

City of Detroit

OFFICE OF THE AUDITOR GENERAL

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Mark W. Lockridge
AUDITOR GENERAL



MEMORANDUM

DATE: March 28, 2017

TO: Honorable City Council

FROM: Mark Lockridge, CPA *MWL*
Auditor General

RE: Correction to Special Report Highlighting Concerns Relative to the City's Demolition Programs

CC: Mayor Mike Duggan
John Hill, Chief Financial Officer
Tyrone Clifton, Director, Detroit Building Authority
Carrie Lewand-Monroe, Executive Director, Detroit Land Bank Authority

This memorandum is to correct one item in our published report - Special Report Highlighting Concerns Relative to the City's Demolition Programs" (March 2017).

In Section II.c of our report Front End Status of Properties, we stated:

There is no evidence in the Land Bank's electronic activity files, indicating that Building Safety Engineering and Environmental (BSEED) issued the required Notice to Proceed. This notice is required prior to the beginning of any actual demolition work.

We mistakenly referred to a "Notice to Proceed" as required by BSEED, when the correct document and agency is a "Notice of Intent to Renovate/Demolish" as required by the Land Bank's demolition contracts Scope of Services, to comply with the Michigan Department of Environmental Quality (MDEQ) and the Michigan Occupational Safety and Health Administration (MIOSHA) Asbestos Programs.

To restate our position regarding the nineteen properties listed in RFP Group #3.14.17A, for "Debris Removal, Open Hole Completion, and Site Finalization," we did not find any evidence of the Notice(s) of Intent to Renovate/Demolish in the Land Bank's electronic activity files to comply with the MDEQ and the MIOSHA Asbestos Programs.

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The Land Bank's demolition contracts has specific language regarding this requirement:

- (A) The contractor shall ensure that the project notification form (Notification of Intent to Renovate/Demolish) as required by the MDEQ and the MIOASHA Asbestos Program, is submitted at least 10 working days in advance of asbestos abatement activities. Notifications to the MDEQ are to be submitted online using the Michigan Business One Stop System.

Similarly, the City's contracts administered by DBA, has the same requirement stated above, but with an additional passage:

- (A)...All required information on the form must be completed, and the inspection report from the "Pre-Demolition Survey" should be reviewed and consulted in preparing the notification. If the information on the notification changes, it shall be the responsibility of the contractor to ensure that revisions to the notification are submitted to the appropriate USEPA, state or local agencies in a timely manner.

MDEQ's is the agency in the State of Michigan delegated to enforce Federal Regulations per the US Environmental Protection Act (US EPA). Specifically, the National Emission Standards for Hazardous Air Pollutants (NESHAP) govern the intent to remove and the removal or abatement of asbestos and other hazardous materials.

It is MDEQ who instructed agencies who issue demolition permits to:

- Provide information with all demolition permit applications;
- Make available a checklist for renovation/demolition operations;
- Add the NESHAP notification to the requirement list for demolition activities;
- Direct individuals to the appropriated inspector to further answer their questions.

Although BSEED is the City's permitting agency, the Administration provided us with the following statement confirming that this activity was transferred to DBA:

This is an integral part of the demolition "management" of NESHAP that is intertwined within the survey and abatement processes. This task was handed off to DBA as part of the overall demolition program, and should reside there in order to maintain efficiencies. DBA's team is well aware of the NESHAP process and understands the process quite well. The most challenging part of the process is ensuring that the notification are submitted to MDEQ in a timely fashion prior to demolition.

