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SNOW & ICE MANAGEMENT ISSUE

SUBCONTRACTOR DAMAGE

*Accidents Happen, but Companies
Should Have Processes in Place
to Mitigate the Impact*

By Rick Kier, CSP

Have you ever wondered what would happen if you backed a snowplow truck into the guy-wire that supports the telephone pole outside your customer's warehouse? This happened recently to one of our subcontractors. Thankfully no one was injured, and he has full liability coverage.

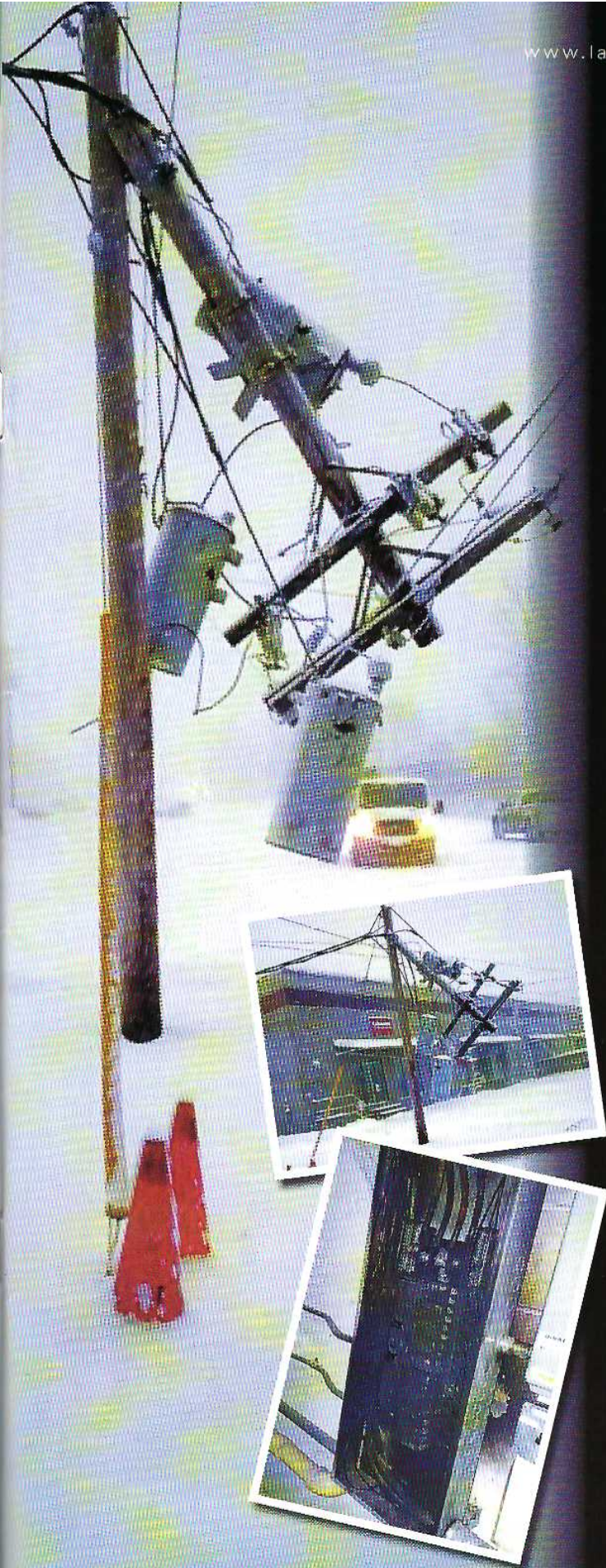
As you can see from the picture, the telephone pole didn't fare very well. Not only did it knock the top off the pole, but the wires also crossed and it burned out all the circuit panels in the building. We are lucky a fire didn't do further damage.

