



Managing Storm Expenses

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Managing Storm Expenses

Don't Let Un-reimbursed or Lost
Storm Dollars Destroy Your
Bottom Line



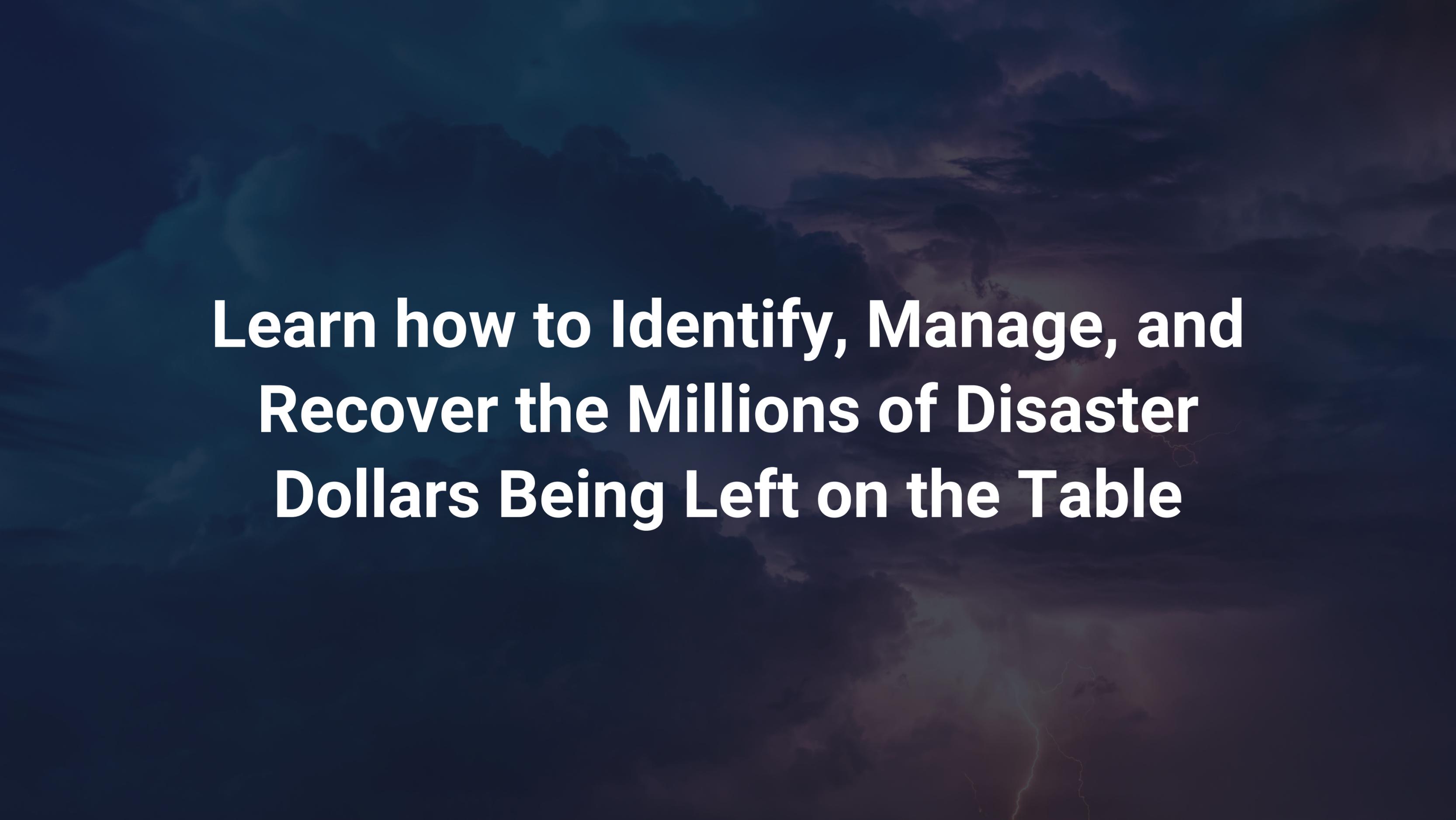
Is This Session
for You?

Is This Session For YOU?

