a hurricane damaged roof. If your roof is damaged, we simply dispatch a crew to immediately make the repairs. The repair quantities are entered later into the worksheet, based on the pre-agreed unit price schedule and a final cost is determined. It's that simple.

1.5 Fixed Price Verses "Cost Plus"

With most temporary roof systems, there is not a "one size fits all" solution. Many of these systems have compatibility issues with existing roof systems. Also, they have a multitude of specific material requirements which vary depending upon the existing roof configuration, deck type etc. Because there are so many variables, it becomes very complicated and highly technical. Only a roofing professional can understand it. Also, the price variance between these different configurations can be very significant. For these reasons, the only way to price these systems is on a "cost plus" basis. It's very open ended.

Because SPF can be spray applied directly to most substrates, we are generally unaffected by the configuration of the existing roof. We are highly compatible with almost all substrates and existing roof systems. With so few variables involved, our program can be administered by someone with minimal construction knowledge. Because we have a "one size fits all" system, it provides what the other systems cannot: firm, fixed pricing. Following is a brief explanation on how the two pricing methods work.

A. Cost Plus

1. Most of the programs available have one thing in common: pricing is based on a “cost plus” basis. This is very complicated and virtually impossible to quantify. There are various approaches to “cost plus” but in some form or other they are based on “time and material rates.” Time and Material means that the contractor will add up their material and labor costs after the work is completed. To this, “Other” costs are added for items such as equipment, travel and other intangible costs. An overhead and profit mark-up is then added on top of these costs.
2. These programs attempt to build in some type of cost control mechanisms, but in the end you’re really at the mercy of the contractor. For instance, you can require receipts to document material quantities but how do you know all of those materials were used on your job? The same applies to labor figures. If the contractor submits 300 billable hours do you have any way to check this?
3. This is not just a question of honesty, but also of a roofing contractor’s ability to keep good records and track costs in a very hectic hurricane environment. At a time when they are busier than they’ve ever been.

B. Fixed Price

1. Our program is based upon a quantifiable and verifiable fixed cost structure. By using fixed unit pricing, arriving at a cost is just a matter of establishing repair quantities. Repair quantities are basic units of measure (square footage or linear footage). These repair quantities are then applied to the pre-negotiated unit prices to arrive at the final cost. Very simple and straight forward. In fact, many of our estimates are only 4 or 5 line items.
2. Because the vast majority of our unit cost items are visible after completion of the work, verification can be performed after the work is completed. This allows for construction to move forward immediately.

SECTION 4 OUR RESPONSE PLANS

1.1 Three Levels of Response

Our Response Plan is three tiered: Critical Response, Priority Response and Basic Response. These service levels are not mutually exclusive. You can mix and match on a property by property basis depending on your priorities.

A. Critical Response

Details of this response level are currently under development. Please call to discuss your specific needs.

B. Priority Response

Details of this response level are currently under development. Please call to discuss your specific needs.

C. Basic Response

1. Service Level 1: Immediate Dispatch

Provides for immediate dispatch of work crews with the final price determined after the work is performed and the repair items quantified.

- a. Remember, damaged areas (repair quantities) “are what they are.” In other words, quantities don’t change by waiting a week or a month. Further, waiting to quantify them does not change the final price in anyway. Nothing changes to your advantage by delaying. What does change during the delay is the extent of interior damage. The fact is if the pre-negotiated unit prices are deemed reasonable beforehand, then once these prices are applied to the repair quantities on your roof you will have paid a reasonable price. There is not benefit to wasting time measuring and quantifying when actual work could be taking place. In the end, the quantities of repairs “are what they are.”
- b. An assessment technician is dispatched to look at the damage. In simple cases, the technician will quantify the work. However, this is not the goal as it takes too much time. We are mainly getting a look at the big picture. How much damage was sustained at the site? Roughly how long will it take a work crew to complete the job? Should multiple crews be dispatched?

2. Service Level 2: Quantify First

Quantifies the work items and provides you with a final price before the work begins. We offer three ways to achieve this. One is fee based and two are not.

a. Network Partner Assessment – Fee Based

This method brings in an independent third party consultant/engineer to confirm what needs to be done, quantify the work items and arrive at a final repair price. This work is performed on a fee basis by an approved roof consultants/engineer via our Network Partner program.

