



Why Private Businesses *Need* Certification of Site Assessors

This presentation reflects my thoughts and views
through my experiences as a client.



Certification ?

- Credibility of results to government and other affected parties
- Assurance that contractor is capable where client may have no knowledge
- Standardized procedure and terms with consistent approach and understanding
- Assurance that all required work is done
- Assurance that what is done is required
- Confidence that result will provide due diligence in case of future liability



Client Issues

- Historic impacts to property, magnitude of environmental costs
- Perceived vs. scientific vs. government determination of impact significance
- Contractor selection
- Adjacent property owners vs. government expectations/requirements for remediation
- Cost/Time estimates
- Mutual understanding of definitions used to describe site assessment work activities



Historical Problems

- Likely unforeseen
- Feeling of innocent victim
- Probably impractical to pursue past owners
 - Public Relations
 - Out-of-Business
 - Costs related to proving responsibility



Impact Significance

- Perceived - surrounding appearances do not support significant impact
- Scientific - hard data to understand impact significance not readily available
- Government Standards - basis uncertain, possibly indirectly or unrelated to specific situation



Contractor Selection

- Different or same contractor as buyer
- Previous work or knowledge of the property
- Previous work experience with the contractor
- Measures of capability and accountability such as:
 - professional certifications
 - insurance
 - past client recommendations
 - resources to assess full scope rather than strongly weighted in one area of expertise



Negotiation Traps

- Different expectations of the deliverables of the Site Assessment contract
- Estimates versus actual expenditure
- Poor understanding and estimating of remedial costs
- Estimates versus actual timing



Remediation Expectations

- Government requirements - Basic
- Company requirements
- Buyers requirements
- Off-site impacted property owners



Estimate Accuracy

- Client
 - Has to identify, justify and build costs and timing into corporate budget program
 - Accuracy and timing of planned expenditure vital
 - No value in a partially completed assessment
- Contractor
 - Estimates based on many unknowns
 - Client will be committed to cover undefined or underestimated costs and results of delays



Terms and Concepts

- RBCA
- Tier level cleanup targets
- Existing and possibly future property class
- Site Assessment Phases



Assessment Phases

- Clients and Contractors can have different understandings of the number and content of the assessment phases
- The 3 most common breakdowns are:
 - 3 phase approach
 - 6 phase approach
 - 4 phase approach



3 Phase Assessment

- This is one of the earlier understandings
- Phase 1 - Full site history, non intrusive
- Phase 2 - Intrusive, full definition and delineation of contamination
- Phase 3 - Remediation and Closure
- Dangers
 - confusion on the scope and content of Phase 2
 - Phase 2 can be broken down in an (a) and (b)



6 Phase Assessment

- Phase 1 - same as the 3 Phase process
- Phase 2 - Intrusive, verify suspect issues
- Phase 3 - Intrusive, delineate contamination, assess remedial options
- Phase 4 - Remedial Action Plan
- Phase 5 - Remediation
- Phase 6 - Completion Report & Sign Off
- Benefit - Splits previous Phase 2



4 Phase Assessment

- Phase 1, 2, 3 - same as the 6 Phase process
- Phase 4 - includes Phase 4, 5, 6 of 6 Phase
- Benefit
 - Provides the key breakdown to support interim process decisions
 - Phase 5 and 6 are included in 4 as they are required based on the decision to proceed with the Phase 4



Client's Expectations

- Full Assessment of environmental liability
- Minimized on-going liability
- Accurate assessment of pros and cons of doing too much or not enough
- Reliable cost estimates
- Due Diligence
- Consultant assurance
- Government approval



Client's Basic Requirements

- Determine the extent of the environmental impact
- Determine most economic option to meet regulated requirements
- Take appropriate action
- Obtain the required documentation for DOE clearance



Assessment Plan

- Mutual understanding of the ESA process elements
- Mutual expectations of the contract deliverables
- Develop the full plan specifying specific activities under each Phase and noting interim decisions required
- Include notes of limitations and areas that could substantially impact the plan.



Summary of Primary Issues

- Phase 1 includes the verification of contamination
- Phase 2 verification of contamination includes delineation
- Delineation gives information to accurately assess remediation options and costs
- Remediation costs include considerations like impact of rain and re-paving etc.
- Estimates are reasonably accurate



Certification?

- **Government** - consistent assessments to relate and track contamination
- **Lending Institutions** - accurate evaluation of risk to property value and minimal potential for liability
- **Clients** - accurate evaluation of risk to property value and minimal potential for liability
- **Contractors** - ability to do what is required competitively