- Are you struggling to controlled the cost of an event, especially the larger ones where you spend 10s if not 100s of millions of dollars?
- Do you find your self spending weeks gathering and verifying documentation to seek reimbursement or support a rate increase?
- *If you do then this session is for you*



How Identify, Manager & Recover Costs

A dramatic, dark sky with swirling clouds and a bright lightning bolt striking down in the lower right corner. The overall tone is somber and urgent.

**Learn how to Identify, Manage, and
Recover the Millions of Disaster
Dollars Being Left on the Table**

Identifying Storm Expenses

- 1) Recognize Financial Waste
Before it Happens

Identifying Storm Expenses

2) Managing Resources

Identifying Storm Expenses

3) Remove the pain of invoice reconciliation

Addressing Lodging Costs

- 2-line mechanics to a room
- 1 crew supervisor or General Manager per room
- 2 fleet mechanics per room
- Additional approved personnel will be coordinated by lodging supervisor



MYTHS

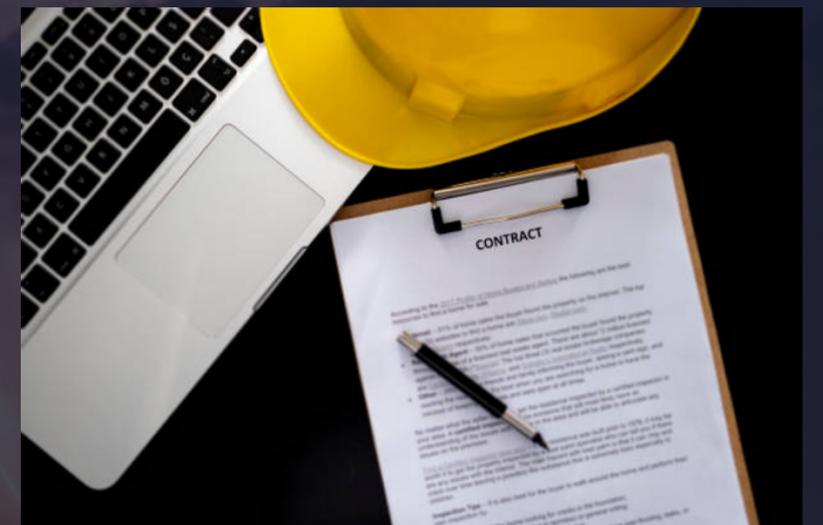
Myth #1 You Can't Stop Bad Invoicing

- Contractor's name on invoice must match roster
- Contractor's contact name and contact information
- Contractor's address
- Names (first & Last) must match roster
- Employee's classification
- Equipment must match roster along with equipment number
- Hours worked should be clearly captured per day and by rate (SR, RH, DR)
- Employee's rate of pay should be clearly indicated
- Equipment hours per day with rate per hour
- Make sure they know who to send the bill to and what address (email or snail)
- Utilities event work order # or purchase order
- Contractor's project, tracking number, etc.
- Location worked
- Additional expenses with date, names, and receipts (hotel, dinner, lunch, tolls, etc.)
- Copy of weekly time sheet, usually signed by foreman and utility representative

Myth #2 If They Bring It, You Must Pay For It

Line crews -

- 3 to 5 qualified FTEs
- 1 Digger Derrick
- 1 Bucket or material handler between 45' and 65'
- 1 pick-up optional
- Any other equipment require prior written approval or will not be covered



Myth #3 We've been doing it that way for ever

Bucket crew -

- 2 qualified FTEs
- 1 Bucket or material handler between 45' and 65'



Myth #4: Field People Don't Have Time for a Cost Control System

- Well worth the time (3hrs/yr)
- Set up annual training or exercises
- Create field binders for information access
- Certify people w/training requirements
- Leverage technology



**KNOW WHAT YOU'RE
PAYING FOR**

Know What You're Paying For

- Hurricane story
- Pre-Event Research
- Economics of Demobilization

Know What You're Paying For

1) Hurricane story - KATRINA



Know What You're Paying For

2) Pre-Event Research

- What type of event?
- What type of infrastructure, distribution, transmission?
 - What types of resources are available?
 - What do assessments tell you from last event?
- Have your Logistics practices changed?
 - Do you have contracts in place? Updated maps?
- Safety
 - Have you changes safety practices?
- Traffic Control
 - Use inside or outside resources? Local government?
- Debris removal
 - How often to remove? Special needs of bio-chemical waster?
 - Sorting materials

Know What You're Paying For

3) Economics of Demobilization

- Know costs & process to release crews
- Skillsets, Experienced and Talents they have
- Which contractors have equipment and how efficient they are
- Understand their release contracts (e.g. full days, hourly, etc..)
 - Costs per

Know What You're Paying For

- Hurricane story
- Pre-Event Research
- Economics of Demobilization

Clarify rate of pay:

Weekdays

- Rate for first 8 hrs.
- Rate for second consecutive 8 hrs.

