Commercial Kitchens, Bakeries & Food Service: Valuation, LKQ Sourcing & Policy Traps

Canonical Web Version: https://restorationintel.com/commercial-kitchens-bakeries-food-service-valuation-lkq-sourcing/

Direct Answer: Commercial kitchen valuation requires NSF/UL restaurant-supply Like Kind and Quality (LKQ) distributor quotes—never residential or auction prices—plus freight, rigging, and licensed trade reconnection, while avoiding spoilage sublimit caps, Ordinance/Law code traps, and Tenant Improvements (TIB) overlaps.

Field Benchmark & Decision Matrix

Kitchen Cost Component	Defensible LKQ / Pricing Basis	Common Valuation Error	Policy Trap / Endorsement Check	Supporting Documentation
Heavy Cooking & Bakery Machinery (Ovens, Mixers, Fryers)	Authorized restaurant-supply dealer quote matching NSF/UL, BTU & phase	Pricing from used auction sites or light-duty home appliances	Verify RCV vs ACV endorsement & co-insurance compliance	Dealer quote + OEM spec sheet + EoL cross-reference
Custom Stainless Fabrication (Prep Lines, Chef Counters)	Custom metal-fabricator shop bid matching 304/16-ga dimensions	Using flat per-foot catalog averages for welded sink/counter assemblies	Check TIB vs BPP boundary if bolted & plumbed to walls	Dimensioned shop drawing + fabricator quote
Freight, Lift-Gate, Rigging & Haul-Away	Itemized dealer freight + rigging/removal + certified haul-off	Omitting LTL crating, pallet jack rigging & old-unit disposal	Review D-05 depreciation rules on installation & freight	Freight quote + rigging walkthrough scope
Licensed Gas, Plumbing & 3-Phase Reconnect	Licensed mechanical/electrical trade bids per appliance	Assuming plug-and-play setup on hardwired or gas-manifold gear	Check whether code-required gas shutoff upgrades hit Ordinance/Law	Plumber/electrician itemized reconnect estimate
Food, Beverage & Bakery Ingredient Stock	Actual landed wholesale invoice cost (plus freight)	Claiming menu retail value or rough monthly sales percentages	Check Refrigerated Spoilage sublimit on utility outage losses	30-day Sysco/US Foods invoices + J-21 inventory
Code-Triggered Hood / Grease-Trap Upgrades	AHJ written code citation + mechanical/suppression bid	Burying mandatory code upgrades inside standard equipment RCV	Ordinance or Law sublimit / Exclusion verification	Inspector citation + base vs code-upgrade split bid

Practitioner Operational Takeaways

• Price every condemned appliance using authorized restaurant-supply dealer quotes matching NSF/UL certifications, fuel, phase, and duty tier.

• Include itemized LTL freight, lift-gate delivery, rigging, uncrating, licensed trade reconnection, and EPA refrigerant haul-away.