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The following are examples of a Notice of Intent filed by an abatement contractor and a demolition contractor:

Sample Abatement Contractor Notice of Intent (Page 1 of 2)

NOTIFICATION OF INTENT TO RENOVATE/DEMOLISH

DEQ MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY (MDEQ) AIR QUALITY DIVISION NESHAP, 40 CFR Part 61, Subpart M

LARA MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS (LARA), ASBESTOS PROGRAM, P.A. 135 OF 1986, AS AMENDED, Section 220 (1-4) or (3)

DECLARATOR USE ONLY

Postmark Date: / / Rec'd Date: / /
 Emergency Date: / / Valid No.: _____
 OK Send Off Ltr. Date of Def Ltr: / /
 FOLLOW UP: / / Spoke w/ / /
 Comments: _____
 Notification No: _____ Trans No: _____

Calculate LARA Asbestos Project Fee: _____ (1% Project Fee)
 Total Project Cost: _____ x 0.01 = _____
 Type of Contractor: _____ License No.: _____
 Licensing Authority: _____

1. NOTIFICATION:
 Date of Notification: 12/02/2014
 Date of Revision(s): _____
 Notification Type: Original Revised Canceled Annual
 Mark appropriate boxes (both DEQ and LARA may apply):
 Planned Renovation - 10 working days notice
 Emergency Renovation
 Scheduled Demolition - 10 working days notice
 Intentional Burn - 10 working days notice
 Ordered Demolition
 LARA (NIOSH) (Will not accept annual notifications)
 Demo, Reno, Encap. (>10 ln. R/15 sq ft.) 10 calendar days notice
 Emergency Renovation/Encapsulation

2. PROJECT SCHEDULE:

	START DATE	END DATE
* Renovation		
+Asb. Removal	12/23/2014	12/23/2014
+Demolition:		
Encapsulation:		

Work Schedule: Please indicate the anticipated days of the week and work hours for the purpose of scheduling a compliance inspection.

Days of the Week	Work Hours
Asb. Removal: TU	2pm-4pm
Demolition:	
Encapsulation:	

* Includes setup, build enclosure, asbestos removal, demobilizing, etc.
 +Include only those dates you are conducting asbestos removal/demo
 Check here if this is a multi-phased project, attach a schedule showing the start/end date of each phase.

3. ABATEMENT CONTRACTOR: Internal Project #: _____
 Name: _____
 Mailing Address: _____
 City/State/Zip: _____ MI _____
 E-mail: _____
 Contact: _____ Phone: _____

4. DEMOLITION CONTRACTOR: Internal Project #: _____
 Name: _____
 Mailing Address: _____
 City/State/Zip: _____
 E-mail: _____
 Contact: _____ Phone: () - _____

5. FACILITY OWNER: ("Facility" includes Bridges)
 Name: Detroit Land Bank Authority
 Mailing Address: 65 Cadillac Square suite 3200
 City/State/Zip: Detroit MI 48226
 E-mail: _____
 Contact: _____ Phone: _____

6. FACILITY DESCRIPTION:
 Facility Name: Vacant Structure
 Location Address/Description: _____
 City/Twp: Detroit State: MI Zip Code: _____
 County: WAYNE Nearest Crossroad: _____
 Size: (sq ft.) _____ No. of Floors: _____ Floor No.: _____
 Age: _____ Present Use: _____ Prior Use: _____
 Specific Location(s) in Facility: _____

7. DISPOSAL SITE:
 Name: _____
 Location Address: _____
 City/State/Zip: _____

F. WASTE TRANSPORTER 1: _____
WASTE TRANSPORTER 2: _____

9. ORDERED DEMOLITIONS: (See NESHAP regulations for definition of "Ordered Demolition.") A copy of the official Order must accompany this notification.
 Gov't Agency Ordering Demo: _____
 Name/Title of Person Signing Order: _____
 Date of Order: _____ Date Ordered to Begin: _____

10. IS ASBESTOS PRESENT? Yes No To be removed prior to demolition

Estimate the amount of asbestos: include RACM (Regulated Asbestos Containing Material) to be removed, encapsulated, etc. Also include the amount and type (floor tile, roofing, etc.) of non-friable Category I and/or Category II ACM that will not be removed prior to demolition. (NOTE: In a demolition, cementitious ACM cannot remain in a structure, as it is likely to become regulated in the demolition/handling process. It must be removed prior to demolition.)