Weekends

- Rate for first 8 hrs.
- Rate for second consecutive 8 hrs.

Rest Period Rules

- More than 16 hrs. in a 24-hr. period.

Trick: Figure out a loaded hourly rate per FTE first:

- 3 to 5 qualified FTEs
- 1 Digger Derrick
- 1 Bucket or material handler between 45' and 65'
- 1 pick-up optional
- Any other equipment require prior written approval or will not be covered

Figure out a loaded hourly rate per FTE:

- Take the cost of a crew over a workday (typically 16 hrs.)
 - Add cost of equipment
 - Divide by the number of FTEs in the crew and then by workday hours to provide a loaded hourly rate for the crew
- 3 to 5 qualified FTEs
 - 1 Digger Derrick
 - 1 Bucket or material handler between 45' and 65'
 - 1 pick-up optional
 - Any other equipment require prior written approval or will not be covered



**KNOW WHAT
MATTERS**

Knowing What Matters

- What Drives Cost?
- Stakeholder Value and Customer Satisfaction
- Logistics That Impact Performance

Knowing What Matters

1) What Drives Cost?

- Labor costs

- Where coming from? Local or remote resources and time to travel times?
- How soon you can get them?
- When can they work?

- Pre-staging

- What % is appropriate to pre-stage level?

- Material

- Are you placing like-for-like or upgrading damaged infrastructure / material?
- Know your material costs and providers and their inventory practices?

- Logistics

- Hotels, how will my efforts impact community/survivors?

Knowing What Matters

2) Stakeholder Value and Customer Satisfaction

- Understand what you need to communicate and to whom?
- Over communicate to manage people's expectations
 - External customers, media and partners
 - Internal stakeholders, contractors, suppliers & vendors
 - Shareholders need to know what's going on and what you're doing w/response and impacts to communities

Knowing What Matters

3) Logistics That Impact Performance

- This can be a big line-item cost... but it's worth it in safety and worker satisfaction, concentration & safety
- Budget for good housing, feeding and hydration and access to medical supplies
- Talk to peers and contractors for ideas and best practices



