

# Decreasing Costs (and Headaches) by Automating Phase I & II Environmental Site Assessments

## WHITE PAPER

IN THE WORLD OF ENVIRONMENTAL CONSULTING, SOME ASPECTS DON'T CHANGE SUBSTANTIALLY FROM ENGAGEMENT TO ENGAGEMENT. IN SOME CASES, THIS CAN HOLD TRUE FOR ENVIRONMENTAL DUE DILIGENCE MEASURES THAT MUST BE TAKEN, SPECIFICALLY PHASE I AND PHASE II ENVIRONMENTAL SITE ASSESSMENTS (ESAs). YET, FOR SOME REASON, THERE IS AN INORDINATE AMOUNT OF TIME SPENT IN THE PROPOSAL GENERATION AND NEGOTIATION PROCESS BETWEEN CLIENT AND CONSULTANT. AS THE ADAGE SAYS, TIME IS MONEY, AND NONE OF US REALLY HAVE ENOUGH OF THOSE TWO THINGS. IS THERE A WAY TO STREAMLINE THE PROCESS SO THAT LESS TIME IS SPENT ON ADMINISTERING THE TRANSACTION, THEREBY FREEING UP RESOURCES TO WORK MORE QUICKLY AND EFFICIENTLY? IT CAN HAPPEN, AS LONG AS THERE IS HIGH LEVEL OF TRUST BETWEEN CLIENT AND CONSULTANT.

*Is there a way to streamline the process... thereby freeing up resources to work more quickly and efficiently?*

### **The Problem**

At Sierra Piedmont, we are always looking for ways to streamline processes and increase effectiveness (time and money). The process to review and respond to a Request for Proposal (RFP) is very time consuming and costly to both client and customer. The client must put forth substantial time and effort to generate the RFP and review the responses and tens of thousands of dollars in hard costs and hours per year can be spent just to bid on these projects. In many cases, this process is necessary to arrive at a good understanding of the work at hand. Yet, when reviewing our business processes, we determined that 85% of the scope of Phase I and Phase II ESAs were substantially the same from project to project. It is this similarity that we were able to turn into a major cost savings for us, and subsequently our clients.

### **The Solution**

For one particular Fortune 500 national manufacturing company (let's call them XYZ Company), we were able to review scope of work process and determine what their basic needs were. For XYZ, the proposal review process was excruciatingly time consuming, having to go through multiple levels of management for each step of the approval process: Project Manager, Environmental Engineering Department Manager, and Purchasing Department. We met with the department leadership of XYZ Company and determined possible Phase I and II ESA scenarios. Because 85% of the work scope for these assessments is the same from project to project, estimating these sections was the easy part. For the remaining 15%, we developed a carefully-scoped decision tree that allows us to create set pricing for projects, within certain boundaries. This

process has significantly decreased the time and effort associated with responding to an RFP. At the same time, it increases the predictability of the process for our client.

Some may argue that with such a system the pricing structure couldn't be uniform across the country. Our pricing structure for all possible outcomes of the decision tree is based on an average cost across the country, so our profitability will be higher in some locations and lower in others. In the end, the figures wash out to a fair rate for both our client and us, as long as there is sufficient volume of relatively consistent work.

The fundamental key to this type of relationship is trust. If there is not a high level of trust in place between a consultant and client, skepticism will always arise about the validity of pricing and assessment results. Industry reputation can break down the barrier to entering into this type of relationship, but more often it is a result of an already existent trustworthy relationship.

## The Results

When XYZ contacts us about an ESA, it is now a swift process to put it through the decision matrix and come up with the optimal proposal. We can much more quickly respond to our client and return the results of the ESA to them.

We now spend almost no time responding to Phase I and II ESA RFPs from this client, representing a significant time and cost savings, probably ranging from 50-60%. For this one client, it equates to one worker's full salary over the course of a year. Now we can pass those savings along to our client and give them even more competitive pricing.

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For XYZ Company, the time to develop, send and communicate about RFPs has been cut out completely as well. In addition, this process cuts down on their already hefty workload. Now our clients have more time to focus on actually reviewing reports and being more productive in department strategy.

## SIERRA PIEDMONT CONTACT INFORMATION

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