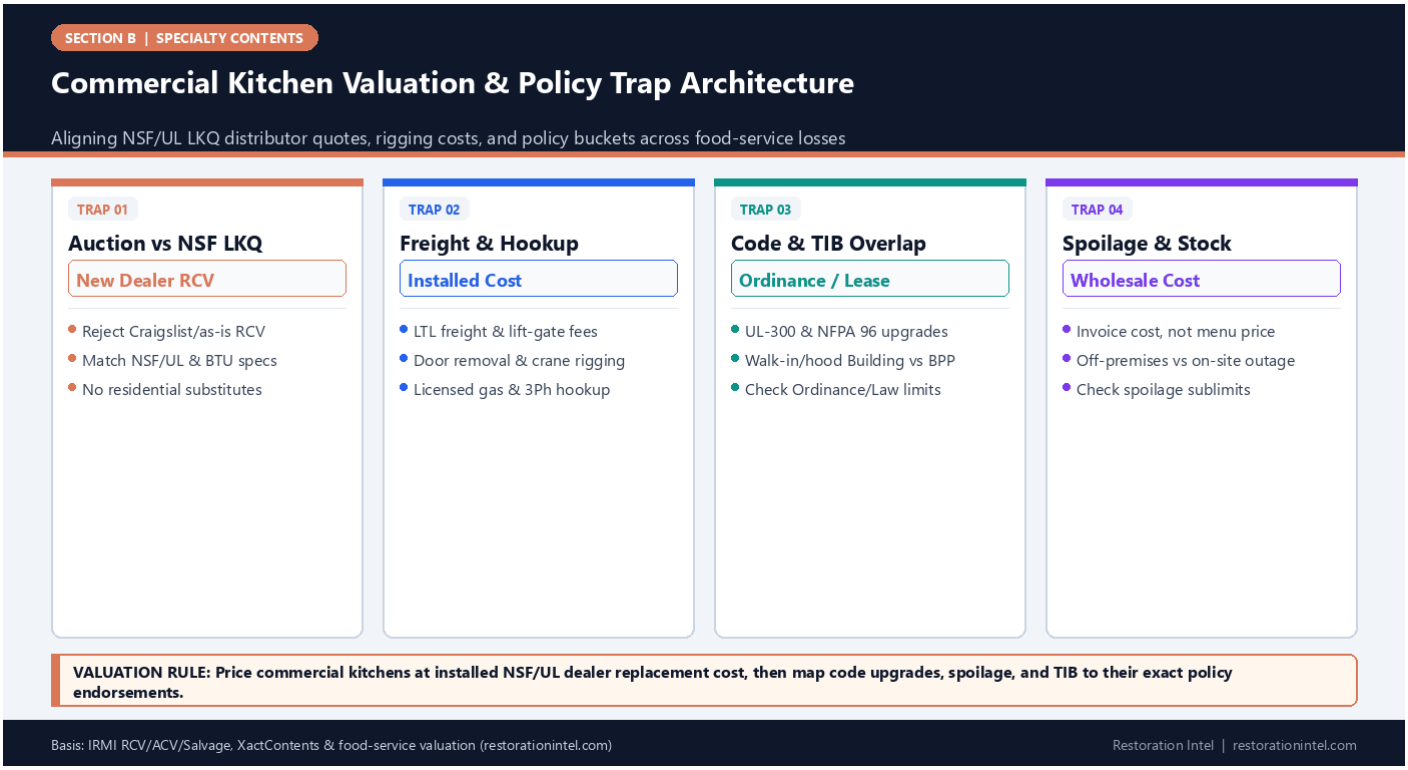
• Obtain custom stainless fabricator bids for welded chef counters, dish tables, and custom prep stations rather than generic averages.

• Value lost food and beverage stock at landed wholesale invoice cost (per distributor statements), keeping lost menu margin in Business Income.

• Separate base LKQ replacement from AHJ-mandated code upgrades (UL-300 interlocks, grease traps, electrical panels) for Ordinance/Law review.

• Document whether refrigeration spoilage resulted from direct peril or off-premises power outage and archive OEM lead-time notices.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

• **Markdown Twin (plain text):**
https://restorationintel.com/commercial-kitchens-bakeries-food-service-valuation-lkq-sourcing.md

• **IRMI Insurance Glossary: Replacement Cost Value (RCV):**
https://www.irmi.com/term/insurance-definitions/replacement-cost

• **IRMI Insurance Glossary: Actual Cash Value (ACV):**
https://www.irmi.com/term/insurance-definitions/actual-cash-value

• **IRMI Insurance Glossary: Depreciation:** https://www.irmi.com/term/insurance-definitions/depreciation

• **IRMI Insurance Glossary: Salvage:** https://www.irmi.com/term/insurance-definitions/salvage

• **Verisk XactContents Platform Overview:** https://www.verisk.com/products/xactcontents/