Salvage Value, Scrap Recovery, and Decommissioning Documentation for Condemned Heavy Equipment

Canonical Web Version: https://restorationintel.com/salvage-value-scrap-recovery-decommissioning-documentation/

Direct Answer: Defensible decommissioning of condemned heavy machinery requires separating gross scrap metal value from fluid-evacuation, rigging, and certified disposal costs, confirming subrogation and lienholder releases in writing, and capturing serial-plate destruction proof before haul-off.

Field Benchmark & Decision Matrix

Decommissioning Scenario	Governing Constraint	Financial / Credit Rule	Environmental & Safety Action	Closing File Artifacts
Carrier Exercises Salvage Rights	Carrier owns carcass upon total-loss payout	No scrap credit deducted from insured; carrier pays extraction	Hold equipment dry/secure until carrier salvage vendor picks up	Signed carrier salvage release and pickup bill of lading
Insured Retains / Scraps Locally	Carrier deducts agreed net salvage value	Credit = Gross Scrap/Parts Bid minus Rigging, Purge & Haul-Off	Complete EPA refrigerant/oil purge before scrapyard delivery	Two salvage bids, rigging/drain invoices, and scale weight ticket
Negative Net Salvage (Cost > Scrap)	Demolition & hazmat exceed metal value	Net salvage = $0; excess removal shifts to Debris Removal coverage	Document why specialized crane/hazmat cuts exceed steel weight	Itemized scrap quote showing negative net + debris disposal invoice
OEM Brand-Protection / Warranty Condemn	Manufacturer forbids resale of heat/wet unit	Zero parts resale allowed; scrap steel weight only after render-unusable	Follow OEM destruction instructions (cut frame/defeat control box)	Before/after serial plate destruction photos + sworn scrap receipt
Subrogation or Lessor Lien Active	Third-party recovery or UCC lender interest	Do NOT scrap or alter unit until written legal/lender release	Stabilize fluids safely without destroying origin components	Written subrogation waiver, lienholder release, and storage log

Practitioner Operational Takeaways

• Obtain written total-loss, subrogation-release, and lessor/lienholder clearance before altering or scrapping any condemned machine.

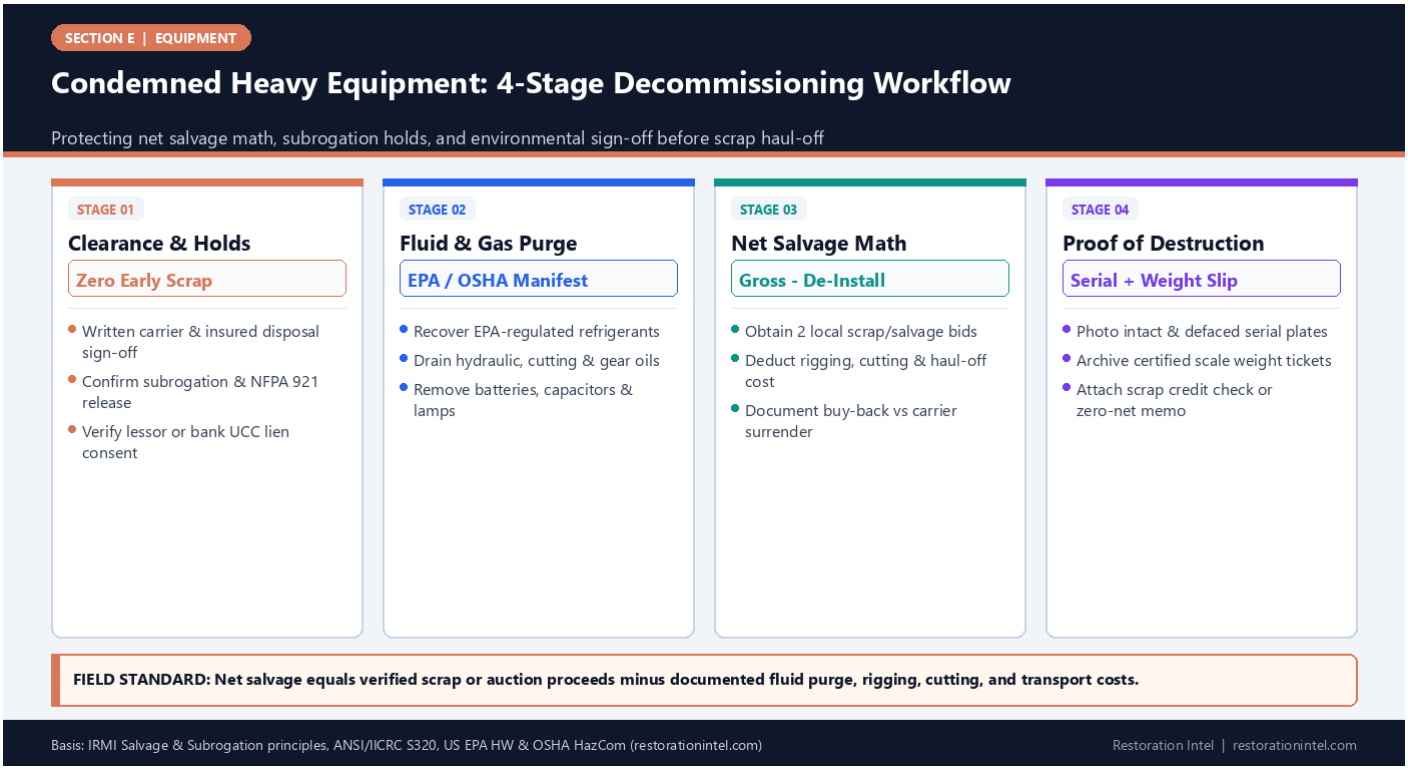
• Solicit two written salvage or scrap quotes alongside itemized rigging, cutting, and haul-off bids to establish true net salvage value.

• Schedule licensed EPA refrigerant recovery and drain hydraulic oils, coolants, and batteries into labeled containers with manifests.

• Capture clear macro photos of intact rating plates before executing any OEM-mandated serial defacement or frame sectioning.

• Archive certified scale weight tickets, disposal manifests, and net salvage credit checks inside the final claim packet.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

• **Markdown Twin (plain text):**
https://restorationintel.com/salvage-value-scrap-recovery-decommissioning-documentation.md

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

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

• **US EPA Hazardous Waste Framework:** https://www.epa.gov/hw

• **OSHA Hazard Communication Standard (HazCom):** https://www.osha.gov/hazcom

• **ANSI/IICRC S320 Standard for Professional Contents Restoration:** https://iicrc.org/s320/