RACM to be Removed	RACM to be Encapsulated	Non-friable ACM not removed prior to demo		Units of Measure	
		Category I	Category II	Sq. Ft.	Cu. Ft.
6				<input type="checkbox"/> Ln. FL <input type="checkbox"/> Ln. M.	<input type="checkbox"/> Sq. FL <input type="checkbox"/> Sq. M.
				<input type="checkbox"/> Cu. FL* <input type="checkbox"/> Cu. M.*	

*Volume (cubic ft./meters) should be used only if unable to measure by linear/square measure (example: asbestos has fallen off of surface).

One Stop ID: _____ Previous Doc#: _____ Doc #: _____ (continued on reverse side)

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Sample Abatement Contractor Notice of Intent (Page 2 of 2)

NOTIFICATION OF INTENT TO REMOVE/DEMOLISH (continued)

11 PROJECT DESCRIPTION: Complete A) for Renovation (includes removal encapsulation) and/or B) for Demolition:

A) RENOVATION: Mark all surface types of RACM to be removed

<input type="checkbox"/> Piping	<input type="checkbox"/> Filings	<input type="checkbox"/> Boiler(s)	<input type="checkbox"/> Tank(s)	Encapsulation (for LARA): Mark surface types to be encapsulated
<input type="checkbox"/> Beam(s)	<input type="checkbox"/> Duct(s)	<input type="checkbox"/> Tunnel(s)	<input type="checkbox"/> Ceiling Tile(s)	<input type="checkbox"/> Piping
<input type="checkbox"/> Mag Block	<input type="checkbox"/> Other (describe)			<input type="checkbox"/> Beam(s)
				<input type="checkbox"/> Duct(s)
				<input type="checkbox"/> Tunnel(s)
				<input type="checkbox"/> Ceiling Tile(s)
				<input type="checkbox"/> Other (describe)

Method of removal: Describe how the asbestos will be removed from the surface (example: glove bag, scrape with hand tools, cut in sections and carefully lower, etc.)

B) DEMOLITION: Describe the method of demolition of facility, bridge, etc. and indicate if complete or partial. If partial, describe which part of facility bridge, etc. will be demolished. Complete Demolition, Excavator Or Other Heavy Equipment, Disassembly by hand

12 ENGINEERING CONTROLS: Describe work practices and engineering controls used to prevent visible emissions before, during and after removal and until proper disposal. Water spray used to control dust, Place in leak tight containers until proper disposal, Adequately wet material

13 UNEXPECTED ASBESTOS: Describe the steps you intend to follow in the event that unexpected RACM is found or previously non-friable asbestos becomes friable (crumbled, pulverized, reduced to powder, etc) and therefore regulated. Stop Work, Wet material, Contact DEQ and abatement contractor, Revise notification

14 PROCEDURE(S) USED TO DETECT THE PRESENCE OF ASBESTOS: A) Indicate how you determined whether or not asbestos is in the facility. If analytical sampling was used, describe method of analysis. (The determination of the presence or absence of asbestos must be made prior to submitting a renovation/demolition notification.) All suspect materials sampled and analyzed using Polarized Light Microscopy(PLM)

B) Name, address, and phone number of company performing asbestos survey: Perkins Environmental Services, 614 275 3100 2023 Wilson Rd S, Wixom, MI 48393

C) Name, accreditation number of inspector, and date of inspection: [Redacted]

15 EMERGENCY RENOVATIONS: Date/time of emergency: _____ Describe the sudden, unexpected event: _____

Explain how the event caused unsafe conditions, and/or would cause equipment damage and/or an unreasonable financial burden: _____

16 I certify that an individual trained in the provisions of 40 CFR Part 61, Subpart M, will be on-site during the renovation and during demolition involving RACM above the threshold and/or during an ordered demolition. Evidence that this person has completed the required training will be available for inspection at the renovation or demolition site.

