

## APTAC Body of Knowledge Competency Guide

### B. General Business Knowledge

#### B.4 Disaster Preparedness

##### Description

Many types of disasters are possible for which businesses need to prepare: Drought, earthquakes, floods, hurricanes, landslides, tornadoes, tsunamis, volcanoes, wildfires, extreme weather, pandemics and terrorist hazards. It has been forecast that super storms are likely to increase in number. Even beyond natural disasters and terrorism, businesses need to be prepared to mitigate unforeseen disasters such as incapacitation or death of owners/leaders, or cyber-attacks on their computer systems. Whatever the disaster, the impact on businesses can be devastating.

According to the Federal Emergency Management Agency (FEMA), “Up to 40% of businesses affected by a natural or human-caused disaster never reopen.” Several reasons contribute to this statistic including the fact that customers outside the disaster area need products and services to be provided on time and customers inside the disaster area can only wait a short time for their vendors to get up and running again. Failure to be functional is very costly.

Therefore, it is important that vendors be proactive and prepared. They need to understand both what steps to take so they can function during the situation and how to capture some of the opportunities that arise out of disasters. The goal is for vendors to be pre-approved for emergency opportunities with government entities, to have a viable plan in place and to have a system to implement that plan so they will be able to provide goods and services to a community’s emergency management team as well as their regular customers during and after a disaster.

Government contractors are expected to have a disaster plan that includes how they will resume work on their contracts. The Termination For Default (T4D) FAR Clause makes the contractor responsible for completing the contract on time unless the cause of delay is unforeseeable and beyond the control of the contractor (both conditions apply in order to be excused from T4D). The Government will impose that clause, and small businesses without a mitigation plan may go bankrupt because of it. Some disasters, e.g storms, are forecast several days in advance, and if the organization has a plan for moving their operations to "high ground" or subcontracting to a shop in a safer region, they probably will have time to implement the plan before the storm hits. Contractors should take the conservative road and have a good Disaster Plan or run the very high risk that a disaster will not excuse them from T4D.

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##### Plan Elements

These elements assume that if bonding is required, vendors have made those arrangements in advance.

The five steps in developing a preparedness program as recommended by FEMA are:

1. Program Management
  - a. Organize, develop and administer your preparedness program
  - b. Identify regulations that establish minimum requirements for your program
2. Planning
  - a. Gather information about hazards and assess risks
  - b. Conduct a business impact analysis (BIA)
  - c. Examine ways to prevent hazards and reduce risks
3. Implementation

Write a preparedness plan addressing:

  - a. Resource management
  - b. Emergency response
  - c. Crisis communications
  - d. Business continuity
  - e. Information technology
  - f. Employee assistance
  - g. Incident management
  - h. Training
4. Testing and Exercises
  - a. Test and evaluate your plan
  - b. Define different types of exercises
  - c. Learn how to conduct exercises
  - d. Use exercise results to evaluate the effectiveness of the plan
5. Program Improvement
  - a. Identify when the preparedness program needs to be reviewed
  - b. Discover methods to evaluate the preparedness program
  - c. Utilize the review to make necessary changes and plan improvements

##### References

- FEMA (Federal Emergency Management Agency) [www.ready.gov/business](http://www.ready.gov/business)
- Sample Business Emergency Plan  
<http://www.ready.gov/sites/default/files/documents/files/sampleplan.pdf>
- National Emergency Management Association <http://www.nemaweb.org/>
- Department of Homeland Security <http://www.dhs.gov/how-do-i/prepare-my-business-emergency>