



# ***DRMS ENVIRONMENTAL PROGRAM AND INITIATIVES***

**Presented at**

***DoD Environmental & Energy Symposium***

**April 8th, 2003**



# ***MISSION/VISION***

---

## **REDISTRIBUTE EXCESS PROPERTY**

- **REUTILIZATION**
- **TRANSFER**
- **DONATION**
- **HUMANITARIAN ASSISTANCE**
- **FOREIGN MILITARY GRANT-IN-AID**
- **DISASTER RELIEF**

## **PROTECT THE PUBLIC**

- **DEMILITARIZATION**
- **ENVIRONMENTAL**
  - **HAZARDOUS PROPERTY DISPOSAL**
  - **HAZARDOUS PROPERTY REUSE**
- **AMMUNITION/ EXPLOSIVES AND OTHER DANGEROUS ARTICLES (AEDA)**

## **MAXIMIZE SALES REVENUE**

- **WHOLESALE BUYERS**
- **PRIVATE CITIZENS**
- **MILITARY UNITS**
  - **SCRAP**
  - **EXCHANGE AND/OR SALE**
- **FOREIGN MILITARY SALES**

**“DOD’s PROVIDER OF CHOICE  
FOR WORLDWIDE REUSE, RECYCLING  
AND DISPOSAL SOLUTIONS”**



# WORLDWIDE ORGANIZATION

## WORLD HEADQUARTERS - BATTLE CREEK, MICHIGAN

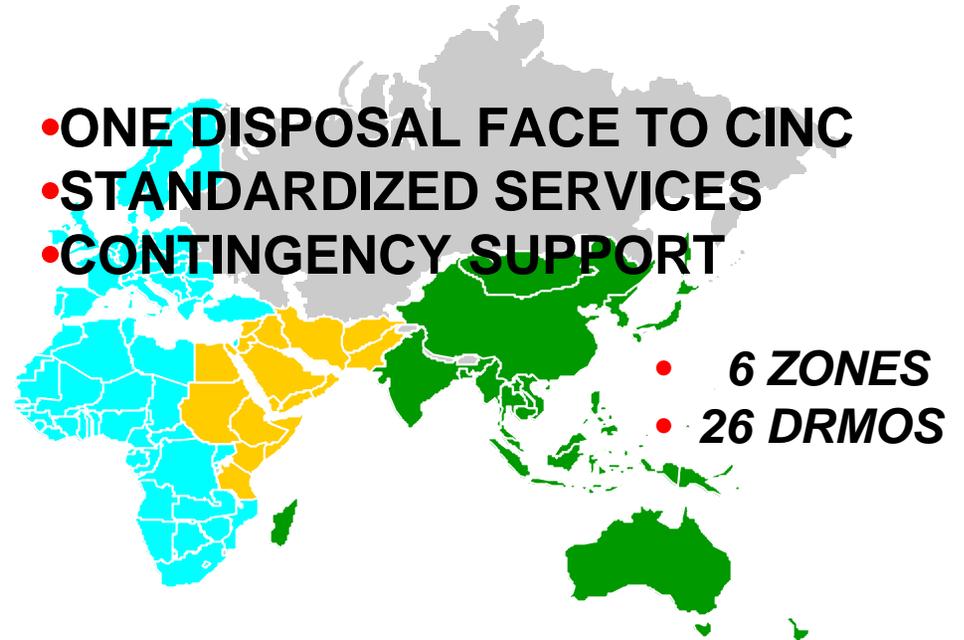
### NATIONAL INTERNATIONAL

- 6 ZONES
- 69 DRMOS



- FOCUS ATTENTION ON MISSION PERFORMANCE
- CUSTOMER SUPPORT/INTERFACE
- TAILORED SUPPORT/SERVICE

- ONE DISPOSAL FACE TO CINC
- STANDARDIZED SERVICES
- CONTINGENCY SUPPORT



- 6 ZONES
- 26 DRMOS

- 6 DRTs
- 180 END STRENGTH



# COMPLEXITY OF A WORLDWIDE ORGANIZATION

## FY01 TOTALS

280,000 CUSTOMERS  
95 DRMOs  
39 STATES  
14 COUNTRIES

**\$299M**  
OPERATING  
COSTS

**REUTILIZATION**  
**\$1.36B**

**TRANSFER**  
**\$314M**

**DONATION**  
**\$264M**

**SALES/  
MARKETING**  
•GROSS \$68M  
•DWCF \$54M

**HAZARDOUS  
WASTE DISPOSAL**  
**\$56M**

•FMS - \$159M  
•HAP - \$119M

**CONTINGENCY  
OPERATIONS**

**PRECIOUS  
METALS**  
**\$2.4M**

•DEMIL  
•AEDA

**DISASTER RELIEF:**  
FLOODS  
EARTHQUAKE  
HURRICANES

Right Service, Right Time, Right Place, Right Price  
Every Time...Best Value Solutions for  
America's Warfighters