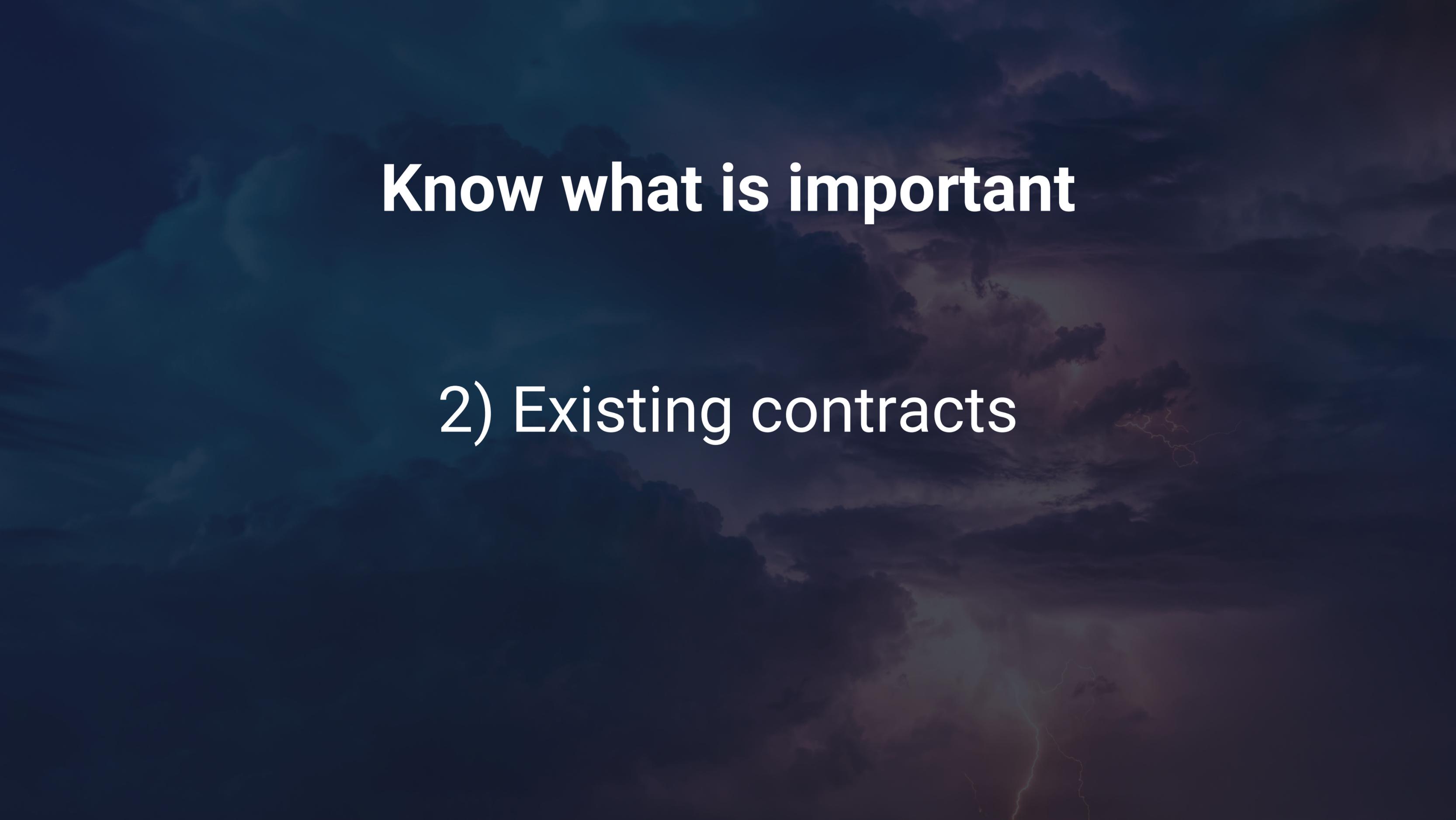
**KNOW WHAT'S
IMPORTANT**

Know what is important

- Location of job assignments
- Existing contracts
- Competitive bidding process
- When did you get and release resources