POLICY PROTECTIONS

If your company doesn't have protocols and processes in place to manage these types of events, I highly suggest you create them. Following are areas to consider as you create new or review existing policies:

- **Insurance.** Require your subs to have liability and workers' compensation insurance. Also consult with your own insurance company to make sure you're covered since you will likely still be liable to a certain degree or could be charged a claim fee. Also require and have in your possession valid, signed certificates of insurance from the subcontractor that names your company and your customer (if required) as an additional insured.
- **Document your labor costs.** If your insurance company charges a fee as a result of subcontractor damage, those fees are typically based on the labor costs for the job. If you don't require the sub to itemize labor, equipment and fuel costs, the insurance company may charge you the entire amount or a portion of the labor costs. Our contracts reflect what we are paying the subcontractor to service the site, and we require that their invoices reflect the breakdown in charges.

Continued on page 28



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Continued from page 27

- **Contracts.** Make sure your contract outlines responsibilities and liability in the event of damage. Our contracts include provisions that allow the subcontractor to perform a pre-season site inspection and to document and photograph any existing damage. If they fail to do that and damage is found, they can be held accountable. We also stake the sites using Pro Scapes' employees but tell subs they have the option to inspect the staking and request changes be made if they deem it insufficient or if stake placement would hinder removal efforts.

- **Dedicated resources.** Assigning subcontractors to the site for the season allows us to better hold them responsible in the event of damage. Companies who have multiple subcontractors servicing a site throughout the winter open themselves up to the possibility of being unable to identify who caused the damage — particularly if the damage isn't discovered until the end of the season. If you can't identify who was responsible for the damage, you can't hold them accountable; therefore, you will be on the hook for the damages.



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- **Don't hide damage.** Whether you knock down a telephone pole or bump into a stop sign, it's important to be proactive with your customer and let them know the damage has occurred. We find that if you tell them before they discover it, they will trust you and won't make assumptions as to what happened. If they start finding damage that belongs to you, soon the customer won't believe anything you tell them. Earning that trust and respect is critical.
- **Reporting processes.** We require our subs and employees to report damage the moment it occurs using our detailed internal incident report.
- **Site maps.** We have site maps for every job we service, which highlights these types of hazards. Creating the maps not only aids in quality control by knowing the person servicing the site has those details and service instructions, but it also can help head off damage.
- **Train, train, train.** In my experience, every time we have a problem, it comes from breaking the rule of "eyes in the direction of travel." If you're backing up, you need to look behind you. Accidents happen, but consistent, repetitive training on this elementary concept can hopefully minimize the number of them.
- **Quality control.** Evaluate your subs in action, making sure that if they are being careless or causing damage that you head it off to prevent a bigger accident from happening. If we think someone is trainable, we will work with them to get up to par; but if we think someone is lackadaisical or just doesn't care to do the job properly, we want to let them go as quickly as possible.

In the end, it is our name and our reputation at stake. We have to be proactive and ensure we've placed as many safeguards as possible to ensure not only our customers' safety but also the safety of our employees and subcontractors working on our behalf. 

Rick Kier, CSP, is president of Pro Scapes in Jamesville, NY. He is a founding member of SIMA and a member of the Snow Business Editorial Advisory Committee. Contact him at rick@proscapes.com. This article originally appeared in Snow Business magazine, the official publication of the Snow & Ice Management Association. Learn more about SIMA resources and membership at www.sima.org.

Prepare for the Upcoming Season!

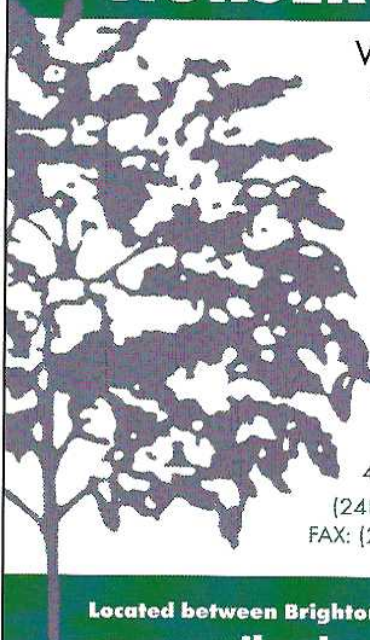
Rick Kier will be speaking at the 13th Annual Michigan Snow Conference & Expo on Tuesday, October 10th at the Suburban Collection Showplace in Novi.

Don't Miss the Following Seminars:

- *Relationships For the Successful Snow Removal Contractor*
- *Core Competencies for the Successful Snow Removal Contractor*

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