

DLA Installation Support San Joaquin, California

Secretary of Defense Environmental Awards

ENVIRONMENTAL QUALITY, INDUSTRIAL INSTALLATION AWARD NOMINATION



INTRODUCTION

Defense Logistics Agency (DLA) operates the Defense Distribution Depot San Joaquin in Tracy, California and Lathrop, California, which were known as the Tracy Site and the Sharpe Site.

The Sharpe Site was acquired by DLA from the U.S. Army in 1990 to support the local mission of distributing supplies for all branches of the military in the Western United States and abroad. The sites served as a storage, shipping, packing and maintenance facility for nonperishable foods, medical supplies, packaged petroleum products, construction supplies, clothing and textiles, industrial tools and equipment.

In order to reduce operational and maintenance costs, eliminate the use of World War II-era general purpose warehouses and align San Joaquin's Strategic Distribution Platform operations, DLA began a consolidation process for DLA Defense Distribution Depot San Joaquin from the two sites to a single site centralized in Tracy, California. The two sites, located 15 miles apart, encompassed 31 general purpose and specialty warehouses, and included 10 million square feet of indoor and open storage. With nearly \$8.1 billion in material under management, DLA Defense Distribution Depot San Joaquin stored approximately nine percent of DLA's total secondary inventory. By consolidating the two sites, DLA is projected to save more than \$45 billion agency wide, streamline processes and reduce supply chain redundancies.

At the beginning of the transition, the total employment at DLA Defense Distribution San Joaquin was approximately 1,580; post-transition, employment is approximately 1,200. The personnel were reduced to meet the authorized fiscal year 2015 numbers, with no loss to permanent personnel.

The 180 DLA employees at Sharpe were relocated to Tracy.

The Sharpe Site covered 724 acres in a primarily rural area of San Joaquin County approximately eight miles south of Stockton and 60 miles east of San Francisco. The site is rectangular, approximately half a mile wide and two miles long. The Tracy Site includes a triangular 453-acre operational portion and a 462-acre agricultural annex.



World War II-era warehouses with asbestos-containing siding removed prior to demolition.

Common wildlife species observed at both Sites were documented in a Biological Resources Survey Report, dated February 2013. DLA maintained a burrowing owl (State-listed species of special concern) management program at the Sharpe Site up until the site was transferred. DLA completed a burrowing owl census in April 2014 and provided the report to the U.S. Army with all other Sharpe-related environmental compliance documentation.

Of the nine pre-World War II buildings demolished at the Sharpe Site, none were determined historically significant. The Sharpe Site was not dependent upon the city of Lathrop for drinking water or wastewater processing, as it had its own systems including an arsenic removal system for drinking water. As such, the Environmental Branch was responsible for ensuring the arsenic removal plant and the drinking water treatment plant maintained compliance with environmental regulations.



Crushed concrete from demolition of warehouse flooring to be used as soil erosion control.

Environmental investigations have occurred at the Sharpe Site since 1980 as part of the Installation Restoration Program under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), in accordance with the DoD Environmental Restoration Program.

Background

As a result of DLA's closure of the Sharpe Site, the DLA Installation Support San Joaquin Environmental Branch is forecasted to reduce funding expenditures and enhance performance within the environmental budget. From 2012 to 2014, the biggest environmental challenge that affected the Environmental Branch was the Sharpe Site Closure. They overcame that challenge using new guides and a tracking matrix to successfully transfer, close, or consolidate the environmental responsibilities at the Sharpe Site, while maintaining environmental compliance with legal and other requirements at both Tracy and Sharpe Sites.

The DLA Installation Support San Joaquin Environmental Branch is comprised of four environmental protection specialists, a recycling coordinator and a division chief. The environmental programs managed include aboveground storage tanks, air quality, cultural resources, drinking water, environmental management systems, hazardous materials, hazardous waste, installation restoration program (IRP), natural resources, National Environmental Policy Act (NEPA), pest management, pollution prevention, recycling, storm water, wastewater and toxics (e.g. asbestos, lead-based paint and polychlorinated biphenyls).

