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**OFFICE OF THE
NEW YORK STATE COMPTROLLER**

**DIVISION OF STATE
GOVERNMENT ACCOUNTABILITY**

**NEW YORK CONVENTION
CENTER OPERATING
CORPORATION**

**COMPLIANCE WITH
EXECUTIVE ORDER 134 -
ENVIRONMENTAL
IMPACT OF CLEANING
FACILITIES**

Report 2008-S-15

AUDIT OBJECTIVE

Our objective was to determine whether the New York Convention Center Operating Corporation (CCOC) is in compliance with Executive Order 134 (Order) requirements, including purchasing and using environmentally preferred cleaning products.

AUDIT RESULTS - SUMMARY

Executive Order 134 (Order) was issued on January 5, 2005 to reduce the environmental impact of cleaning State facilities. The Order requires all State agencies and certain public benefit corporations, including CCOC, to procure and use cleaning products having properties that minimize the potential impacts to human health and the environment consistent with maintenance of the effectiveness of these products for the protection of public health and safety. It requires CCOC to conduct an assessment of its cleaning products, as well as procure and use environmentally preferred cleaning products.

We determined that CCOC was not in compliance with the Order. With a few exceptions, CCOC does not purchase and use environmentally preferred cleaning products and has not assigned an individual to be responsible for conducting the assessment.

CCOC officials acknowledged that they were not aware of the Order; but indicated they are now earnestly reviewing the requirements of the Order and have begun to take steps towards its implementation. For example, they have recently initiated an assessment of their cleaning needs to determine where environmentally preferred products can be substituted.

Our report includes six recommendations directed toward improving CCOC's compliance with the Order. In responding to our draft report, CCOC officials generally agreed with our recommendations and indicate that they have already taken, or will take action to implement them.

This report, dated September 30, 2008, is available on our website at: <http://www.osc.state.ny.us>.

Add or update your mailing list address by contacting us at: (518) 474-3271 or
Office of the State Comptroller
Division of State Government Accountability
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BACKGROUND

Executive Order 134 (Order) was issued on January 5, 2005 to reduce the environmental impact of cleaning State facilities. The Order requires all State agencies and certain public benefit corporations, including CCOC, to procure and use cleaning products having properties that minimize the potential impacts to human health and the environment. The Order requires each State agency to conduct an assessment by January 4, 2006 and retain and make this assessment available to employees and the general public describing the efforts undertaken by such State agency to comply with the Order. The Order further requires agencies to update their assessment biennially.

The Order also directed the Office of General Services (OGS) to guide State agencies with selecting and procuring environmentally safe cleaning products. OGS has compiled a list of environmentally preferred cleaning products, most of which are certified by either Green Seal (through its GS-37 certification) or by Environmental Choice. Green Seal and Environmental Choice are recognized

authorities in the field of environmentally safe cleaning products. The list of environmentally preferred cleaning products includes five categories: General Cleaning Products, Floor Finish Products, Floor Stripper Products, Hand Soaps, and Vacuums. OGS uses these five categories to classify those products that are used most frequently and in the largest area.

The New York Convention Center Operating Corporation (CCOC) was established by the New York State Legislature in 1979 as a public benefit corporation through Title 27 of the Public Authorities Law. The Corporation was created to operate and maintain the Jacob K. Javits Convention Center (Convention Center) located on West 34th Street in New York City. CCOC leases the Convention Center from New York State for a nominal amount.

AUDIT FINDINGS AND RECOMMENDATIONS

The Convention Center is a 1.8 million square foot facility which includes: 50 loading docks, 12 city blocks of roadway, 760,000 square feet of exhibit space, 30,000 square feet of meeting rooms, 120,000 square feet of pre-function space, 12 city blocks of sidewalks, 16,000 windows, over 3,000 employees and approximately 3 million exhibitors and attendees per year. This facility presents varying types and degrees of cleaning challenges.

CCOC cleaning staff perform routine cleaning of the office space, in addition to the public restrooms and shared showroom areas. Full-time CCOC cleaning staff work morning, evening, and midnight shifts. In addition, part-time workers are available depending on the size and needs of particular show events. CCOC spent \$60,975 on cleaning products from July 2007 through February 2008.

Cleaning of leased showroom booths is the responsibility of the person(s) leasing the space.

Compliance with the Order

The Order requires CCOC to procure and use cleaning products having properties that minimize their impact on human health and the environment. CCOC is required to:

- procure products and use practices that reduce or minimize the risks of harmful effects to employees, custodial workers, visitors, and other building occupants, as well as the environment;
- encourage contractors supplying goods and services to select and procure such products; and
- encourage lessors and building managers to select and procure such products.

