

Investigation Report

Protective Equipment at San Mateo County Event Center

Prepared and submitted by James Lianides, Ed.D.
March 28, 2022

Background

At the request of Michael Callagy, County Manager, San Mateo County, I undertook an independent investigation to review the background facts and practices of the County of San Mateo (“County”) for the purchase, handling, tracking, and safeguarding of a large quantity of safety equipment that was purchased and stored at the San Mateo County Event Center in response to the COVID-19 public health emergency. The scope of my investigation also included the making of recommendations for the procurement, tracking, and safeguarding of such equipment in the future.

In the course of my investigation, I interviewed key members of County and Event Center staff, reviewed documents, and made a site visit to the Event Center.

On January 13, 2022, ABC, Channel 7 News reported that approximately \$7 million worth of safety equipment purchased in response to the COVID-19 pandemic had been left outside and unprotected at the San Mateo County Event Center during several fall and winter rainstorms. Video from the news report (recorded on December 30, 2021, per Event Center staff) included clips of soaked boxes, exposed equipment, and an aerial shot of a very large outside area at the Event Center, where the equipment had been placed.

The news reporter observed that thousands of boxes containing new personal protective equipment were left in the rain with stacks of boxes collapsing and their contents spilling out. The news report also stated that the Event Center moved the equipment outside in September 2021 because it needed the enclosed space where the equipment had been stored and that the County Manager was unaware of the equipment being outside until contacted by the reporter.



Event Center photo taken October 25, 2021

In response to the news report, Mr. Callagy released a statement on January 18, 2022:

Surplus safety equipment and cleaning supplies purchased in response to COVID-19 were moved outside at the San Mateo Event Center last fall to accommodate an event and sustained damage during the significant storms earlier this season. The County is solely responsible for our materials at the Event Center. We deeply regret that this occurred and are hiring an external investigator to identify all facts related to the damage and make recommendations to avoid future incidents. While the County will provide more information as it becomes available, we want to share what we do know now.

- *The County purchased the supplies early in the pandemic when no one knew how long global supply shortages would last and jurisdictions nationwide were competing to purchase safety equipment, even non-medical grade items, to protect first responders and communities.*
- *As the global supply of hospital-grade equipment and the demands of the pandemic response locally evolved, the need among local hospitals and providers for these supplies, particularly those not rated for hospital use, subsided.*
- *The estimated value of the supplies based on the original purchase prices is \$7 million.*
- *The surplus supplies include primarily non-medical-grade isolation gowns, face shields and goggles as well as a number of sterile gowns. There are also miscellaneous cleaning supplies like bleach and mop buckets and handles.*
 - *The County's supply of masks, such as N95 and KN95 respirators, and gloves are stored indoors, separate from the impacted supplies at the Event Center.*
 - *For months prior to the supplies being moved outdoors, the County worked with the California Office of Emergency Services (CalOES) to offer these surplus supplies free of charge to health care providers and other agencies, including schools, and other states, but few accepted the offer because sizes, quantities, other considerations made them less appropriate.*

- *The surplus materials were moved from a building at the Event Center in mid September to an outside fenced area to accommodate other needs for the space but should have been returned inside once the event was over. Storage space was not available at other County facilities.*
- *While the storms damaged some outside packaging, most of the supplies are individually wrapped. The County is actively inspecting and cleaning the materials with plans to donate undamaged goods to a nonprofit.*
- *The County maintains separate warehouse facilities to store high-grade personal protective equipment, including masks and other sensitive items, in a climate-controlled environment and regularly supplies local health care partners during shortages and emergencies.*
- *We want to assure our community that this incident did not impact the County's ability to provide safety equipment to first responders and others responding to COVID-19.*

Scope of Investigation

My investigation focused on two periods of time. The first time period, from February through June 2020, includes the earliest days of the COVID-19 pandemic, which is the time period when the equipment at issue here was procured. This was a very challenging time for the entire country, with images in the media of overflowing hospitals and ICUs, a worldwide scramble to obtain safety supplies and protective equipment, shelter-in-place orders that resulted in school and business closures and work from home, and uncertainty at all levels of government.

San Mateo County maintained an active response to the pandemic, such as drive-through COVID-19 testing; community testing; establishment of a drive-through vaccination center at San Francisco International Airport; and, beginning in 2021, drive-through vaccinations at the Event Center. Also, in 2020 during the first months of the pandemic, the County converted a 40-room hotel in Burlingame to a medical facility and developed plans to open and staff a 200-bed hospital at the Event Center when local hospitals were exceeding capacity in the early months of the pandemic.

