

TEXAS TEXTILE SERVICES

EMERGENCY CONTINGENCY PLAN

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INTRODUCTION

In order to provide continuous service to its customers, **TEXAS TEXTILE SERVICES** has developed an emergency contingency plan. This plan explains the specifics of the services that will be provided in the event of an emergency, the details regarding the coordination of the services and a list of the back-up plants that will fulfill our customer's needs.

The emergency contingency plan is designed to eliminate any chance of an interruption of laundry services or deliveries to any of **TEXAS TEXTILE SERVICES** present or future healthcare customers.

The emergency contingency plan will address the following:

- 1) A system to communicate with each customer to:
 - a. Advise customers' personnel of emergency telephone procedures, numbers and persons responsible for coordinating deliveries.
 - b. Determine who in the facility is designated as the coordinator for the disaster procedures (See Exhibit 1).
 - c. Advise of special linen delivery plans.
- 2) Arrangements for the fueling of all trucks on a continuous basis to assure that all vehicles maintain fuel supplies at maximum.
- 3) Arrangements for back-up plants to handle emergency needs should the primary plant be rendered non-operational.
- 4) Arrangements to acquire "emergency withdrawal" of additional new linen from our warehouse to assure its continued operation.
- 5) Coordination of all safeguard procedures to assure continued operation.
- 6) Maintain on-going contact with all customers to assure maximum supplies of linen.
- 7) Distribution of special linen usage procedures to all facilities to assure maximum utilization of existing supplies.

One copy of this emergency plan must be kept on premises for each plant and a second copy off-site in each general manager's and team leader's care.

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COORDINATION OF SERVICES

The Project Coordinator of the plant will arrange emergency services to all accounts served by **TEXAS TEXTILE SERVICES**

PROJECT COORDINATOR

The Director of Operations of the distressed plant, or one of his designees, will assume the functions of Project Coordinator.

The Project Coordinator will assess the damages and appoint Project Leaders to handle every operational aspect such as:

- * Production (Linen Processing)
- * Transportation and Distribution
- * Customer Service and Communication
- * Office Management (Computer System, Billing)
- * Maintenance and Engineering

PROJECT LEADERS

Managers, supervisors and their designees will be trained as Project Leaders. They can appoint employees to assist them in carrying out the tasks that will be assigned to them by the Project Coordinator.

TEAM RESPONSIBILITIES

The emergency contingency plan will have five teams made up of three members that will be activated at the first warning of any type of emergency. The Project Coordinator will head the teams.

TEAM ACTION PLAN DEFINED

All teams will be equipped with cellular/two way phones for internal communication.

Team 1

Team Leader: Charles Helstdalen
Alternate: Rick Ashley

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Meet at designated location to prepare all emergency equipment, back-up boiler compressors and a portable generator to handle complete plant operation. Team 1 will also determine if city water plant and sewage are operational. A stand-by propane supplier will be contacted. If any structural damage is detected in the building that would prevent total or partial production, the back-up plants will be notified, as well as Team 3.

Team 2

Team Leader: Oscar Bates
Alternate: Jose Rodriguez

Take control of all engineering functions for complete plant operation.

Team 3

Team Leader: Anthony Smallwood
Alternate: Nataly Jiménez

Team 1 alerts Team 3 to coordinate transportation for all production department employees and sets up the office to man the telephone for customer contact.

Team 4

Team Leader: Nataly Jimenez
Alternate: Kim Nelson

Will activate all drivers and lease truck vendors in case an additional tractor and trailer is needed for out of town deliveries to designated back-up plants. Team 4 will then start customer routing for pick-ups and deliveries to all customers.

Team 5

Team Leader: Kim Nelson
Alternate: Mellissa Hestdalen or Fred Heredia, Lucy Heredia

Will keep in communication with all customers and determine their immediate needs.

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BACK-UP PROCEDURES

In the event that the **TEXAS TEXTILE SERVICES'** plant is unable to provide service in an emergency, **TEXAS TEXTILE SERVICES** has created agreements with other processors to serve as designated back-up facilities. The location and the production capacity of the plants are some of the factors that will be taken into account when selecting back-up facilities.

TEXAS TEXTILE SERVICES direct back-up plants are the following:

1. Texas Linen Service
Austin Facility
2. Division Laundry
San Antonio
3. TMC Non For Profit Co-Op
Houston

PRODUCTION / LINEN PROCESSING

The Production/Linen Processing Department is the most crucial component of our business. It is important that all departments (soil, fluff, flatwork, dryers and patient clothing) are functional at the affected plant or the designated back-up plant.

In order to carry out all necessary requirements to complete the linen process, the Production/Linen Processing Department must communicate with the Distribution Department and the Engineering Department.

If a plant is partially damaged (i.e.: a particular department is not functional), the following options and steps may be observed.