**FORWARD  
DEPLOYMENT:**  
BOSNIA  
HUNGARY  
KOSOVO  
MACEDONIA  
CASPIAN



# ***DRMS Environmental Mission***

---

- PROVIDE OR ARRANGE ENVIRONMENTAL SERVICES FOR DOD ACTIVITIES THAT ARE
  - IN REGULATORY COMPLIANCE
  - MEET THE CUSTOMERS NEEDS
  - COMPETITIVELY PRICED
  - MINIMIZE RISK OF:
    - FINES
    - FUTURE LIABILITY
    - ADVERSE PUBLICITY

**DOD PROVIDER OF CHOICE  
FOR ENVIRONMENTAL  
SERVICES**

- COST
- QUALITY
- ACCOUNTABILITY



# *DRMS HW Disposal History*

---

- 1972 – Defense Property Disposal Service formed
- 1981 – Assigned DoD HW disposal Mission
- 1981-1988 TSDf site visits with EPA NEIC.
- 1994 ISO 9002 Certified
- 1993-2002 HW Manifest EDI/XML Partner with LMI and EPA
- Member DoD RCRA Subcommittee



# *Environmental Strategy*

---

- **TRANSFORM DRMS ENVIRONMENTAL PROCESSES**
  - REDUCE THE RISK TO DOD
  - IMPROVE CUSTOMER SATISFACTION
  - USE RESOURCES MORE EFFECTIVELY
- **THIS WILL BE ACCOMPLISHED THROUGH**
  - INCREASED AUTOMATION
  - ESTABLISHING PROCEDURES WHICH EMPHASIZE POLLUTION PREVENTION (P2)
  - FINDING SMART COMMODITY-BASED BUSINESS SOLUTIONS
  - OFFERING AN ENHANCED MENU OF MANAGEMENT SERVICES TO OUR CUSTOMERS



# Minimizing Risk

- **EVALUATION OF HM BUYERS SINCE 1990**
  - PRE AWARD - 1 IN 5 REJECTED
  - POST AWARD - ASSURE THROUGHPUT AT LARGE BUYERS
  - 96 % OF CERCLA COSTS: PRE-1990 SALES
    - ONLY 5 INCIDENTS SINCE 1990
    - LESS THAN \$200K IN LIABILITY
- **TSDF (SUBCONTRACTOR) SURVEILLANCE**
  - PRE-APPROVAL CHECKS
    - PERMIT
    - CLOSURE FUNDING
    - COMPLIANCE
  - POST-APPROVAL CHECKS
    - COMPLIANCE
    - MANIFEST IRREGULARITIES
    - ON-SITE AUDITS

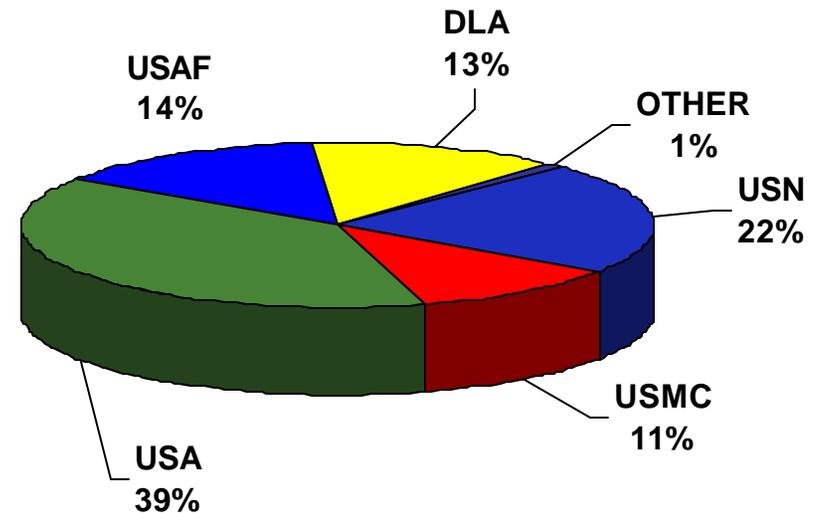
<b>COST OF MISTAKES (SINCE 1981)</b>			
<b>ENFORCEMENT FINES</b>			<b>\$100,000</b>
<b>CERCLA CLEANUP COSTS (\$M)</b>			
	<b>DERA</b>	<b>DOJ</b>	<b>TOTAL</b>
HM SALES	\$47.7	\$222.6	\$270.3
HW CONTRACTOR	\$ 5.0	\$ 5.9	\$ 10.9
<b>TOTAL</b>	<b>\$52.7</b>	<b>\$228.5</b>	<b>\$281.2</b>