In 2012, the Environmental Branch developed Program Maintenance Guides in Microsoft Word® to document the environmental program-specific responsibilities, documents, records, schedules, regulatory requirements and training requirements. This was an initial step in implementing the Defense Distribution Depot San Joaquin Environmental Management System (EMS). As of 2014, Defense Distribution Depot San Joaquin has declared full EMS conformance, as endorsed by both the Site Director - DLA Installation Support San Joaquin and the Commander - DLA Distribution San Joaquin, and verified by external audit in June 2014.

The Program Maintenance Guides are a useful reference for current and new program managers by providing awareness of Environmental Safety and Occupational Health (ESOH) team responsibilities, processes, and location of records. The guides were developed for the following environmental programs: air quality, drinking water, hazardous material, hazardous waste, installation restoration program, pollution prevention, pesticides, storm water, toxics, and wastewater. They are also incorporated into the EMS Manual.

In 2013, in preparation for the Sharpe transition, the Environmental Branch used the information in the Program Maintenance Guides to identify the regulatory schedules, documents, and records required to complete the Sharpe Environmental Turnover Checklist. This checklist helped the Environmental Branch identify files, documents and records that needed to be located, cataloged, boxed and transported to the U.S. Army at the Sharpe Site months prior to the transition deadline.

For documents that combined guidance for both the Tracy and Sharpe Sites, an Environmental Branch team member was assigned responsibility to update the plan so it only reflects Tracy.

Since many operations were transferring between Sharpe and Tracy Sites, even the documents specific to Tracy required updating. The following plans for the Sharpe and Tracy Sites were updated in 2014: Spill Prevention, Control, and Countermeasure Plan; Hazardous Waste Management Plan; Hazardous Material Business Plan.



Warehouse racks prior to removal for recycling as scrap metal.

Environmental challenges associated with the transfer from the Sharpe Site were numerous. As a separate operating facility, the environmental permits were independent from the Tracy Site and required closure or consolidation. The burrowing owl, a State-listed species of special concern, required natural resources considerations. The environmental restoration program, a 30+ year soil and groundwater cleanup program under Superfund, was also a challenge that had to be addressed.



Warehouse asbestos abatement in progress.

SUMMARY OF ACCOMPLISHMENTS

By consolidating the two sites, DLA is projected to save more than \$45 billion in added expenditures, streamline processes and reduce supply chain redundancies. The Environmental Branch team developed a plan to transfer all Sharpe Site assets and facilities to the U.S. Army in a clean and acceptable condition that reduced environmental liabilities associated with the property. The Environmental Branch is forecasted to reduce funding expenditures as a result of the following actions:

- Provided oversight of asbestos removals and hazardous waste handling during the demolition of five warehouses and four other facilities including an aircraft hangar in conjunction with the safety office, and a certified industrial hygienist. This effort resulted in restoring 1.4 million square feet of land and avoiding \$120 million in sustainment, restoration and modernization costs.
- Reduced personnel to authorized fiscal year 2015 numbers, including a 25 percent reduction in Environmental Branch staffing, reducing labor costs by \$265,000 annually.
- Eliminated maintenance cost for the Sharpe Site, including the approximately \$3 million annual cost to DLA for groundwater and soil contamination mitigation, and \$150,000 annually in other regulatory compliance costs.
- Terminated the Industrial Storm Water Permit and transferred the permitted wastewater and drinking water systems to the U.S. Army. This saved \$125,000 in annual arsenic treatment system media renewal and disposal fees, and reduced annual permit fees by an additional \$3,600.
- Processed more than 900 tons of metal, cardboard, wood and paper, representing a 25 percent increase over historical recycling averages. The Sharpe Site recycled 63 tons of scrap metal during the last month of DLA occupancy, which generated nearly \$14,000 in revenue for the Qualified Recycling Program.
- Worked diligently to empty and vacate all equipment, material, furniture, chemicals, storage racks, etc. from the buildings and grounds.
- Spearheaded the hazardous waste accumulation site certified closure, tenant activities hazardous materials/waste mission closure, and hazardous material storage building official purging, clean-up and closure. This closure reduced DLA environmental liabilities and regulatory fees for hazardous material and waste by \$12,000 annually and safely disposed 33.5 tons of hazardous waste as part of the clean-up.
- Cancelled three Authority to Construct permits and transferred 12 Permits to Operate for the air program, which reduced annual permitting fees by \$6,500.
- Worked diligently to empty and vacate all equipment, material, furniture, chemicals, storage racks, etc. from the buildings and grounds.
- Provided proactive, vital assistance to numerous organizations within DLA to support efforts to palletize, relocate and dispose of furniture, lockers, equipment and solid waste. Organizations included General Services Administration; U.S. Army Air Force Exchange Service; U.S. Army Reserve; U.S. Marine Corps Reserve; U.S. Air Force Civil Air Patrol; American Red Cross; U.S. Navy Sea Cadets; U.S. Army Family Morale, Welfare and Recreation; and the Sharpe Site Police Services and Fire Department.
- Collected, consolidated and cataloged more than 110 records, documents and file folders that directly applied to the Sharpe Site before transferring the plans. Also ensured the Spill Prevention, Control, and Countermeasure Plan was updated in February 2014 and the Hazardous Waste Management Plan was updated in July 2014 to reflect current conditions at the Sharpe Site before delivering to the U.S. Army.

