



Bulletin

Contractor's Equipment: A Guide to Better Security

Recent news stories tell a grim story about theft and vandalism in the workplace. Construction sites are no exception.

Security on construction sites should be a major concern for all contractors. The total losses due to theft and vandalism on construction sites continue to be a major concern. Industry wide figures are not available, but CNA losses have been hundreds of millions of dollars over the last decade.

While you may not be able to keep professional thieves from stealing your property, you can make it extremely difficult for them and virtually impossible for amateurs.

The layout of a construction job site and its corresponding security plan often make the difference between controlling losses and suffering costly thefts. A job site without guards, fencing, adequate lighting or controlled exits makes a very easy target.

There is no perfect security program because job sites in different locations require different protective measures.

POOR SECURITY AFFECTS EVERYONE

Remember, when job sites have inadequate security, contractors and their subcontractors are exposed to:

- Theft by employees, and the public resulting in loss of material and time delays to procure replacements.
- Vandalism by employees, former employees, local gangs or children.
- Arson or accidental fires caused by vandals, vagrants or children.
- Injuries or fatalities to children who wander onto an unprotected construction site.

THEFT COSTS YOU IN MANY WAYS

Some contractors ignore job site theft or decide not to take action against it. They simply add stolen property cost to job costs. These direct costs can be substantial - as much as 3-5% of the job cost, according to one estimate. But there are also some significant indirect costs of job site theft:

- When stolen tools aren't available, delays inevitably occur and productivity drops.

- Contractors sometimes buy cheap tools to cut theft losses. These tools may be too shoddy to steal, but they also negatively affect productivity because they work poorly, wear out quickly and break.

- When theft is rampant at a job site, employees' tools are likely to be stolen. Some union contracts hold employers responsible for theft of employees' tools.

- Employer-tolerated theft hurts employee morale. Honest workers don't like working where theft is ignored. Poor morale leads to poor productivity and friction. Management is seen as weak and ineffective.

Even if you are willing to endure the direct costs of theft, you may want to consider the indirect costs.

GENERAL GUIDELINES FOR IMPROVING SECURITY AT YOUR CONSTRUCTION SITE

Make Job Site Security a Joint Venture

Ideally, responsibility for initiation and funding of a good vandalism and theft prevention program should be shared by the general contractor and subcontractors, since each has exposure to substantial loss.

The subcontractor is normally not in a position to stipulate what security safeguards are necessary for the protection of his equipment unless an agreement has been made with the general contractor.

A good program can be developed in the early stages of the construction project which will involve both in sharing the cost and responsibility.

Get Help From Law Enforcement

Well before you break ground or move in your equipment, you should meet with officials of the appropriate law enforcement agency.

You may want to give them the details of your construction project, type of construction, work schedule, project starting time and the expected date of completion. Names and phone numbers of key personnel and contact information during non-working hours are also essential.

Keep the police posted on such things as delivery of critical material and unusual job site activities that might require their special attention. Tell the police how your equipment is specially marked for identification.

Ask the local law enforcement agency to conduct a crime prevention survey of your site. If you are going to use security personnel, it is sometimes good public relations to hire off-duty law enforcement personnel.

Speak Out on Theft!

"Everybody is doing it. The company doesn't seem to mind."

That's likely to be the rationale for theft, even among usually honest employees, when an employer doesn't clearly state opposition to theft and act to prevent it. You may assume employees know you oppose theft, but they may believe you don't care if you don't take specific anti-theft steps. Consider the following:

- Conduct meetings and give handout materials to let employees know you expect honesty on the job site.

- Explain your policy on the "gray areas" – taking scrap lumber or cut-off pipes, personal use of company vehicles or "borrowing" tools for overnight or weekend use.

- Ask employees to report theft to management via a phone number that they can use after hours and on weekends.

Many would-be thieves will be deterred by the knowledge that someone can turn them in anonymously. But before acting on anonymous tips, discuss the case with your lawyer.