Signature of Owner or Abatement Contractor _____ Date _____ Signature of Owner or Demolition Contractor _____ Date _____

17 Signature Requirements for Projects with Negative Pressure Enclosures: (required by LARA)
Per Section 231(1)(2) of P.A. 435 of 1996, as amended, clearance air monitoring is required for any asbestos abatement project involving 10 linear feet/15 square feet or more of friable material which is performed within a negative pressure enclosure. I (the building owner or lessee) have been advised by the contractor of my responsibility under Act 435 to have clearance air monitoring performed on this project.

Signature of Building Owner or Lessee _____ Date _____ Signature of Asbestos Abatement Contractor Representative _____ Date _____

NOTE: It is not mandatory that a signed copy be sent to LARA unless requested. For selected projects, this section of the notification form must be completed, signed and made part of your records before the project begins.

18 I certify that the above information is correct:

Printed Name of Owner/Lessee _____ Date _____ Signature of Owner/Operator _____ Date _____

MAILING ADDRESSES/PHONE NUMBERS: (See item 1 to determine which agency requirements/regulations are applicable to your project.)

For Public Act 435 of 1996, as amended, Section 230 (1-4) or (6), mail to address below. For more info visit <http://www.michigan.gov/asbestos>

MIOSHA Asbestos Program
LARA, CSHD
P.O. Box 30071
Lansing, MI 48209-8171

517.322.1320 (office), 517.322.1713 (fax)
EQP5661 (rev. 04/11)
One Stop ID: 3116222 Previous Doc#: 258104 Doc #: 264476

For NESHAP Demolitions/Renovations, 40 CFR, Part 61, Subpart M, mail notifications to the appropriate address below (by county of subject facility). For more info visit <http://www.michigan.gov/air>, then Asbestos NESHAP Program.

All Counties (except Wayne County)

NESHAP Asbestos Program
DEQ, AQD
P.O. Box 30260
Lansing, MI 48209-7760

517.241.7463 (Office)
517.373.7054 (Revision Line)

Wayne County Only

NESHAP Asbestos Program
Detroit Field Office, DEQ, AQD
Cadillac Place, Suite 2-300
3058 West Grand Boulevard
Detroit, MI 48202

MIOSHA-CSH 142 (rev. 04/11)

Business Name: MICHELI WRITING Submitter ID: kumilzc4193

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Sample Demolition Contractor Notice of Intent (Page 1 of 2)

NOTIFICATION OF INTENT TO RENOVATE/DEMOLISH

DEQ MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY (MDEQ) AIR QUALITY DIVISION
NESHAP, 40 CFR Part 61, E.A. part 111

LARA MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS (LARA), ASBESTOS PROGRAM,
P.A. 135 OF 1939, AS AMENDED, Section 220 (1-4) or (3)

DEQ/LARA USE ONLY

Postmark Date: ___/___/___ Rec'd Date: ___/___/___
 Emergency Date: ___/___/___ Valid Thru: ___/___/___
 OK Send Def. Ltr. Date of Def. Ltr.: ___/___/___
 FOLLOW UP: ___/___/___ Spoke w/?: _____
 Comments: _____
 Notation No: _____ Trans No: _____

Calculate LARA Asbestos Project Fee. (1% Project Fee)
 Total Project Cost: _____ x 0.01 = _____
 Type of Contractor: _____ License No.: _____
 Licensing Authority: _____

1. NOTIFICATION.
 Date of Notification: 12/03/2014
 Date of Revision(s): 02/05/2015
 Notification Type: Original Revised Cancel'd Annual
 Mark appropriate boxes: (Both DEQ and LARA may apply):
 DEQ (NESHAP) (280 in. ft./180 sq. ft. or more is threshold)
 Planned Renovation - 10 working days notice
 Emergency Renovation
 Scheduled Demolition - 10 working days notice
 Intentional Burn - 10 working days notice
 Ordered Demolition
 LARA (MIOSHA) (WDO not accept annual notifications)
 Demo, Reno, Erecsp. (>10 in. ft./18 sq. ft.) 10 calendar days notice
 Emergency Renovation/Encapsulation