JUDGING CRITERIA

Program Management

The master plan for transferring ownership of Sharpe from DLA to the U.S. Army began in March 2012 with the intent to close the site in one year; however, the plan was extended and revised to have the entire DLA presence withdrawn by September 30, 2014. When the Environmental Branch commenced its obligations for the transfer of the Sharpe Site, the initial step was the formation of an itemized list of objectives and milestones to be completed. These tasks included document transfer, permit and equipment transfer of air emission sources, hazardous material and waste disposal and clean-up, building decontamination, transferred potable drinking water permit and wastewater permit to U.S. Army, sumps and above ground storage tanks, filed and completed industrial storm water permit closure, environmental assessment, property condition survey, site characterization surveys and NEPA/McKinney Act documentation for building demolition. These tasks were completed on time, and the final property turnover to the U.S. Army was completed by September 30, 2014.

DLA maintained a vital presence, in the form of a management system structure, for handling hazardous waste and material, by ensuring proper cleanup and removal. This involved conducting building inspections and clean-up to confirm all facilities on the Sharpe Site were in adequate condition to be transferred. DLA also provided walk-throughs with U.S. Army representatives prior to the transition date. DLA scheduled and conducted bi-weekly meetings with the U.S. Army to coordinate efforts between the funding manager, environmental, master planner, real property manager, engineers, legal and logisticians. Concurrently, documents and records were compiled by DLA and transferred to the U.S. Army.

The transfer of goods to the Tracy Site reduced vehicle miles, forklift traffic, power usage, and boiler and generator usage resulting in a significant reduction of greenhouse gases (GHG). The consolidation further reduced hazardous waste, solid waste, and wastewater generation, as well as water consumption. Transferring the Sharpe Site to Tracy had no significant impact on hazardous materials, wastes or toxic substances at the Tracy Site. In conjunction with the consolidation, DLA Defense Distribution Depot San Joaquin removed 31 General Services Administration vehicles, 116 forklifts, three fire trucks, four agency-owned trucks and 11 scooters from their active fleet. This fleet reduction lowered GHG emissions, reduced gasoline and fossil fuel consumption and reduced DLA's overall carbon footprint, which also included utility usage.



Warehouse demolition debris being loaded for shipment.

Technical Merit

The Environmental Branch used new guides and tracking matrix to successfully transfer, close, or consolidate the environmental responsibilities at the Sharpe Site, while maintaining environmental compliance with legal and other requirements in order to protect the environment. The Environmental Branch used the information from the Program Maintenance Guides to identify the regulatory schedules, documents and records in order to create the Sharpe Environmental Turnover Checklist. This checklist included over 100 records, documents, or responsibilities, all of which needed to be located, cataloged, boxed and transported to the U.S. Army at the Sharpe Site months prior to the transition deadline.

In addition to maintaining compliance and transferring files, the Environmental Branch coordinated the Sharpe Site cleaning and closure, waste disposal, material movement and building demolition. This was a challenge due to the numerous synchronized efforts involved between DLA, the U.S. Army, consultants and several subcontractors in order to flawlessly accomplish the task while staying in full compliance with all federal, state and local regulations. This was a monumental challenge when considering the 25 percent reduction in Environmental Branch staff, limited project resources, ongoing compliance responsibilities, staff turnover, and strict time constraints. The techniques utilized to overcome this challenge included, disciplined meetings, timeline charts, communication between agencies to transfer permits and duties, and coordination with contractors to cleanup buildings and remove waste.