The Order provides CCOC six months from the date of the Order (January 5, 2005) to transition to conforming products. This enabled CCOC to conform in a manner that avoided waste of existing inventories, accommodated establishment of supply chains for new products, enabled the training of personnel in appropriate cleaning practices, and allowed the phase out of products and practices that do not conform to the Order.

In addition, the Order requires CCOC to assign an individual who will be responsible for:

- assessing current facility management practices and use of cleaning products;
- evaluating whether these products conform to the Order;

- identifying and procuring conforming cleaning products; and
- documenting the reasons for selecting products that do not conform to the Order and including these reasons in the report required by the Order.

We found that CCOC was not in compliance with the Order. CCOC officials told us they were not individually notified of the requirements of the Order and acknowledged that they have not routinely monitored Executive Orders issued by the Governor's Office. Therefore, CCOC did not comply with the Order and did not purchase and use environmentally preferred cleaning products for cleaning the Convention Center. Furthermore, CCOC officials did not train cleaning staff on the use of environmentally preferred cleaning products. In addition, CCOC officials have not modified their agreements with vendors who lease space for booths at show events to encourage the use of environmentally preferred cleaning products.

CCOC also has not assigned an individual to be responsible for assessing the practices and uses of cleaning products and evaluating the level of compliance with the Order. Therefore, they have not complied with the Order requirement to prepare an initial assessment report, or a biennial assessment update. However, in April 2008 CCOC officials told us in response to our preliminary findings that they have assigned this responsibility to the Night Manager of Environmental Services.

Since we informed them about the Order requirements, CCOC officials have started taking steps to comply. They have initiated an assessment of cleaning products currently in use to determine which products can be substituted with environmentally preferred products. They will also determine the

effectiveness of such products. They intend to complete this assessment by June 2008.

Procurement of Environmentally Preferred Products

The Order requires CCOC to procure cleaning products having properties that minimize the potential impacts to human health and the environment. To determine whether CCOC procured environmentally preferred products, we reviewed invoices of cleaning products purchased during the period July 2007 to February 2008. We also obtained an understanding of the procurement process. We found that CCOC spent a total of \$60,975 on cleaning products during this period and only two products (hand soap used in their restrooms and floor cleaner) conformed to the Order.

The environmentally preferred hand soap and floor cleaner comprised 10 percent (\$6,088) of CCOC's total purchases. For the areas that CCOC cleans, aside from the floor cleaner, they did not purchase environmentally preferred cleaning products, as required by the Order. The majority of funds spent (\$54,887, or 90 percent) was for 21 different types of cleaning chemicals that were not environmentally preferred.

In addition, we reviewed the vacuum cleaners purchased from January 2005 to February 2008. Purchasing environmentally sensitive vacuum cleaners equipped with proper filtering devices is one way to significantly reduce the level of airborne contaminants produced through the cleaning process. We found that CCOC purchased 63 vacuum cleaners at a cost of \$9,611. None of them were equipped with an environmentally preferred high efficiency particulate air (HEPA) filter, which is required to comply with the Order.

According to CCOC officials, the reason why they did not purchase environmentally preferred products was because they were not aware of the Order. However, they have initiated a feasibility study to test the use of various cleaning products in terms of both cost and effectiveness. They intend to complete the study by June 2008 and begin substituting environmentally preferred products in place of the conventional products currently in use.

*Use of Environmentally Preferred
Cleaning Products*

We reviewed the cleaning supplies in CCOC's storage areas and observed cleaning activities to confirm that they were using conventional cleaning products. We also reviewed the list of cleaning products currently used that CCOC officials provided to us. We made observations during both regular business and evening hours of various types of cleaning throughout the Convention Center, including the public areas, carpeted space, restrooms, cafeteria, conference rooms, and loading docks. We observed that the cleaning staff routinely used conventional cleaning products and vacuum cleaners that are not equipped with a HEPA filter. We also observed the cleaning product storage areas and found that CCOC had 23 different types of cleaning chemicals on hand, only two of which were environmentally preferred products (hand soap and floor cleaner).

CCOC officials said that the agency has reduced the extent of carpet cleaning by as much as 90 percent during the past two years by phasing in a new tiled carpeting system which allows them to replace stained areas easily.

Recommendations

1. Develop and implement formal procedures to periodically review sources of new guidance (i.e. Executive Orders) that are applicable to CCOC's operations.
2. Assign an individual to be responsible for assessing the practices and uses of cleaning products, and evaluate the level of compliance with the Order.
3. Conduct the assessment and review and update the assessment report biennially, as required by the Order.
4. Make the assessment available for inspection by employees and the general public.
5. Encourage show vendors to use environmentally preferred cleaning products.
6. Issue a directive to begin replacing the conventional cleaning products with environmentally preferred products as soon as the assessment is complete.

AUDIT SCOPE AND METHODOLOGY

We conducted our performance audit in accordance with generally accepted government auditing standards. We audited CCOC's procurement and use of environmentally preferred cleaning products, as required by the Order. Our audit covered the period January 5, 2005 through February 15, 2008.