It was during this early period of activity and uncertainty (February-June 2020) that a very large amount of equipment was purchased, far more than what was purchased by other California counties. A significant amount of this equipment ultimately proved to be unneeded. The excess safety equipment was stored at Fiesta Hall, a building at the San Mateo County Event Center that is approximately 50,000 square feet in size, as other county storage facilities were full and could not receive any additional equipment.

The second period of time important to the investigation is between June 2021 and January 2022, during which time the decisions were made to terminate the County's lease of Fiesta Hall (June 2021), move the safety equipment outdoors (September 2021), and leave it outside without an anticipated end date. Below is the inventory of the excess safety equipment and supplies that were placed outdoors in September 2021 that were originally housed in Fiesta Hall.

Event Center Inventory Moved outside					
Brand Name	Manufacturer	Item	Size	SKU	Inventory
Safety Equipment					
ICU	Shenzhen Crystal-Star Technology Co.	Face Shields	100/case	FAC01	957,700
ICU	Shenzhen Crystal-Star Technology Co.	Face Shields	100/case	CP15-KP-FCSHLD	706,456
ICU	Yeingan Shengil Optical Company	Goggles with vents	120/case	CTGO GO2	58,742
Daniels Wood Land	Daniels Wood Land (USA)	Gown	100/case	DWL-GOWN	33,200
ICU	Sichuan Zhuangchi Clothing Company	Gown	XXL 48/case	CTISG01-XXL	181,354
ICU	Sichuan Zhuangchi Clothing Company	Gown	XXXL 48/case	CTISG01-XXXL	120,947
Jun Jiang	Guizhou Junaing Industrial Company	Gown	L 230/case	5ISOGWN-WHT-L	21,669
Amazon	Long Ying	Poncho (rain)	Adult		2,315
Amazon		Poncho (rain)	Adult	Y465	0
Supplies					
Classic Bleach	Hasa Inc.	bleach	1 gal	HSA-2027	5,194
Clorox	Clorox	bleach	1 gal(3.87qt)	30966	0
				Sub Total	5,194
Appeal	Appeal Products (USA)	Mop Bucket/wringer	35 qt.	881,018	784
Tough Guy	Grainger (US company, mfg in China)	Mop Handle		1TYZ9	965

As can be observed in the above chart, the vast majority of unused equipment consisted of face shields and oversized gowns. Not included in the above chart were approximately 10-12 million gloves and other high-value/medical grade equipment that were moved to Sequoia Hall (another building at the San Mateo County Event Center) in October 2021, before the storms, according to Event Center staff.

County staff reports that the cost of the safety equipment removed from Fiesta Hall totaled \$7.5 million. Not included in the above-stated costs was the lease on Fiesta Hall, which would exceed \$1 million over a one-year period. There are also unknown labor costs relating to the ongoing use of Fiesta Hall and the movement of the safety equipment to its outdoor location.

It has since been determined that 98% of the safety equipment remains useable and undamaged, as most of the equipment was individually packed in sealed plastic wrapping inside the cardboard boxes. Thus, the true loss of the equipment that could not be salvaged is approximately \$128,000.

First Time Period (February – June 2020)

A review of the first several months of the pandemic needs to take into context the unprecedented conditions that were prevalent at the outset of this pandemic. Offices were shut down pursuant to State and local shelter-in-place orders, staff was on overload, federal and state guidance was minimal and ever-changing, and there was great uncertainty as to the direction the pandemic would take. This was a national emergency, as opposed to a local or

regionalized emergency, as a natural disaster might create. At all levels of government and public and private health, the country was on uncharted ground in terms of its response. Initially, the northeastern states were the hardest hit and County staff made preparations assuming that the conditions leading to overwhelmed hospitals and care facilities could easily and rapidly strike San Mateo County.

County staff responded proactively to the pandemic and their actions were motivated by wanting to save lives. San Mateo County made decisions to open a hotel to accommodate hospital overflow, plan for a field hospital at the Event Center, and, eventually, establish drive-through testing and vaccination centers. County staff also took action to acquire a large amount of safety equipment. County Emergency Medical Services (EMS) staff reasoned that, given the County's population of approximately 800,000 residents and the initial very high COVID infection rates in the northeastern states at the outset of the pandemic, a significant percentage of County residents (perhaps on the order of 25%-40%) might be in need of a gown or a face shield at some point, either as a patient, caregiver, or family member. Staff also assumed that, in most cases, an ill person or caregiver would go through multiple gowns, thus justifying the quantities purchased.