- 1) The Project Leader must keep the number of trips to the designated back-up plant to a minimum to avoid lost linen and keep distribution costs down.
- 2) The Production/Linen Processing department must inventory linen available to serve the customer and linen in the stockroom for possible linen injection.
- 3) **TEXAS TEXTILE SERVICES** in partnering with our textile manufacturer will work in establishing immediate delivery on linen replacement on initial inventory and will work towards having an adequate supply of linen as back up to support regular injections for emergency contingency.
- 4) The inventory count must be updated on a continuous basis, so we can serve any customer who may have an emergency order.

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SOIL DEPARTMENT

If the soil department of the affected plant is damaged, then the Project Leader must:

- 1) Determine if the soil can be sorted at another location in the affected plant. The Project Leader must remember to respect OSHA standards and follow universal precautions.
- 2) The second option is to designate a back-up facility to sort the soil. The designated back-up plant must have the capability of washing and drying.

FLUFF DEPARTMENT

If the fluff department of the affected plant is not damaged, the linen should first be washed and dried at the back-up plant. Then, it can be transported to the fluff department of the affected plant.

If the fluff department of the affected plant is damaged, but the equipment is not, then the equipment (small piece folders, etc) may be transported to the back-up plant.

If the equipment is unusable, the Project Leader must make sure there are enough employees available to hand-fold the fluff work.

FLAT DEPARTMENT

If the flatwork department of the affected plant is damaged, then the Project Leader will designate a back-up plant based on its capacity and ability to handle the flatwork.

As in the case of the fluff department, if the equipment is operational, it will be moved to the designated back-up plant.

If the flatwork department is operational, the linens will be transported from the designated back-up plant to the affected plant.

DRYERS

When designating a site for fluff work, the Project Leader must take into account the drying capability of the affected plant or the designated back-up plant.

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TRANSPORTATION/DISTRIBUTION

The Transportation/Distribution Department must coordinate with the Production/Linen Processing Department in order to transport any employees or equipment to the back-up plant.

The Distribution Department must record the amount of pounds of soil brought to the back-up plant as well as poundage of clean linen returned.

The Project Leader of the Transportation/Distribution Department will be responsible for assessing any damage incurred to automobiles and keep proper record of such damages. The Project Leader must coordinate any repairs needed. The Project Leader is also responsible to coordinate any needed car rentals.

Drivers must complete all paperwork (i.e.: drivers reports) in order to compensate the drivers properly for their time spent.

Verify 2 days before arrival of a named storm that bulk diesel and gas tanks have been delivered and filled.

CUSTOMER COMMUNICATION/SERVICE

The Account Representative and the Customer Service Department will maintain on-going contact with all customers to assure maximum supplies of linen. They will:

- 1) Provide them with an alternate telephone number and fax number.
- 2) Notify them of estimated delivery times.
- 3) Request they conserve linen as much as possible.
- 4) Notify them to use their emergency reserve. The emergency reserve includes all centrally stored linen used to replenish usage areas.
- 5) Request they take an inventory of their emergency reserve and fax the results allowing us to re-evaluate the parts of our customers.

In order to keep the lines of communication open between the customer and **TEXAS TEXTILE SERVICES**, the Service Department will fax a letter to each

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customer notifying them of our situation and keep them abreast of any changes in our condition.

OFFICE FUNCTIONS

If an emergency occurs affecting the office area, the Project Leader will assign the following responsibilities to the office employees:

- 1) Notify the owners if they are not on-site.
- 2) Forward the telephone lines to the Woodlands office.
- 3) Obtain a copy of the affected plant's emergency contingency plan that was kept off premise, if the one kept on premise is damaged.
- 4) Notify Post Office or other delivery companies (UPS, Federal Express, and Airborne) to either hold all mail for pick-up or to forward it to the designated back-up plant.
- 5) Contact all Account Representative or other staff not on-site capable of providing assistance.
- 6) Transport computers and file servers, if functional, to the designated back-up plant or to The Woodlands office.
- 7) Notify the affiliated radio station that an emergency has occurred and request that they broadcast information to keep employees informed of any schedule changes, etc.

COMPUTER OPERATIONS

The most recent back up is kept off premise or in a fire proof safe. Once the file server and computers are installed at the designated back-up plant, the most recent back-up tape will be utilized to make the computer system operational for billing, payroll, accounts payable, accounts receivable, reports, etc.

The Project Leader must designate someone to be responsible for the following departments as well as a back-up person for each department:

- 1) Billing
- 2) Payroll
- 3) Accounts Payable

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- 4) Accounts Receivable
- 5) Reports

BILLING

The billing department must get all delivery tickets from the distribution in order to bill properly.

PAYROLL

Supervisors must keep track of employees' hours manually and distribute the information to payroll for proper processing.

ACCOUNTS PAYABLE

The accounts payable department must advise suppliers of delayed payment due to emergency.