To accomplish our objective, we interviewed CCOC officials in the departments of administration and maintenance. We reviewed the provisions of the Order and related guidance available on the OGS Internet site. We reviewed purchases of

cleaning products and cleaning product inventories to determine the types of cleaning products purchased for the period of July 2007 to February 2008 and being used as of February 2008. In addition, we reviewed purchases of vacuum cleaners for the period of January 2005 to February 2008. We also observed selected cleaning activities to determine the types of cleaning products used.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

AUTHORITY

The audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

REPORTING REQUIREMENTS

A draft copy of this report was provided to CCOC officials for their review and comment. Their comments were considered in preparing this report, and are included as Appendix A.


Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the President of CCOC shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

CONTRIBUTORS TO THE REPORT

Major contributors to this report include Frank Houston, John Buyce, Myron Goldmeer, Jeremy Mack, Katrina Lau, Slamon Sarwari, and Sue Gold.

APPENDIX A - AUDITEE RESPONSE

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June 20, 2008

Mr. Frank J. Houston
Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street – 11th Floor
Albany, New York 12236

Re: Audit Report #2008-S-15

Dear Mr. Houston:

Enclosed are our responses to your draft audit of the Jacob K. Javits Convention Center regarding compliance to Executive Order 134.

The Javits Center is a 1.8 million square foot facility that has to be maintained/cleaned which includes: 50 loading docks, 12 city blocks of roadway, 16 acres of roof, 760,000 square feet of exhibit space, 30,000 square feet of meeting rooms, 120,000 square feet of pre-function space, 12 city blocks of side walks, 16,000 windows, over 3,000 employees and approximately 3 million exhibitors and attendees per year. This facility presents varying types and degrees of cleaning challenges from the loading docks to the pre-function space for customers.

As management indicated at the opening conference, NYCCOC had never received Executive Order #134. In fact, it was verified that NYCCOC was not on the distribution list for Executive Orders. However, we indicated that as a matter of course we had begun to look at green products for the same reasons the order was written. Now that NYCCOC is aware of the order, it is our intention to be in compliance as soon as we can complete the necessary analysis of products and convert over as appropriate.

Management has addressed the five recommendations in the report. Management has compiled an inventory of cleaning products used by the Javits Center. The plan for the months of April, May and June is to test and evaluate the quality of the different green cleaning products and make decisions on what products can be utilized in place of the current product. The specific management responses to the audit recommendations are as follows:

Recommendation #1. Develop and implement formal procedures to periodically review sources of new guidance (i.e. Executive Orders) that are applicable to CCOC's operations.

CCOC Response: Our legal department has contacted the appropriate personnel to add CCOC to the mailing list to ensure receipt of new Executive Orders as they are issued.

Recommendation #2. Assign an individual to be responsible for assessing the practices and uses of cleaning products, and evaluate the level of compliance with the Order.

CCOC Response: Management has assigned the Night Manager of Environmental Services to assess the practices and uses of cleaning products here at the Center and evaluate compliance with executive Order 134 going forward.

Recommendation #3. Conduct the assessment and review and update the assessment report biennially, as required by the Order.

CCOC Response: CCOC will comply.

Recommendation #4. Make the assessment available for inspection by employees and the general public.

CCOC Response: They will be made available for inspection by employees and the general public.

Recommendation #5. Modify agreements with show vendors to require their use of environmentally preferred cleaning products.

CCOC Response: Since the contractors are customers it will be extremely difficult to force by agreement the use of green products. Management will make every effort to encourage our customers (contractors) to use environmentally preferred cleaning products.

Recommendation#6. Issue a directive to begin replacing the conventional cleaning products with environmentally preferred products as soon as the assessment is complete.

CCOC Response: The assessment is to be completed by June 30, 2008. The Cleaning Department will make decisions subsequent to the assessment regarding specific products and begin to purchase in July of 2008.

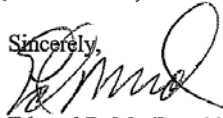
*
Comment

* State Comptroller's Comment: We have revised the recommendation in the final report to reflect CCOC's concern, which is consistent with the Order.

I want to thank Myron Goldmeer and his associates John Buyce, Jeremy Mack, Katrina Lau and Slamon Sarwari for their professionalism in conducting the audit. They were always constructive and collegial in their approach to all issues which is critical to reaching our goal of always improving the Corporation's performance.

If you need additional clarifications or have other questions regarding this response, please don't hesitate to call me at (212 216-2369).

Sincerely,



Edward B. MacDonald
Senior Vice President and CFO
The Jacob K. Javits Convention Center

cc: Thomas Lukacs, Division of the Budget
Myron Goldmeer, Program Examiner III