The San Mateo County Emergency Operations Center (EOC), consisting of key County staff, initially met on a daily basis, and then weekly, to review and process safety equipment requests through the first months of the pandemic. Approximately 80-90% of such requests came from and through the EMS and the Medical Health Operational Area Coordinator, both of which are part of San Mateo County Health. EOC staff reported that they were reviewing very high numbers of requests for safety and personal protective equipment.

Staff reported that early on in the pandemic emergency response, some of the requested quantities for safety and personal protective equipment were augmented by a factor of 50% by EOC staff, based on the belief that under the emergency circumstances, it would be preferable to have too much, rather than too little, equipment. This was done under the assumption that San Mateo County Health requests were utilizing actual current burn rates (consumption), which proved not to be the case.

Additionally, the EMS, within San Mateo County Health, operates as a regional center for all of the County of San Mateo (public and private) and also as a member of a fifteen-county mutual aid group. Its responsibility in an emergency situation, among other things, is to be a major source of safety and personal protective equipment for both public and private entities (e.g., private medical centers, clinics, schools, childcare centers, etc.) within San Mateo County and to share resources or draw upon resources from other counties in the group. This regional local role (which includes serving private entities) did not synchronize with the Federal Emergency Management Agency (FEMA) guidelines for funding, which the EOC was using. The FEMA guidelines limit distribution of FEMA-funded equipment/services to governmental and non-profit groups. Per County EOC staff, it was not realized until late Spring 2020 that some safety equipment requests submitted by EMS did not take into account the FEMA guidance on

eventual distribution and this equipment procured by the EOC therefore could not necessarily be distributed in the way that had been contemplated when it was ordered.

The equipment procurement forms (FEMA 213RR) utilized by EMS did not have fields that require identification of either the calculations upon which the requested quantities were based or where or to whom equipment would be distributed. This contributed to the several month delay in the realization by EOC that EMS was operating in a broader regional role in terms of procurement requests and that much of the equipment could not be distributed as originally intended when it was ordered. San Mateo County's regional response to the pandemic led to a concern expressed by FEMA in May 2020 that the County had submitted far more claims (inclusive of PPE, medical staff, hospitals, hotels, and shelters) than Los Angeles County.

Compounding the difficulties in procurement was the scramble to find vendors and inventory to fulfill approved equipment requests. Government entities at all levels were competing with each other to procure protective equipment and supplies. There were shortages everywhere in the country with stories of nurses in other parts of the country wearing garbage bags for lack of protective gowns. Much equipment was purchased internationally, in particular from vendors in China. As such, procuring what was actually available, as opposed to what was specifically requested (e.g., xxxl sized gowns vs. s, m, l sized gowns), became common. Staff at that time reasoned that having something on hand would be better than not having anything, and that they needed to be prepared for the worst-case scenario. Long lead times were also a significant factor in procurement decisions. There was also equipment purchased that was not medical-grade, but that was seen as better than nothing at all given the unavailability of medical-grade equipment in the market. In addition, the list of approved FEMA equipment and items would change almost on a weekly basis, becoming more restrictive, with items that were once approved being removed. This contributed to unused inventory. Also, items such as face shields and gowns, ordered in large numbers initially, proved not to be needed or accepted by the public.

Finally, once the equipment was acquired, County staff reached out to numerous entities for distribution. However, many of these entities were shut down owing to shelter-in-place orders, creating far less demand for such equipment than was originally anticipated.

In the course of my conversations with County staff, I was provided a number of recommendations to avoid, in the future, the over-procurement of equipment such as occurred during the first several months of the pandemic, and I am in agreement with these recommendations, which are as follows:

Recommendations from First Time Period (February – June 2020)

- 1) Utilize actual or projected burn rates as the basis for requests and include, in requisitions, a description of where the item(s) will be used. Although burn rates can

vary month to month, they do provide a basis for the requested equipment amounts and a projected burn rate can utilize trend data.