2. PROJECT SCHEDULE:

	START DATE	END DATE
* Renovation		
* Asb. Removal		
* Demolition	<u>01/03/2015</u>	<u>01/30/2015</u>
Encapsulation:		

Work Schedule: Please indicate the anticipated days of the work and work hours for the purpose of scheduling a compliance inspection.
 Days of the Week: _____ Work Hours: _____

Asb. Removal
 Demolition: MO, TU, WE, TH, FR, SA M-F 7am-5pm
 Encapsulation: _____

* Includes setup, build enclosure, asbestos removal, demobilizing, etc.
 * Include only those dates you are conducting asbestos removal/ demo
 Check here if this is a multi-phased project. Attach a schedule showing the start/end date of each phase.

7. DISPOSAL SITE:
 Name: _____
 Location Address: _____
 City/State/Zip: _____

8. WASTE TRANSPORTER 1: _____ **WASTE TRANSPORTER 2:** _____

9. ORDERED DEMOLITIONS: (See NESHAP regulations for definition of "Ordered Demolition.") A copy of the official Order must accompany this notification.
 Govt Agency Ordering Date: _____
 Name/Titles of Person Signing Order: _____
 Date of Order: _____ Date Ordered to Begin: _____

10. IS ASBESTOS PRESENT? Yes No To be removed prior to demolition

Estimate the amount of asbestos; include RACM (Regulated Asbestos Containing Material) to be removed, encapsulated, etc. Also include the amount and type (floor tile, roofing, etc.) of non-friable Category I and/or Category II ACM that will not be removed prior to demolition. (NOTE: In a demolition, cementitious ACM cannot remain in a structure, as it is likely to become regulated in the demolition/handling process. It must be removed prior to demolition.)

RACM to be Removed	RACM to be Encapsulated	Non-friable ACM not removed prior to demo		Units of Measure	
		Category I	Category II		
				<input type="checkbox"/> Ln. Ft.	<input type="checkbox"/> Ln. M.
				<input type="checkbox"/> Sq. Ft.	<input type="checkbox"/> Sq. M.
				<input type="checkbox"/> Cu. Ft.*	<input type="checkbox"/> Cu. M.*

* Volume (cubic ft./meters) should be used only if unable to measure by linear/square measure (example: asbestos has fallen off of surface).

One Stop ID: 311032 Previous Doc#: 298206 Doc #: 366176 (continued on reverse side)
 Business Name: CHURCH WAREHOUSING Submitter ID: k4nltz4195

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Sample Demolition Contractor Notice of Intent (Page 1 of 2)

NOTIFICATION OF INTENT TO RENOVATE/DEMOLISH (CONTINUED)

11. PROJECT DESCRIPTION: Complete A) for Renovation (asbestos removal/encapsulation) and/or B) for Demolition:

A) RENOVATION: Mark all surfaces/types of RACM to be removed

<input type="checkbox"/> Piping	<input checked="" type="checkbox"/> Flings	<input type="checkbox"/> Boiler(s)	<input type="checkbox"/> Tank(s)	Encapsulation (for LARA) Mark surfaces/types to be encapsulated			
<input type="checkbox"/> Beam(s)	<input type="checkbox"/> Duct(s)	<input type="checkbox"/> Tunnel(s)	<input type="checkbox"/> Ceiling Tile(s)	<input type="checkbox"/> Piping	<input type="checkbox"/> Flings	<input type="checkbox"/> Boiler(s)	<input type="checkbox"/> Tank(s)
<input type="checkbox"/> Mag Block	<input type="checkbox"/> Other (describe)			<input type="checkbox"/> Beam(s)	<input type="checkbox"/> Duct(s)	<input type="checkbox"/> Tunnel(s)	<input type="checkbox"/> Ceiling Tile(s)
				<input type="checkbox"/> Other (describe)			

