RESEARCH REPORT

Catalog number	97008A
Date:	January 27, 1997
Subject:	Facilities Management & Real Estate Services Competitive Analysis Environmental & Safety Management
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Issue

Several departments within Maricopa County provide environmental and safety management, assessment and remediation services. There is no single point of contact for addressing these functions either internally or from outside vendors. Management's clarification of this coordination issue is required in order to adequately respond to environmental and safety issues through the competitive analysis process.

Background

Technical specifications are being developed as part of the competitive analysis of Facilities Management and Real Estate Services (referred to throughout this document as FMD). Questions have been raised by FMD and the vendor community regarding the Countywide coordination of assessment and remediation functions of environmental and safety issues. This report is intended to address these issues in order to protect the County's interests and provide for the health and safety of it's citizens.

Discussion

The management of environmental and safety issues, (with the exception of compliance with the Americans With Disabilities Act (ADA) and Ergonomics), currently resides within divisions under the Chief Financial Officer. Risk Management, Loss Control and Safety, and FMD provide these services either independently or in concert with other departments. Maricopa County has neither procedures, nor a single point of contact, for addressing Countywide environmental and safety management issues occurring on nor within County property. There are no provisions for immediate remedial action concerning these issues. Procedures are not available to address these issues as they may occur once the outsourcing process for FMD is complete.

FMD currently performs various tasks which are related to environmental and safety management, assessment and remedial action, as follows:

- Hazardous waste treatment, storage, and disposal
- Waste stream prevention and recycling
- Hazardous communication
- Lead paint control, safety, surveys and remediation
- Underground Storage Tanks Compliance, testing, remediation and closure
- Asbestos control, safety, surveys and remediation
- Environmental site investigations (Phase I and II)
- Environmental facilities citing and development
- Environmental permit development and review
- Occupational Safety Hazard Administration compliance
- Tier II reporting to Local Emergency Planning Committees
- Annual tank fee calculation and reporting
- Indoor Air Quality investigation and remediation
- Regulatory review
- OM&R environmental technical support
- Procurement of environmental and safety supplies

Risk Management, and Loss Control and Safety, also perform assessment and remediation of these, and other environmental and safety activities. The FMD outsourcing process brings forward the lack of coordination and management of these issues. For example, departments do not always coordinate though Facilities, Real Estate, Risk Management or Safety for the purchase, lease, sale or remodeling of facilities. This creates potential operational hazards. Examples include the purchase of property with unseen underground soil or water contamination, asbestos in walls and ceilings, and indoor air quality problems existing in buildings. Exposure to these hazardous situations presents a major liability for the County and environmental exposure for employees and citizens alike.

Environmental and safety functions exist which impact FMD, yet reside outside of FMD. These functions include: claim and litigation management; safety and loss control management, prevention, and activities; and environmental remediation activities. The Risk Management Annual Report of the Self-Insured Trust Fund as of Fiscal Year-end June 30, 1996, identifies several Countywide risk and safety management outcomes desired, as follows:

1. A reduction in frequency and severity of environmental and safety losses.
2. Proactive development and implementation of effective loss control programs.

3. Reduction of future liability and expense across County departments.
4. Aggressive environmental remediation.

The same report identifies activities planned during the next fiscal year to meet desired outcomes, such as:

1. Initiation of Environmental Compliance Audit of all Maricopa County owned or operated facilities.
2. Development and implementation of Countywide safety policy and procedures.
3. Comprehensive reporting mechanisms for all faucets of environmental and safety.
4. Initiation of a Phase 1 study of all underground storage tanks owned or operated by Maricopa County.

According to the report, the following costs have been incurred for general liability claims, workers' compensation claims and property claims. These claims, and their associated costs, are directly impacted by the management of risk and safety factors Countywide.

Preliminary Risk Management Annual Report Self-Insured Trust Fund
Cost of Claims and Administration Countywide
Fiscal Year End June 30, 1996

Claims Paid	FY 1995-96
General Liability	$ 244,264.00
Workers' Comp	1,579,309.00
Property Claims	643,177.00
	$ 2,466,750.00

Other Costs	FY 1995-96
Legal Expenses	$ 456,702.10
Claims Admin Fees	45,667.03
Administrative & Mgmt	578,242.74
	$ 1,080,611.87
Grand Total Costs	$ 3,547,361.87

There are numerous issues regarding environmental and safety management Countywide which remain unresolved. A partial list of these outstanding issues include:

- Indoor air quality
- Asbestos
- Hazardous materials (MSDS)

- PCBs
- USTs
- Hazardous waste (RCRA)
- Real estate issues
- ADA issues

These unresolved issues pose critical and non-critical safety hazards and financial liabilities Countywide.

Conclusion

It is evident that immediate action needs to be taken to assign an existing manager within the organization to be additionally accountable for coordination of Countywide safety and risk management assessment and remediation functions. Immediate development of Countywide procedures for handling of environmental and safety issues is needed in order to adequately protect the County's interest, as well as the health and safety of it's employees and citizens. A quick response is needed resolve all environmental and safety issues as they develop within Maricopa County.

Recommendation

It is recommended that the single point of contact for coordination of Countywide environmental and safety management, assessment and remediation services be assigned to the manager of the Risk Management department immediately. It is further recommended that procedures be developed, implemented and communicated, within the next 30 days, in order to adequately respond to environmental and safety issues Countywide and through the FMD competitive analysis process.