- i. Network Partners is our national network of qualified design professionals consisting of roofing and waterproofing consultants, architects, and engineers with various areas of specialty.
 - ii. The services of these professionals are pre-purchased and are included in our service package. These prices are pre-negotiated and competitive.
 - iii. The Network Partner is already trained to use our unit price structure. Their assessment technician will quantify the work, enter the information into the Worksheet Estimate Form and arrive at a price. If required, they will email digital photographs and discuss the scope with us first. In cases where the scope falls outside of the unit price structure, the information will be forwarded to us to provide you with a custom quote.
 - iv. At this point, the consultant can inform you of repair costs and you can authorize the work even before they have left the site (assuming cell phones are working.)
 - v. Alternately, you can have them compile the damage information for all your properties, prioritize them and review aggregate repair costs.
 - vi. Another benefit to this service is the Network Partner provides a “broad stroke” look at the overall damage sustained to the property. This is not a detailed damage analysis just a quick visual inspection with some digital photographs of overall building damage. Remember, our goal and focus is to get the roof watertight. However, this cursory information will give you a sense of what you’re up against in the big picture. Also, there is no real added cost to you as they are already at the site collecting the roofing information.
 - vii. The consultant can also provide you with a proposal to design a new roof, collect bids and oversee your permanent reroofing project. Once the temporary work is performed the next step in the process is to procure permanent construction and reroofing. Remember, post hurricane, getting a proposal from a roof consultant (like contractors) is very difficult. At this point, everyone is calling consultants asking for design proposals. However, with our plan, you are ahead of the curve once again with a consultant’s proposal already in hand.
- b. Contractor Assessment – No Fee
- This method utilizes our contractor network to quantify repair items. Because contractors get so busy after hurricanes, this approach may delay the process some. However, there is no assessment fee when a contractor is sent out to quantify the work.
- i. The contractor will send out an assessment technician to quantify the work units, enter the information into the Worksheet Estimate Form and arrive at a price. In cases where the scope falls outside of the unit price structure, they will collect the required information and provide you with a custom quote.
 - ii. At this point, they can inform you of repair costs and you can authorize the work even before they have left the site (assuming cell phones are working.)
 - iii. Alternately, you can have them compile the damage information for all your properties, prioritize them and review aggregate repair costs.

c. Assessment by Non-roof Professional

This method utilizes a non-roof professional of your choosing. This could be an in-house facility person, an insurance adjuster or a general contractor etc. Our unit price program is straight forward and in many cases can be used by those with basic construction knowledge.

- i. It is recommended that all assessment personnel review our reference materials and attend our training webinar (web seminar - explained below.)

d. Service Level 2 Summary

Service Level 2 provides a balance between expedience and quantifying final cost. It also provides conformation by a third party that the work is necessary (if that is in question.)

Regardless of the Service Level you select, the process is streamlined because pricing and signed agreements are already in place. Essentially, it's a matter of how much you need to know about the final cost verses how quickly you want the work completed.

SECTION 5 ASSESSMENT PROTOCOLS & TRAINING

1.1 Assessment Protocols

Following is a brief outline of recommended procedures used to arrive at an estimate. Detailed estimating information is contained in our training and reference guide. However, the following will illustrate the simplicity of our structure.

- A. Draw a rough outline sketch of the roof.
- B. Using the items on our Damage Worksheet Form, draw or notate the damage on the roof.
- C. Provide measurements of large areas of damage. Other items are simply counted.
- D. Enter the repair quantities into the Damage Worksheet Form. Quantities used are square feet, linear feet or count (count is how many.)
- E. Take digital photographs of the damage.
- F. Email us the photographs and the Damage Worksheet Form.
- G. Once this information is reviewed by one of our technicians, we will call to discuss the estimate, making changes or clarifications as required.

1.2 Training & Support Materials

We provide training materials, reference guides and webinars to train damage assessment personnel in the use of our unit pricing. It's very straight forward and can be used by anyone with basic construction knowledge. Some familiarly with roofing is helpful.

A. Training

1. Reference Guide & Estimating Manual explains the following:
 - a. Where and how SPF can be used.
 - b. What is included and excluded in the estimate.
 - c. Information on when a custom quote is required.
 - d. A section explaining basic roofing terminology.
 - e. How to perform basic estimating functions i.e. figuring out square footage.
 - f. How to use the unit pricing.
 - g. Sample estimating examples with drawings that show roof damage, how the unit prices would apply to that damaged area and what the completed estimate would look like.
 - h. Photograph section showing many of the items within the unit prices.

B. Webinar

We hold training webinars which step you through the reference guide and estimating manual. We provide two types of webinars and several levels of training.

1. HPP Program

Explains how the HPP works, what's covered and what's not and provides risk assessment information.

- a. Management Overview
- b. Facility Manager
- c. CAT

2. Estimating

For assessment personal that will actually be performing estimates.

- a. Beginner:
- b. Intermediate:
- c. Advanced:

C. Forms

1. Printed Forms
2. Electronic Forms

D. Estimating Software

Estimating software will be provided in MS Excel format.