Orientation to Mission

The Environmental Branch fully supported the DLA Distribution San Joaquin mission to consolidate two sites, resulting in a smooth transition and no interruption of services to the military. Despite additional requirements, workload and environmental oversight associated with closing the Sharpe Site, the Environmental Branch maintained full compliance with all regulatory requirements and did not subject the installation to increased risk in the form of notices of violation or work stoppages. The Environmental Branch continued its close partnership with DLA Distribution San Joaquin through close communication and participation in installation planning sessions, progress meetings and correspondence.

The Environmental Branch maintained the hazardous waste accumulation site at the Sharpe Site so tenants could continue to accumulate hazardous waste and rely on proper hazardous waste transfer, even after DLA consolidated their mission to the Tracy Site. Until July 1, 2014, the hazardous waste pick-ups were completed within the accumulation time limits to prevent notice of violations, fees from penalties, or potential shut down of mission operations. DLA communicated months in advance to allow adequate time for the U.S. Army to request an Environmental Protection Agency (EPA) Identification Number. Additional continued services for tenants and the mission at the Sharpe Site included drinking water, wastewater, solid waste, recycling, air quality monitoring and servicing of permitted equipment.



Bldg. 605 Hazardous Waste Storage after hazardous waste was removed and the building cleaned and power-washed.

Transferability

The Environmental Branch never had to shut down a site as the host, which is more complex than leaving as a tenant. The permit requirements and transfer of property falls upon the host. The Environmental Branch developed and implemented a comprehensive set of Sharpe transition project tracking tools, including program checklists, milestone charts, documentation updates, and permit transfer applications to monitor project progress, completeness and ensure seamless, successful environmental transfer-of-responsibility. These tools enabled the team to visualize the various potential outcomes of decisions before execution. The transition analysis also allowed the team to choose the course of action that best mitigated risks to mission failure and optimizing transfer of responsibility in a cost effective, time constrained atmosphere. While there are currently no plans to transfer site-specific execution plans and knowledge acquired, this site transition could easily be applied at any other department of defense or private industry site.

Stakeholder Interaction

DLA worked closely with the community to provide a timeline for the scheduled transition. To assure ease of transfer, notifications were sent to all tenants at the Sharpe Site and the city of Lathrop in close coordination with the U.S. Army. There was a 30-day comment period for the public to respond to DLA's plans to relocate the site, during which, no significant relevant comments were received. In relation to the Sharpe Site transfer, Lathrop Mayor Sonny Dhaliwal, said "If business continues out there, we are all for it."

To relocate the facility, DLA partnered with the U.S. Army to reassign permits and transition the site back into their control. DLA and their consultants held weekly calls and several walk-throughs with U.S. Army staff to assure they were well aware of the environmental issues and conditions that persist on the site, which had changed since DLA took over the site in 1990.

Public access is expected to increase due to future development opportunities and reduced security requirements. In September 2014, the California State Legislature passed Assembly Bill (AB) 1518, which would provide \$1.5 million toward operating a California Army National Guard "ChalleNGe" Youth Academy at the Sharpe Site. The academy would provide a military-themed boot camp and residual school for 16 to 18 year-old high school dropouts. Further development considerations include a temporary home for undocumented and unaccompanied juveniles crossing the Southwest border into the United States.

Impacts / Outcomes

The Sharpe Site restructuring will have numerous benefits for DLA, U.S. Army, and the local community. The DLA Installation Support San Joaquin Environmental Branch maintains responsibility to complete final shipments of hazardous waste from on-going building demolitions. As this was the first time the Environmental Branch team had completely shut down a site, lessons learned were commonly discussed for improving efficiency, organization and furthering stakeholder involvement. The Program Maintenance Guides were updated in 2014 to remove any references to the Sharpe Site, and ensure the most accurate information pertaining to the Tracy Site remains. This process had a prolonged effect on the Environmental Branch team and the lessons learned will endure over time.