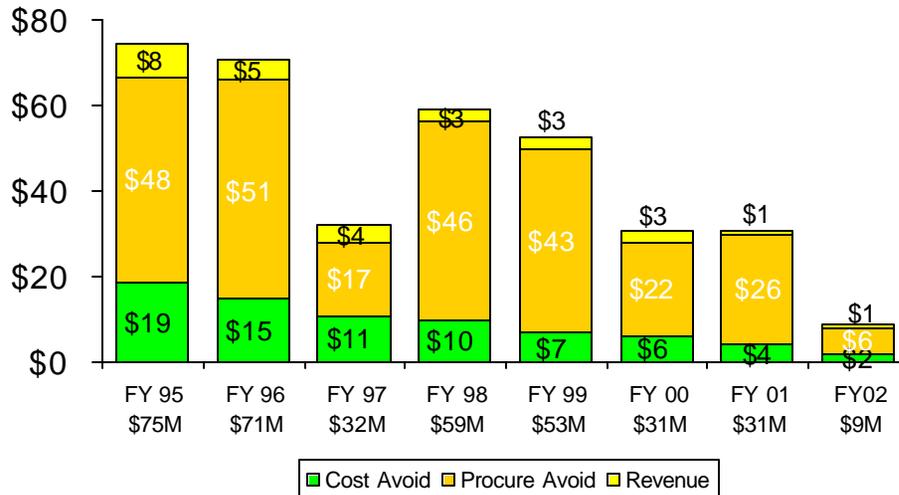
# FY 02 Hazardous Property Disposal

- **1,328 HW PICKUP POINTS**
  - **181 IN EUROPE AND PACIFIC**
  - **OVER 80% OF ALL OFF-SITE HW DISPOSAL FOR DOD**

## DRMS HW CUSTOMERS BY WEIGHT

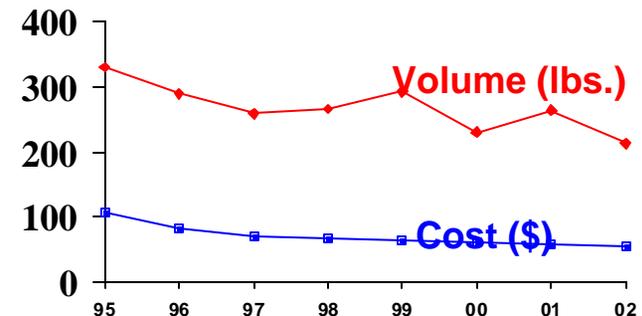


## DRMS RTDS COST SAVINGS



MILLIONS

## FY 02 - 212M Lbs and \$56M





# *DoD HW Reduction Efforts are Working!*

RCRA HW Disposal (Thousands of Pounds)					CY 92 - 01
	CY 92	CY 95	CY 98	CY 01	PERCENT
<b>Army</b>	<b>60,055</b>	<b>41,156</b>	<b>31,700</b>	<b>40,391</b>	<b>-32.74%</b>
<b>Navy</b>	<b>206,668</b>	<b>180,931</b>	<b>79,413</b>	<b>65,618</b>	<b>-68.25%</b>
<b>Marines</b>	<b>78,900</b>	<b>78,700</b>	<b>75,098</b>	<b>25,791</b>	<b>-67.31%</b>
<b>AF</b>	<b>49,228</b>	<b>30,966</b>	<b>20,874</b>	<b>20,774</b>	<b>-57.80%</b>
<b>DLA</b>	<b>13,812</b>	<b>13,664</b>	<b>1,252</b>	<b>297</b>	<b>-97.85%</b>
<b>Total</b>	<b>408,663</b>	<b>345,417</b>	<b>208,337</b>	<b>152,871</b>	<b>-62.59%</b>

The hazardous pharmacy concept, direct vendor delivery, and just-in-time ordering have reduced DLA 2001 HW generations to just fractions of 1992 numbers



# ***ENVIRONMENTAL INITIATIVES***

---

- **STREAMLINE/IMPROVE PROCESSES**
  - **COR INITIATIVE**
  - **CSF INITIATIVE**
  - **AUTOMATION**
  - **HM PROCESS REDESIGN**
  - **DFAS PAYMENT PLAN**
- **MEET / EXCEED CUSTOMER EXPECTATIONS**
  - **TEAM WITH DLA AND PLFAs FOR ONE FACE TO DOD CUSTOMER**
  - **TARGET CHANGE TO SPECIFIC CUSTOMER GROUPS**