Method of removal. Describe how the asbestos will be removed from the surface (example: glove bag straps with hand tools, cut in sections and carefully lower, etc.) Glove Bag

B) DEMOLITION: Describe the method of demolition of facility, bridge, etc., and indicate if complete or partial. If partial, describe which part of facility, bridge, etc., will be demolished _____

12. ENGINEERING CONTROLS: Describe work practices and engineering controls used to prevent visible emissions before, during, and after removal, and until proper disposal: Water spray used to control dust, Place in leak tight containers until proper disposal, Adequately wet material

13. UNEXPECTED ASBESTOS: Describe the steps you intend to follow in the event that unexpected RACM is found or previously non-friable asbestos becomes friable (crumbled, pulverized, reduced to powder, etc.) and therefore regulated: Stop Work, Wet material, Revise notification

14. PROCEDURE(S) USED TO DETECT THE PRESENCE OF ASBESTOS: A) Indicate how you determined whether or not asbestos is in the facility. If analytical sampling was used, describe method of analysis. (The determination of the presence or absence of asbestos must be made prior to submitting a renovation/demolition notification.) All suspect materials sampled and analyzed using Polarized Light Microscopy (PLM)

B) Name, address, and phone number of company performing asbestos survey: _____

C) Name, accreditation number of inspector, and date of inspection: _____

15. EMERGENCY RENOVATIONS: Date/time of emergency: _____ Describe the sudden, unexpected event: _____

Explain how the event caused unsafe conditions, and/or would cause equipment damage and/or an unreasonable financial burden: _____

16. I certify that an individual trained in the provisions of 40 CFR Part 61, Subpart M, will be on-site during the renovation and during demolition involving RACM above the threshold and/or during an ordered demolition. Evidence that this person has completed the required training will be available for inspection.

Signature of Owner or Abatement Contractor _____ Date _____ Signature of Owner or Demolition Contractor _____ Date _____

17. Signature Requirements for Projects with Negative Pressure Enclosures: (required by LARA)
Per Section 221(1)(2) of P.A. 135 of 1986, as amended, clearance air monitoring is required for any asbestos abatement project involving 10 linear feet/15 square feet or more of friable material which is performed within a negative pressure enclosure. I (the building owner or lessee) have been advised by the contractor of my responsibility under Act 135 to have clearance air monitoring performed on this project.

Signature of Building Owner or Lessee _____ Date _____ Signature of Asbestos Abatement Contractor Representative _____ Date _____

NOTE: It is not mandatory that a signed copy be sent to LARA unless requested. For affected projects, this section of the notification form must be completed, signed, and made part of your records before the project begins.

18. I certify that the above information is correct:

Printed Name of Owner/Operator _____ Date _____ Signature of Owner/Operator _____ Date _____

MAILING ADDRESSES/PHONE NUMBERS: (See item 1 to determine which agency requirements/regulations are applicable to your project.)

For Public Act 135 of 1986, as amended, Section 220 (1-4) or (8), mail to address below. For more info visit http://www.michigan.gov/asbestos	For NESHAP Demolitions/Renovations, 40 CFR, Part 61, Subpart M, mail notifications to the appropriate address below (by county of subject facility). For more info visit http://www.michigan.gov/daq click on Air, then Asbestos NESHAP Program
MIOSHA Asbestos Program ARA, CSHD P.O. Box 30671 Lansing, MI 48909-8171 517.322.1320 (office), 517.322.1713 (fax) EQP3661 (rev. 8/4/11)	All Counties (except Wayne County) NESHAP Asbestos Program DEQ, AQD P.O. Box 30260 Lansing, MI 48909-7760 517.241.7483 (Office) 517.373.7654 (Revision Line)
	Wayne County Only NESHAP Asbestos Program Detroit Field Office, DEQ, AQD Cadillac Place, Suite 2-300 3058 West Grand Boulevard Detroit, MI 48202

One Stop ID: _____ Previous Doc#: _____ Doc #: _____ MIOSHA-CSH 142 (rev. 8/4/11)