Encourage Security Suggestions From Your Employees

Employees can play a vital part in reducing losses of small tools and materials by constant surveillance of your job site. In preventing vandalism and theft, they can work with you as well as work for you.

Many small day-to-day losses must be paid from profits. Don't be afraid to let your workers know that they could be fired if they are caught stealing. Most labor contracts contain a clause listing dishonesty as one of the just causes for which you may fire an employee.

Prosecute those who steal to let other employees know that you mean business.

Involve Neighbors in Watching Your Job Site

Neighbors and their children can become efficient watchdogs of your project during evening hours and on weekends if you solicit their help in a friendly way.

Contact neighbors in the immediate area around your job site. Don't overemphasize your concern about stopping crimes, stress the ways you are promoting safety so their children won't be tempted to play in the area and get hurt.

While they may be sympathetic to your security problems, your neighbors are

also interested in your efforts to ensure their safety.

SUGGESTIONS FOR SAFEGUARDING YOUR JOB SITE

Organize Your Storage Area

A well-organized storage area on the job site should include the following:

- An efficient receiving area that confines material to a specific area.
- A security fence, at least eight feet in height, enclosing the entire storage area.
- Lighting after daylight hours. Watchmen should also be considered.
- Locked enclosures for storing small high-value items.

Mark Equipment

One of the first things thieves do after they steal equipment is to remove the plate on which the manufacturer has listed the model and serial number. Even if you are absolutely certain the machine belongs to you, positive proof is a legal requirement to reclaim it. Keep written records of all vehicle identification numbers on equipment, and keep a color photo of each unit. Maintain an accurate inventory.

Use a hardened steel punch or etching tool to duplicate the serial numbers in at least two places, one obvious and one hidden. Record the locations and the numbers. Post warning notices on machines advising that all VIN's have been recorded. If your equipment is stolen and recovered in another town or state, police can trace ownership back to you and you can make positive identification.

- Consider painting equipment a different color to aid in identification.

- Mark the tops of cabs or ROPS to aid in aerial identification.

- Immobilize equipment by removing the rotor or lowering the blade or bucket. Remove the battery and electric starting system, particularly when equipment is not used daily.

- Install anti-theft devices such as fuel cutoffs, hydraulic bypasses, track locks, hydraulic arm locks etc.

A good inventory control, with a "check in and out" system for tools issued to employees, could save your project from excessive losses. Not all thefts are from the outside. Permanently mark company tools and keep a record to whom they are issued. Lock gang boxes and supply sheds at all times.

Prevent arguments over who owns a tool or piece of equipment by making available inexpensive die stamps or etching tools to employees so they can mark their own identification on personal property.

Use Fences to Control Losses and Prevent Accidents

Pay special attention to the fences on your job site. They can be purchased or, in some areas, leased as needed.

Fencing around the entire site or around storage areas and trailers will help control entrances and exits from the area.

Fencing focuses all access through one or two points, making control easier. Limit the number of gates and keep them guarded or locked when not in use.

Remember, a fence without strands of barbed wire can be easily scaled by thieves and vandals with minimal risk. On highway construction, fencing may be practical only round job site trailers, storage sheds or compounds for

equipment and supplies. Equipment that cannot be fenced should be disabled at night and on weekends. Removing keys is not enough. Switch-jumping is as easy on equipment as it is on automobiles. From a liability and safety standpoint, all hazardous materials (poisons, solvents, flammables and explosives) should always be fenced.

Although some protective fencing, such as that used on a downtown construction site, is made of plywood, it is wise to consider the use of an occasional section of chain-link fencing. This not only provides a better opportunity for surveillance at off-duty hours by security patrols and police, but also offers a view of your construction project to the general public.

Fenced-in areas should be "flushed" at the close of the workday to make sure no unauthorized vehicles remain to be used later for removing tools, equipment or supplies.

Post signs warning outsiders of security guards, watch dogs and alarms. Use signs and decals on equipment to offer rewards for information leading to the arrest of thieves or vandals.

