



Operating Procedure

Effective Date April 1, 2017	Number 261.2
Amended	Operating Level Department
Supersedes Operating Procedure 261.2 (4/1/14)	
Authority COV §2.2-1832, et seq., §53.1-10	
Subject PROPERTY DAMAGE AND LOSSES	
ACA/PREA Standards 4-4041; 4-ACRS-7D-28; 2-CO-1B-11; 1-CTA-1B-09	
Office of Primary Responsibility Director of Risk Management	
Incarcerated Offender Access Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Public Access Attachments Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

I. PURPOSE

This operating procedure establishes protocols for reporting of and recovery from direct physical loss or damage to Department of Corrections buildings, improvements, machinery (licensed vehicles excluded), fixtures, equipment, or other contents in accordance with the Commonwealth of Virginia Risk Management Plan and related policies and procedures.

II. COMPLIANCE

This operating procedure applies to all units operated by the Department of Corrections (DOC). Practices and procedures shall comply with applicable State and Federal laws and regulations, Board of Corrections policies and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

III. DEFINITIONS

Organizational Unit Head - The person occupying the highest position in a DOC operating unit, such as a correctional facility, regional office, probation and parole office, Virginia Correctional Enterprises (VCE), Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, or other separate operational unit

IV. PROCEDURE

A. Mitigation of Loss

1. The Organizational Unit Head shall immediately utilize every available resource to secure the affected area and prevent further loss in accordance with Operating Procedure 075.1, *Emergency Operations Plan*, and the unit's *Continuity of Operations Plan* (see Operating Procedure 075.2, *Continuity of Operations Plan*).
2. If repairs are needed prior to the involvement of an insurance adjuster, pictures shall be taken of the loss and all damaged parts shall be saved.

B. Reporting Procedures

1. In addition to reporting requirements of Operating Procedure 038.1, *Reporting Serious or Unusual Incidents*, the Organizational Unit Head, or designee, shall report the loss by telephone the same day to the Organizational Unit Head's immediate supervisor and the Risk Management Director in the Procurement and Risk Management Section in DOC Headquarters.
2. The Organizational Unit Head's immediate supervisor shall notify all levels of supervision, including the appropriate Chief of Corrections Operations or Deputy Director.
3. A written report shall follow as soon as feasible, but in no case more than five days after the event. The written report can be a copy of the *Incident Report* (see Operating Procedure 038.1, *Reporting Serious or Unusual Incidents*), if required, but must include the information noted below in addition to specific details regarding the cause(s) of the loss and recommendations for prevention of future losses. Distribution of written reports shall be made to the same individuals and sections notified by telephone.

4. The telephone report and written report shall provide, at minimum, the following information:
 - a. Date, time, and type of loss
 - b. Specific identification of property involved, including name, number, occupancy, etc. of the building(s)
 - c. Dollar estimate of damage to structure, equipment, and contents
 - d. Extent of related employee or offender injury, if any
 - e. Brief description of what happened
 - f. Name and telephone number of on-site contact person who is familiar with the specific details of the loss
5. Copies of investigative reports generated by independent sources such as the Special Investigations Unit, a state or local police department, sheriff's office, fire department, or fire marshal shall also be forwarded upon receipt.

C. Repair or Replacement Procedures

1. All established procurement procedures (see Operating Procedure 260.1, *Procurement of Goods and Services*) must be followed for repair or replacement of the damages.
2. Covered insurance losses will be paid, minus the applicable deductible, in accordance with the Commonwealth's Property Plan.
3. The plan will reimburse for the repair or replacement of covered property, whichever is less expensive.

D. Insurance Record Keeping Requirements - The Organizational Unit Head, or designee, shall establish an insurance claim file to account for the following:

1. Invoices for materials and services related to the repair or replacement of the loss
 - a. Prior to the start of repairs, request that the vendor(s) provide itemized costs (parts and labor)
 - b. The vendor(s) statement as to the cause of loss, that any item replaced could not be repaired and that the replacement is the most comparable available
2. Non managerial employee labor utilized to mitigate the loss, clean-up, or perform repairs to include the employee's complete name and title, date and hours worked, base hourly rate (no fringe benefits) and the work performed
3. Copies of all procurement documentation including telephone quote sheets, bid specifications, proposals for services, and emergency determination documents, as applicable
4. Inventory of DOC property that was damaged or destroyed
5. Inventory of damaged or destroyed property of others in the care, custody, and control of DOC
6. Costs incurred because of a covered loss for any extra expenses required to mitigate the damage, continue operations, or maintain security
7. Consequential expenditures related to the spoilage of food, blood, plasma, biotic materials, antibiotics, and other medicines due to a lack of light, heat, steam, power, or refrigeration because of a covered loss.
8. Documentation of loss of profit if a covered incident results in an interruption of production (Agribusiness, Correctional Enterprises establishments)

E. Insurance Settlement Procedures (4-4041; 4-ACRS-7D-28; 2-CO-1B-11; 1-CTA-1B-09)

1. Once all costs for repair or replacement have been incurred, accounting documentation and copies of records described above shall be compiled and submitted with a cover letter by the Organizational Unit Head to the Risk Management Director in the Procurement and Risk Management Section for review and approval.

2. The DOC Director or designee is authorized to negotiate and determine the amount of each loss, and to approve the final settlement.
3. Once reimbursement is received, the Risk Management Director will provide notice to the organizational unit that incurred the loss, the Budget Office, and the appropriate accounting office. The organizational unit shall be responsible for coordinating the funding availability with the appropriate budget and accounting offices.

F. Liaison - The Risk Management Director in the Procurement and Risk Management Section shall provide liaison between DOC and the Department of Treasury, Division of Risk Management, Office of the Attorney General, and responsible parties and their insurers concerning DOC property losses.

V. REFERENCES

Commonwealth of Virginia Risk Management Plan

Operating Procedure 038.1, *Reporting Serious or Unusual Incidents*

Operating Procedure 075.1, *Emergency Operations Plan*

Operating Procedure 075.2, *Continuity of Operations Plan*

Operating Procedure 260.1, *Procurement of Goods and Services*

VI. FORM CITATIONS

None

VII. REVIEW DATE

The office of primary responsibility shall review this operating procedure annually and re-write it no later than three years after the effective date.

Signature Copy on File

2/17/17

N. H. Scott, Deputy Director for Administration

Date