# ***PAPERLESS TURN-IN to DRMO***

---

- Automation of Environmental Processes
  - **GenComm (Automated Turn-In)**
    - **Status:**
      - 40% of hazardous receipts via GenComm
      - Approximately 75 generators @ 40 DRMOs using GenComm
      - Resources no longer support manual / paper process
    - ❖ **Goal: Paperless Turn-In of HM/HW**
      - % availability / capability goal: 100%
      - % of total receipts goal: 70%
        - » Lower costs
        - » Become more independent of volume surges
    - **Plan:**
      - ETID HM/HW requirements defined (February 03)
      - GenComm fully available (FY03)
      - ETID HM/HW Implemented FY 04



# *Automated Manifest Tracking*

---

- **Automated Manifest Tracking**
  - **Status:**
    - System in place
    - Broke down firewalls
    - In negotiations with contractors
  - ❖ **Goal:**
    - 100% of contractors using automated tracking – no hard copy
  - **Plan:**
    - Testing phase / 2 contractors (May 02)
    - Bring top 5 contractors on line (60% of business) (Sep 02)
    - Evaluate progress (Sep 02 – Apr 03)
    - All contractors on line (Sep 03)



# *DRMS Env. in the Future*

---

- COR – Incorporated into DRMS Service Delivery Model (SDM)
- CSF - Reduce CSFs (closures) / Limited DRMS Operated CSFs – (also part of SDM)
- AUTOMATION
  - Turn-ins of HM/HW completely automated
- HM DISPOSAL PROCESS REDESIGN
  - Efficiency / Changes in HM sales implemented
- CUSTOMERS
  - Right service mix to right customers



# *RCRA Conforming Storage Facilities (CSFs)*

---

- **31 RCRA permitted CSFs operated by DRMS**
  - Includes Anchorage, Guam, Hawaii, Roosevelt Roads
- **Current Closure Actions**
  - Fairbanks, Hood, Luke, Sheppard, Tucson, Vandenburg, Hood, Richmond
  - Hill AFB to assume operation of CSF
- **Reality Check**
  - In 1990, DRMS operated 81 CSFs



# ***DoD P2 Impact on DRMS CSF Program***

---

- **Move Information, not Property**
  - Reduce handling and storage of HW.
  - DRMS has proven we can move HW within 90 days at majority of these sites.
- **71% of CSFs DRMS operates did not store any off-site HW in FY01**
  - Majority of CSFs are manned less than 40 hrs per week.
  - For majority of CSFs, waste is stored less than 90 days.



# *RCRA Permit Advantages & Disadvantages*

---

- **Advantages**

- Store HW up to one year
- Receive and store off-site HW

- **Disadvantages**

- Permit conditions drive the operation
- More stringent record keeping requirements
- Inspection schedule and requirements
- Annual inspection by regulator(s)
- Potential for NOVs resulting for not adherence to permit
- Permit modifications and renewals may be costly
  - Additionally, regulator may not act timely
- Maintenance



# *CSF Closure Initiative*

---

- **Obtain DLA and OUSD(E) concurrence**
- **Propose changes to the DoD 4160.21-M**
- **Inform the Major Commands of these changes so their installations can program funds for the staffing/operation**
  - **Recommended Options**
    - **Close the CSF**
    - **Host operation.**
    - **Contractor operation – Host pays once in POM**
    - **DRMS operation**
      - **Requires written approval for DRMS to store off-site HW .**
      - **MAJCOM signs service level agreement.**



# *Timeline*

---

- **May 2002 – DRMS Command approved CSF Plan**
- **July 2002 – Plan forwarded to DLA for review, coordination, and concurrence.**
- **March 2003 – DLA reviewing Plan.**
- **September 2003 – DRMS-BE will coordinate draft language for DoD 4160.21-M, with DLA (J33).**
- **January 2004 – DRMS-BE will submit memorandums to the Major Commands on the CSF Initiative.**
- **January 2004 – DRMS National Command will initiate discussions with the installations to determine which CSFs may be closed.**



# *DRMS-Environmental Business Unit (EBU)*

---

## A Best-Value Approach to HW Disposal Contractor Oversight

Presented by:  
Stan Fountain  
DRMS-BE



# *Why Look for a New Approach?*

---



- **DRMS tasked to Review its Programs, possibly Reduce Service Level Billing so DoD can spend Budget \$ more effectively on the WarFighter**
- **FY02 Service Level Billing for HW Management = \$ 22,099,151**
  - **Does not include actual disposal costs**