All construction property, whether it is fenced or not, should have adequate signs with lettering large enough to be read at a distance. These should be posted at gates and on all sides of the job site. Signs which give warning or information about any marking of equipment with identification numbers will deter thieves and discourage vandalism.

Secure Tools and Equipment

Make sure storage sheds or fenced areas are used to properly secure all tools and equipment. Keep cabs on all vehicles locked and remove ignition keys when not in use. Use metal shields on equipment windows where practical, and lock oil and gas tank caps. Disable

machines with hidden ignition cutout switches. Most losses are directly traced to carelessness by employees.

RELEASE KEYS TO SUPERVISORY PERSONNEL

Controlling keys is an essential element of limiting access to designated areas. Key issuance must always be based on actual continuing need and not on convenience. Limit the number of persons to whom responsibility of "key control" is given.

Keep up-to-date logs listing the type of keys issued, to whom, on what date and for what purposes. Keep all unissued keys under lock, and keep extra keys to a minimum.

Change your locks periodically. Considering the potential losses involved, this simple act is well worth the time and money. Extra-security locks, such as those having changeable combinations, may be the answer.

To prevent unauthorized duplication, "plug" keys with a rivet through the bow as a means of preventing alignment needed for machined duplication.

Monitor the Receipt of Deliveries

A standard procedure for checking material on and off the job site should be established and followed.

One person should be assigned to maintain a tight inventory control of all materials and tools delivered, signing for each delivery only after carefully checking the invoice for shortages.

Critical material should not be stored on the job site any longer than necessary. Whenever possible, the delivery of high-value material or items known to be in critical demand should be timed on an "as needed" basis in conformance with your construction scheduling.

Spot-check materials and equipment frequently, and do not allow empty cartons to accumulate, since they may be used to take supplies off the project. Supervise all trash removal so that valuable tools or materials cannot be hidden in containers and removed from the job site.

Make Lighting Work For You

Lighting as a crime deterrent is a priority in any plans to combat theft and vandalism. Adequate night lighting is also recognized as a significant deterrent to acts of "casual" or "impulse" crime.

Prior to job start-up, temporary lighting should be in place and plans should be made to expand its coverage as the job progresses. Consider renting lighting systems if company-owned systems are not available. Regardless of the fixtures used, the office trailer, material storage yard and equipment storage area should be illuminated. Critical areas should be visible from the most heavily traveled road bordering the site. A good lighting system can also be spotted during the daytime by would-be thieves who might be casing the area.

The small cost of overnight lighting is smart business since it tells law enforcement agencies that you want to help them protect your property and cut down crime in the area.

Floodlight the perimeter of areas where vehicles and equipment are stored. Direct lights so they do not blind security guards, police or the general public, and use enough lights to eliminate dark spots or shadows.

Report Theft and Vandalism Promptly

No matter how small the loss from theft or vandalism, report all incidents to law enforcement officials. The information you supply to them promptly may save your job from a repeat visit or discourage the vandals or thieves from

striking other construction projects.

Accurate information will accelerate the possible recovery of your equipment or apprehension of vandals. Make sure your company has an effective incident report form and a complete record of model and serial numbers of all equipment assigned to your project. Also, keep in mind that accurate and timely notification of loss must be made to [your insurance company's] claims department.

For your convenience, the form on the following page can be used as a duplication/master form for a self audit of construction equipment and job site security.

CRIME PROOFING YOUR JOB SITE

The most effective crime prevention activities are often the simplest and least expensive. Here are some steps to help reduce theft:

- Follow your company's rules in dealing with employees who steal. Dealing consistently with employee theft will discourage further theft.
- Use an on-time delivery system. Arrange for deliveries when you need the materials, not before. Don't let valuable items sit on your site to tempt thieves.
- Mark all equipment with an identification number and your company name and logo. Urge employees to mark their own tools. Without identification, police cannot prove a tool is stolen and cannot prosecute suspects.
- Advise subcontractors of your schedules. Don't allow them to make deliveries after working hours.