ACCOUNTS RECEIVABLE

The accounts receivable department must collect as many payments as possible due to the high expenditures caused by the emergency.

REPORTS

The office manager must communicate with the necessary departments to obtain copies of the information needed to complete the reports (i.e.: weight reports).

PURCHASES/RECEIPTS

Employees must keep receipts of all purchases related to the emergency for reimbursement and insurance purposes. Employees must request that suppliers attach a note to any invoice explaining that the purchase was due to the emergency.

MAINTENANCE/ENGINEERING

In case of an emergency, the Maintenance/Engineering Department must:

- 1) Make it a priority to assess the severity of the situation and determine which departments can or cannot function.
- 2) Determine an estimated time of recovery.

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- 3) Determine whether the equipment at the designated back-up plant is capable of handling the workload.
- 4) Make necessary arrangements if equipment needs to be rented (i.e.: generator).
- 5) Coordinate with Project Leader in order to determine which departments should be given first priority when making repairs.
- 6) Keep records of any equipment purchased or rented (i.e.: receipts).
- 7) Take pictures of damaged equipment, building, etc.
- 8) Coordinate with Fire Marshall in the case of a fire emergency.
- 9) Keep inventory of all machine parts in the stockroom and check with other plants before placing orders.
- 10) Test all equipment once it is repaired and before employees begin to operate it.
- 11) Make determination if mobile generator from Crown Laundries in Florida should be sent to plant

TRAINING SCHEDULE

All employees must be trained to understand all facets of this emergency contingency plan in order to react quickly in the event of an emergency.

The following are some training ideas to implement:

- 1) Stress seriousness and importance of the training.
- 2) Make each employee responsible for the task he/she is assigned.
- 3) Designate an employee to be responsible for monthly inspections (i.e.: sprinklers, fire extinguishers, emergency lighting, exit signs).
- 4) Schedule a monthly fire drill with the fire department.
- 5) Review and update the emergency contingency plan as required.
- 6) Review and update the company roster monthly. The company roster should include all plant employees' names, addresses and phone numbers.
- 7) Train plant employees to learn basic English in case of an emergency.
- 8) Take minutes of all training meetings.
- 9) Determine a designated area for employees to meet in the case of an emergency.
- 10) Post signs by the reception desk, bulletin board and lunch room in the plant that lists important telephone numbers (fire, police, and hospital).

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SAFETY AND HEALTH PROCEDURES

In order to assure continued operation, all employees must adhere to all safeguard procedures:

- 1) In the case of an emergency, save yourself first, otherwise you cannot save anyone else.
- 2) Keep plant floor isles clear at all times. If anything looks out of the ordinary, the Supervisor should be notified.
- 3) Train employees to know if someone goes into shock and how to get the necessary aid.
- 4) Qualified and trained employees to practice CPR and first responder.

ANTICIPATED DISASTERS

TEXAS TEXTILE SERVICES will provide as much linen as possible on-site before an anticipated disaster. **TEXAS TEXTILE SERVICES** will contact our customers and request them to take an inventory of their supplies. This allows us to determine how much linen is needed for each customer to be able to maintain at least two (2) full days usage at normal levels before the anticipated disaster. Texas Textile Services will start increasing the customer's orders by 10% daily over their max daily par for 3 days prior to the storm in order for the customer to have enough available linen at their main linen room area.

Linen service will resume expediently after disaster occurs.

TEXAS TEXTILE SERVICES will maintain close contact with our customers to minimize service failures during this period.

The following steps are recommended to the customer:

- 1) Change beds only when needed
- 2) Remove all clean linen from the floors. Stock minimally on an as needed basis
- 3) Issue linen on an as needed basis.
- 4) Take special precautions to prohibit the use of linen to soak up water if there is flooding.
- 5) Maintain on-going contact with all departments minimize linen items.

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- 6) Arrange for customer to purchase additional new linen from **TEXAS TEXTILE SERVICES** warehouse in case it is needed to increase linens to customers at customer's request. Customers should not expect to order linen to accommodate non-hospital patients. Texas Textile Services can accommodate by sending a separate order than their daily delivery. This linen will be earmarked as hurricane disaster inventory and will be sold to the hospital at a standard inventory rate. This linen will not be considered part of the clean/soil variance.

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EXHIBIT 1 - DISASTER CONTINGENCY INFORMATION

(To be completed for each customer)

Facility _____

Disaster Coordinator (1) _____

(2) _____

Special Phone Numbers, if any: _____

Fax: _____

Is this organization designated as a disaster facility? Yes - No

Do you have a linen conservation program included in your disaster contingency plan? Yes - No

Estimate the number of days your facility could operate with the current supply of Inventory. _____

Is your facility located in an evacuation area? Yes - No

Where is your re-location? _____

Special Needs (please list) _____

Will your facility be willing to house Texas Textile Services employees in an emergency so that they do not have to evacuate? Yes - No