Know what is important

1) Location of job assignments

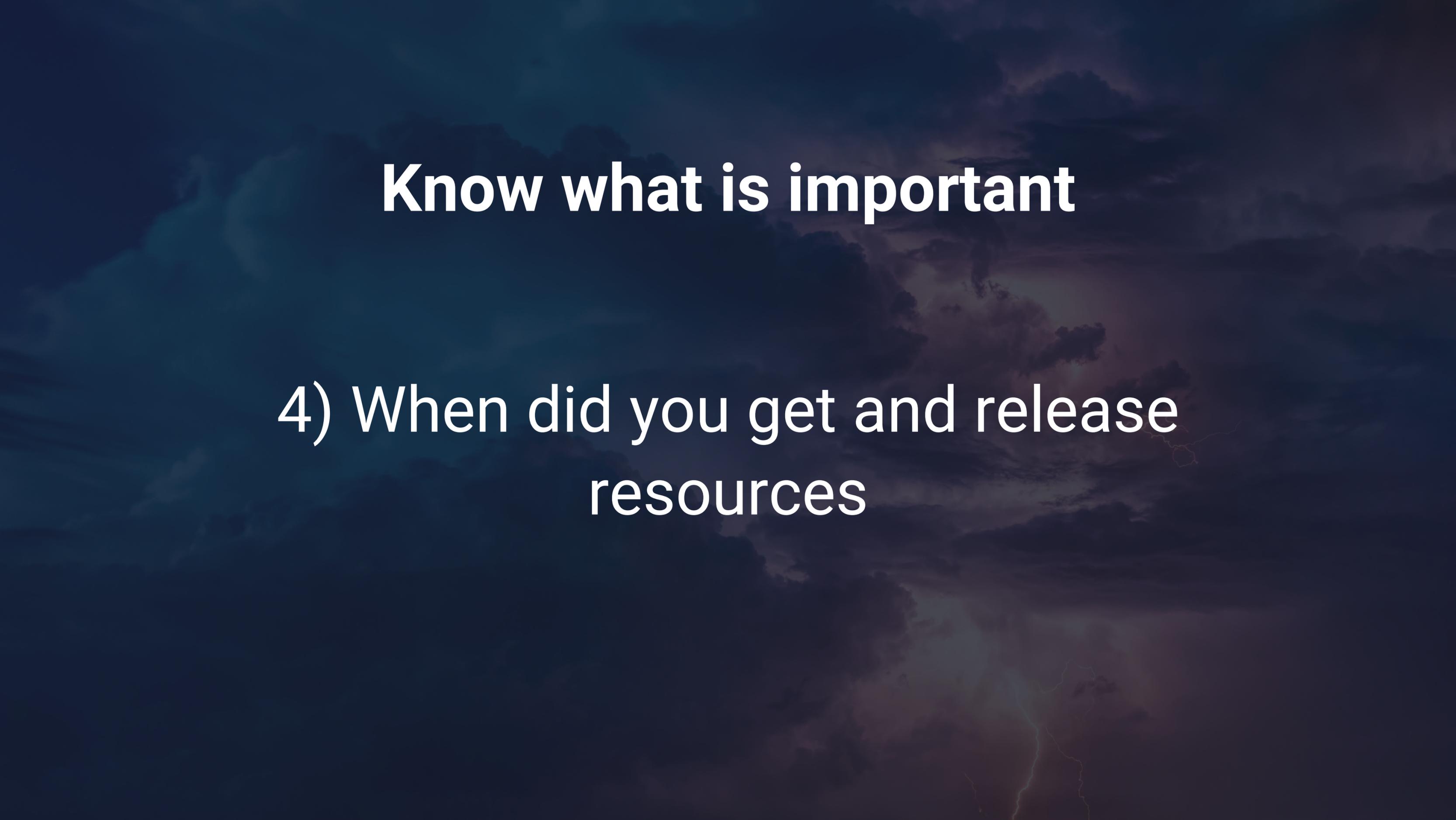
A dark, stormy sky with heavy, dark clouds and several bright, jagged lightning bolts striking downwards. The overall color palette is dark blue, purple, and black, creating a dramatic and intense atmosphere.

Know what is important

2) Existing contracts

Know what is important

3) Competitive bidding process

A dark, stormy sky with heavy, dark clouds and a faint lightning bolt visible in the lower right corner. The overall color palette is dark blue, purple, and black.

Know what is important

4) When did you get and release
resources



MAINTENANCE

Maintenance

- Drill and Exercise Participation
- Networking and Trust Building
- Up to Date and Clear Contracts Annual Review

Maintenance

1) Drill and Exercise Participation

- **Conduct tabletop exercise**
 - Strategic personnel
 - Knowing Who to call for what
- **Conduct functional exercises**
 - Tactical personnel
 - Actually call them, mobile resources

Maintenance

2) Networking and Trust Building

- Build your relationship network all year round
- Keep your word and commitments
- Join associations, mutual asst. groups, other peer to peer communities

Maintenance

3) Up to Date and Clear Contracts Annual Review

- **Annually review all your contracts, for clarity and rates**
 - Situations and processes change, check there are meeting their commitments, updates POCs



FAQs

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- How can I improve the bottom line the fastest?
- How can I best manage resources to make a difficult change?
- How can I best leverage this training?

FAQs

1) How can I improve the bottom line the fastest?

- Establish contracts if you don't have them
- For existing contracts, explain the expectations
 - e.g. travel time can really be an area of cost overrun
- Internally, clearly communicate to back-office people what you expect from them and what you will be doing to support them
 - (e.g. create a checklist for them)

FAQs

2) How can I best manage resources to make a difficult change?

- Culture change must occur
 - From the top and bottom of the organization
 - Story – AEP moving to new software platform
 - Make sure they understand how this will help them

FAQs

3) How can I best leverage this training?

- Look at your current processes, look for gaps that you can address with what you've learned
- Prioritize the gaps and decide which this is the easiest lift for you



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