- Don't allow employees to park on the job site or next to a fence where tools can be handed to accomplices. A clear zone should be maintained adjacent to all fencing.

- Use proper locks on tool boxes and trailers. Limit the number of people who have keys, and change locks frequently. Don't use stock padlocks with a widely duplicated key series.

POLICE GIVE ADVICE ON CONSTRUCTION THEFT

Law enforcement officials have identified the following common characteristics in construction equipment theft.

- A buyer for the stolen equipment and/or material is usually identified before a theft is perpetrated. Therefore, the thief sets out to steal a specific piece of equipment or materials that have immediate cash value.
- Thieves will case a job site three or four times, at different hours of the day, before the theft is carried out. This allows them time to determine the contractor's routine and to identify the security measures at the job.
- Most thefts occur in the evenings (usually within 30 - 45 minutes after work is ended for the day) and on weekends.
- Many thieves will not attempt an equipment or material theft if they cannot enter the job site, load the goods and be completely clear of the location within five to ten minutes.

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For more information, please call CNA toll-free at (866) 262-0540 or visit www.cna.com/riskcontrol.

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consult with your company's attorney before deciding how to proceed in any specific situation.

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CONTRACTOR'S EQUIPMENT SELF-AUDIT

I. EQUIPMENT IDENTIFICATION	Yes	No
• Is a current equipment inventory list maintained?	<input type="checkbox"/>	<input type="checkbox"/>
• Does this inventory list provide:		
- date of purchase?	<input type="checkbox"/>	<input type="checkbox"/>
- serial and model number?	<input type="checkbox"/>	<input type="checkbox"/>
- location of identifying numbers on equipment?	<input type="checkbox"/>	<input type="checkbox"/>
 II. JOB SITE PROTECTION		
• Is there a need for a watchman service?	<input type="checkbox"/>	<input type="checkbox"/>
• Are operator cabs locked when not in use?	<input type="checkbox"/>	<input type="checkbox"/>
• Are operator cab windows protected against breakage?	<input type="checkbox"/>	<input type="checkbox"/>
• Are operating control panels covered/secured?	<input type="checkbox"/>	<input type="checkbox"/>
• Are fuel and oil caps locked?	<input type="checkbox"/>	<input type="checkbox"/>
• Are ignition locks provided and used?		
• Are batteries or rotors removed when equipment is left unattended for long periods of time?	<input type="checkbox"/>	<input type="checkbox"/>
• Is equipment corralled overnight?	<input type="checkbox"/>	<input type="checkbox"/>
• Have you notified local law enforcement of your job site location and requested to increase patrol?	<input type="checkbox"/>	<input type="checkbox"/>
• Have the operators been instructed to look for signs of tampering or vandalism?	<input type="checkbox"/>	<input type="checkbox"/>
 III. KEY CONTROL		
• Has a competent person been assigned the responsibility of controlling key security?	<input type="checkbox"/>	<input type="checkbox"/>
• Are keys removed from equipment daily?	<input type="checkbox"/>	<input type="checkbox"/>
• Have you identified a secure place for keys to be stored during non-use periods?	<input type="checkbox"/>	<input type="checkbox"/>
• Are all keys accounted for daily?	<input type="checkbox"/>	<input type="checkbox"/>
 IV. YARD SECURITY		
• Have you provided fencing for high-valued equipment?		
• Are gates locked and checked each night?		
• Is adequate yard lighting provided?		
• Have you posted signs to discourage vandalism and theft?		
 V. GENERAL		
• Have you explained your company's policy on borrowing tools for overnight/weekend use?	<input type="checkbox"/>	<input type="checkbox"/>
• Have you explained your company's policy on taking scrap lumber, copper, piping and wiring home?	<input type="checkbox"/>	<input type="checkbox"/>
• Have you solicited help in a friendly way from nearby neighbors to watch your job during nonworking hours?	<input type="checkbox"/>	<input type="checkbox"/>