# *Cost Breakdown*

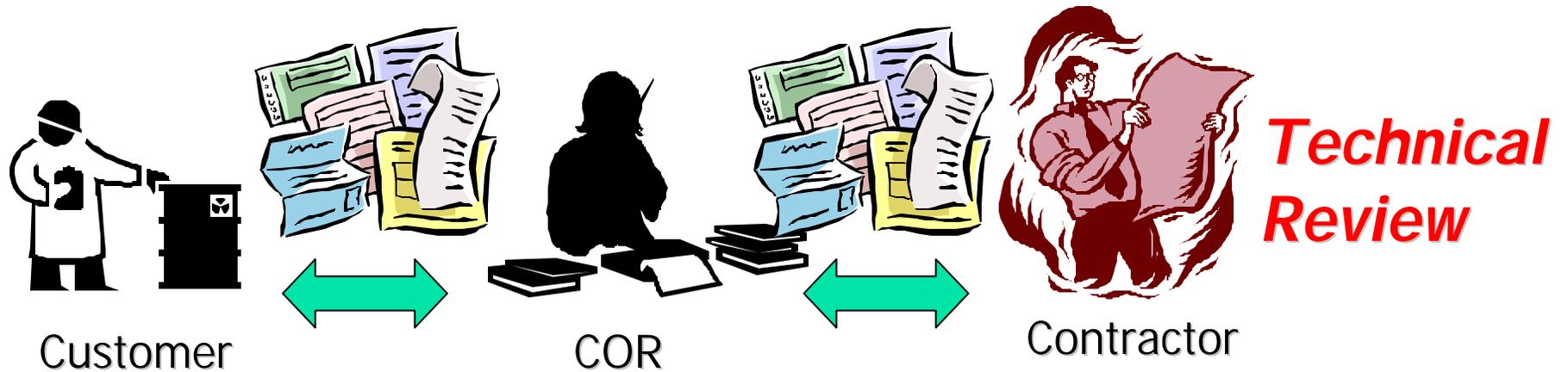
---

- **Technical Review Portion = \$8,084,169 (37%)**
- **COR Physical Surveillance Portion = \$5,588,785 (25%)**
- **Contract Administration/Other = \$8,426,197 (38%)**
- **Environmental Program tasked to review its processes and look for inefficiencies contributing to current billing**





# *A Look At The Current Two-Part Process*





# *Risk Analysis of Technical Review*

---

## RCRA/DoT Identification & Document Preparation



RCRA Inspections Since 1994 – 789  
RCRA Violations Resulting - 65



# *Risk Analysis of COR Physical Surveillance*

---

Drum Identification & Packaging Verification  
Monitor Contractor Performance



DoT Inspections Since 1994 – 0  
DoT Violations Resulting – 0



## *Value is Relative...*

---

- Based upon past inspection history, the “Technical Review” process provides much more value than the “Surveillance” process.
- However, Customers may have a different opinion, depending on various factors, such as:
  - *Perceived Contractor abilities*
  - *Past Contractor performance*
  - *Personal technical abilities*
  - *COR’s technical abilities*



## *Conclusion*

---

- Much of DRMS' Oversight effort is Duplicative effort.
- Not all Customers Want or Need all the Quality Assurance DRMS provides. *Some just want what provides value to them.*



## *Recommendation*

---

- ***Offer Options under the Service Delivery Model Concept***
- ***Customer chooses process which provides best value***
- ***DRMS provides only those services and bills DoD accordingly.***



# *Program Standards Applicable to All Options*

---

- ✓ **Low Disposal Costs**
- ✓ **Cradle-to-Grave Tracking**
- ✓ **Automated records of all transactions**
- ✓ **Turn-key Contracts & Contracting Support**
- ✓ **Legal Support & Third-Party Program**
- ✓ **Quality Assurance Program**
  - ✓ **Technical & Past-Performance Evaluation of Contractors/Subs**
  - ✓ **Maintain Qualified TSD/Transporter Database**
  - ✓ **Trained Environmental Staff**
  - ✓ **Contractor Oversight**



## *Option 1*

---

- Status Quo: DRMS performs 100% of:
  - Technical Review of all Documentation by DRMS Environmental Protection Specialist
  - Physical Oversight of every Pickup by COR



## Option 2

---

- Best Management Concept: Status quo, except:
  - the COR has the option to physically monitor the contractor as the COR determines necessary to ensure performance.
  - Customers will be required to be present at the time of pickup and sign required shipping documentation.
  - Customers will not be required to become COTR's, nor handle any contractual matters, other than communicating with the COR.
  - Estimated cost savings to DoD = 25%



## *Option 3*

---

- Surveillance Only Concept:
  - Customers work directly with the Contractor on:
    - Technical Review Process
  - DRMS provides COR surveillance at every pickup:
    - COR will monitor Contractor's packaging and shipping performance
    - COR will resolve or elevate problems springing from differences of opinion between Customer & Contractor
    - COR will not Co-Sign shipping documents

**Estimated cost savings to DoD = 25%**

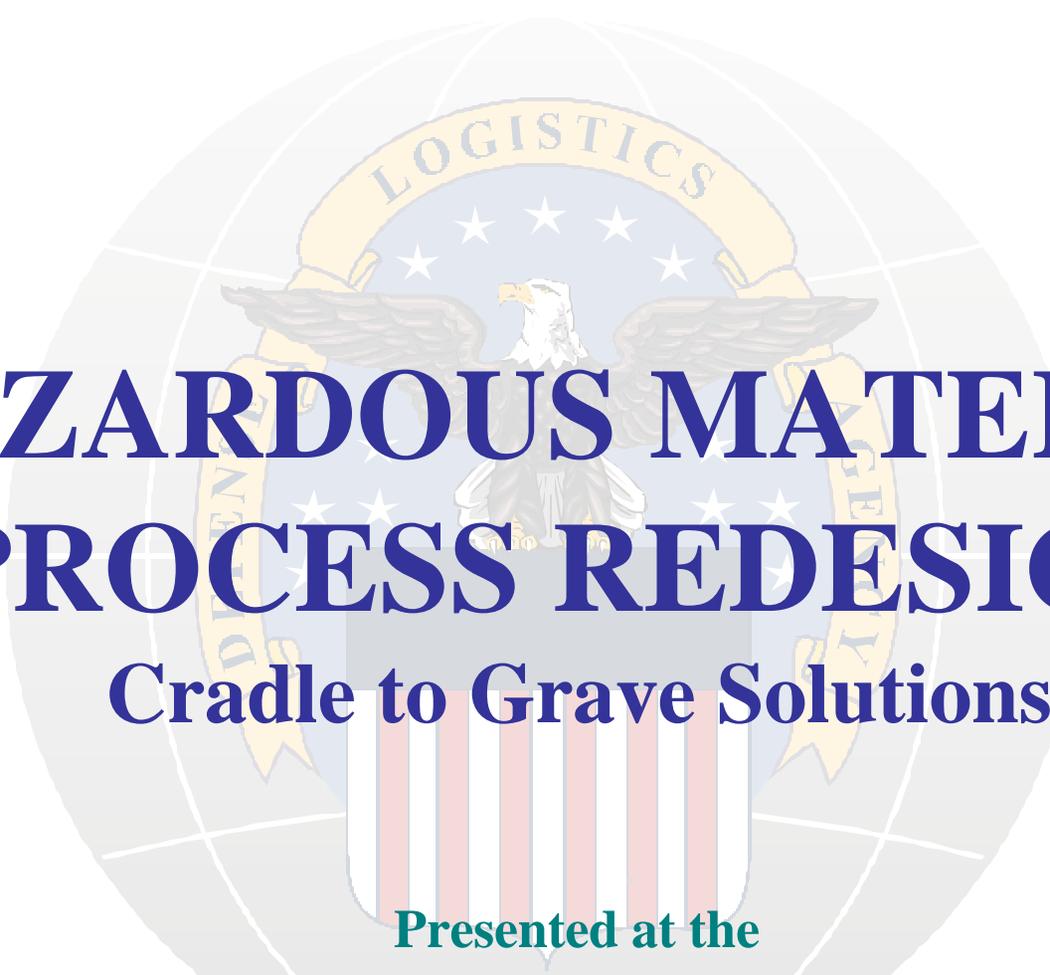


## *Option 4*

---

- Oversight Only Concept:
  - Customer works directly with Contractor on Technical Review Process
  - Customer monitors all removals as COTR
  - DRMS provides random surveillance as it deems necessary, as well as scheduled evaluations to ensure Contractor performance
  - DRMS provides technical evaluation only in cases of disagreement between Customer and Contractor

**Estimated cost savings to DoD = 50%**



**HAZARDOUS MATERIAL  
PROCESS REDESIGN**  
**Cradle to Grave Solutions**

Presented at the  
**29<sup>th</sup> NDIA Environmental and Energy Symposium**  
**April, 2003**



# *OUTLINE*

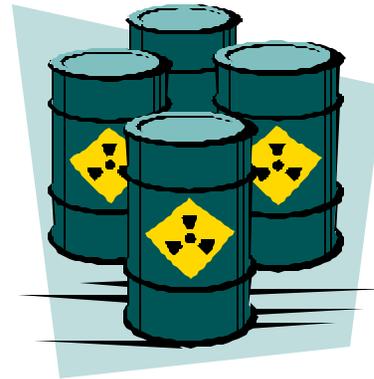
---

- WHY THE NEED TO LOOK AT HM PROCESSES?
- HAZARDOUS MATERIAL REDESIGN INITIATIVE
  - OBJECTIVES / OPTIONS
- WHAT DOES IT MEAN TO YOU?



---

# WHY THE NEED TO LOOK AT HM PROCESSES?





# *HM ISSUES at DRMS*

---

- **TRADITIONAL DRMS PROCESSING OF HM IS NO LONGER EFFECTIVE**
  - Receiving less HM in marketable quantities and in good condition
  - Demand low due to more effective procurement practices (appropriate quantities) by the ICPs
  - When small quantities are wanted, customers can go to HM pharmacies now vs. us.
  - Cost per line item of HM RTDS going up
    - Went from \$201 in FY01 to \$262 in FY02 and rising...
  - Bulk of DLA/DRMS cleanup liability in HM sales
    - Over 200 million HM vs. 10 million HW in 20 years



# *HM SALES TO GENERAL PUBLIC*

**1 in 5 bidders is**

***NOT***

**Environmentally  
Responsible**



Cost us 25 million

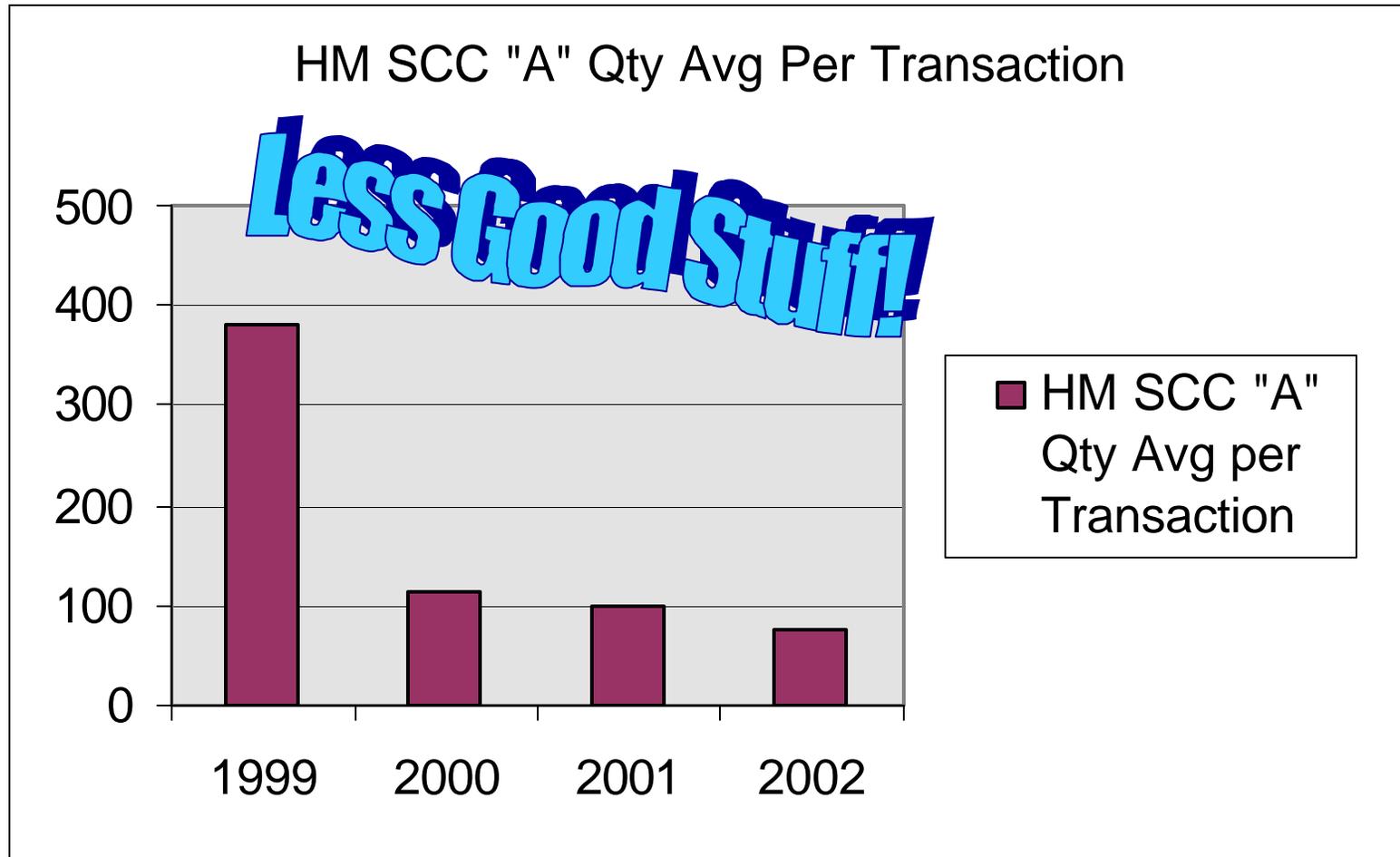


Cost us in excess of 400k  
and still rising...



# *SUPPORTING DATA*

---





# *DLA CUSTOMER SURVEY*

---

- WE LEARNED ...
  - We could improve our services by
    - Getting DLA staff more involved with program managers to determine needs and anticipate demands
    - Hazardous Material services
      - Need to address...
        - » Issues about contractors
        - » Receipt of materials
        - » Costs



**A PERFECT FIT**



---

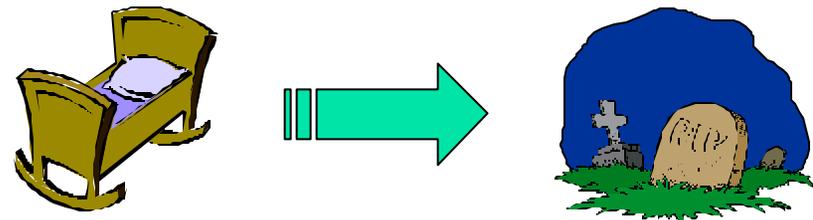
**WORLDWIDE MATERIAL REDESIGN INITIATIVE**



# ***NEW APPROACH***

---

- **CRADLE TO GRAVE COMMODITY  
BASED SOLUTIONS**



- DOD / DLA Solutions ... not just DRMS ... but every part of the supply chain
- Number of ways HM commodities could be handled
- Often largely dependant on what the commodity is.
  - EX: some conducive to recycling, some sell very well, some are perfect candidates for RTM, etc.



# ***NEW APPROACH***

---

- **EXPLORE ALTERNATIVES**

- **Increase Direct Vendor Delivery (DVD) – manufacturer stores necessary inventory and sends directly to customer**
- **Increase RTM – set it up through original procurement**
  - **Discuss w/industry while benchmarking**
- **Consignment (one-for-one) programs**
  - **Example: lead acid batteries**
- **Sales**
  - **Eliminate one-time sales / want term sales only**
  - **Identify traditional money makers / losers**
  - **Research patterns in 3<sup>rd</sup> party clean-ups**
  - **Outsourcing possibilities (HV)**
  - **Eliminate HM sales completely?**





# ***NEW APPROACH***

---

- **HM PROCESS REDESIGN TEAM**

- DLA Wide Perspective

- Representation from DRMS HQ, DRMS field offices, DLA HQ, ICP, Depot



**Whole Supply Chain**





# HM TEAM MILESTONES

- **Milestones:**

- Set up team consisting of HQ, SMs, DLA reps (HQ/ICP/Depot)
- Environmental Workshop 1/2 day brainstorming session
- Identify commodity groupings and determine right level of detail for disposal decisions
- Identify alternatives for each commodity
- Agree on plan for implementation
- Final implementation complete

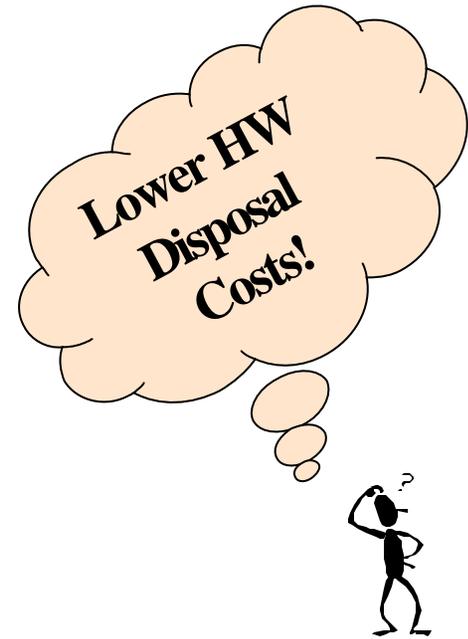
- **Dates:**

- Completed 27 Jun 02
- Completed 08 Aug 02
- ECD 30 Jun 03
- ECD 31 Aug 03
- ECD 30 Sep 03
- ECD 30 Sep 04





# WHAT DOES THIS MEAN TO YOU...





## ***IN THE END...***

---

- **IMPLEMENTATION OF HM PROCESS REDESIGN WILL RESULT IN ...**
  - Commodity based solutions
  - Standardized, succinct processes
  - Support of DOD wide efforts for Pollution Prevention (P2)