- 2) Provide for better coordination or integration between San Mateo County Health and the EOC. They each operated under different assumptions for equipment ordering and distribution (e.g., regional center vs. FEMA guidelines) during the early months of the pandemic. EOC members, not being health professionals, were not in a good position to analyze equipment requests. The FEMA 213RR procurement form does not contain a field for all of the information that is valuable for EOC review (namely, calculations and usage). The County should supplement the FEMA 213RR form or strengthen its own review process to include burn rate and projected burn rate calculations and where and by whom equipment will be utilized. All forms should be digital and easily accessible for review. Currently the FEMA 213RR form is paper-based.
- 3) A data system common to all decision makers and applicable to any emergency situation (health, fire, earthquake, etc.) should be explored and implemented. There was not a single comprehensive tracking software application that both EOC and EMS/Health could utilize to provide up-to-date information on purchases, distribution, and inventory. EMS used ReddiNet software to track procurement, but this was not used by other departments, although EOC staff did have access. Also, due to the high volumes being ordered, data entry did not always keep pace.
- 4) Provide annual training and review on federal and state regulations for County staff within the incident command structure. In addition, all County employees need to be made aware on an annual basis that they are designated emergency response personnel and legally required to assist in an emergency until excused by a supervisor. This was not widely understood.

Second Time Period of the Investigation (June 2021 – January 2022)

Beginning in the Spring of 2021, with vaccination clinics across the country in full swing, schools and businesses were planning their modified reopenings. The San Mateo County Event Center was no exception. A large tech conference sponsored by SAASTR was being planned for September 2021 for which all buildings at the Event Center would be utilized. As noted, the County was using Fiesta Hall to store the above-described equipment and was paying a monthly, market-based rate for the lease of the space. The County was under no obligation to vacate Fiesta Hall due to the emergency order that was in place but agreed to do so in the interest of supporting the Event Center reopening. County staff stated that the use of Fiesta Hall was always meant to be temporary, due to its rental cost of approximately \$100,000 per month.



Fiesta Hall prior to the move of the equipment outside

By September 18, 2021 the protective equipment had been removed and Fiesta Hall was empty. County staff believed that they could distribute the large amount of safety equipment that had been stored in Fiesta Hall to schools and small businesses, such as motels, nail salons, and restaurants, that had recently become eligible to receive such equipment under revised FEMA guidelines. There was no intention to move the equipment back into Fiesta Hall after the SAASTR event. As it turns out, the SAASTR event was the only Event Center use of Fiesta Hall during the Fall 2021 months.

During the same period of time (Fall 2021), County staff was deeply involved in setting up the drive-through booster vaccination site at the Event Center, which made use of Expo Hall. Attention was directed to this immediate priority.

County staff did conduct outreach to eligible businesses and schools over the Summer of 2021 (prior to the safety equipment being removed from Fiesta Hall) and found little interest in the equipment. County staff explored whether the excess equipment could be donated to agencies located in other parts of the country experiencing COVID surges or even internationally, but met with little success. They also discussed keeping some of the equipment for potential future use but did not have an available storage facility. Thus, the time period the equipment would remain outside did not have a defined end date even though the Fall rainy season was not far off. County staff nevertheless expressed confidence that all of the excess safety equipment could be distributed prior to the start of the rainy season, which usually arrives by mid-November.

It does not appear that there were any discussions or actions taken in the process of vacating Fiesta Hall to protect the equipment in the event of inclement weather, such as wrapping or covering each pallet. The equipment that was determined to be most valuable, such as N95 masks and gloves, was moved to Sequoia Hall. Sequoia Hall was then filled to its capacity with the more valuable, in-demand safety equipment.

On October 24, 2021, a very large rainstorm hit. The next day, Event Center staff sent photos of the soaked pallets to County staff and stated that the safety equipment was now unusable due to heavy rains and unprecedented winds. On November 2, 2021, Event Center staff provided County staff with an inventory of the safety equipment that had been left outside. Also, in November 2021, County staff inspected the site and reported an observation of possible mold forming on the exterior of some of the boxes. After the inspection, County staff determined that the protective equipment was a total loss. County staff contacted FEMA, which responded two weeks later and requested that the County conduct a formal assessment of the condition of the equipment that had been left outside. The assessment was completed in late January by Belfor Property Restoration and mold condition was assessed by the Cohen Group. It was reported that over 90% of the safety equipment was recoverable and no evidence of mold or other hazardous material was found, as the equipment was, for the most part, individually packaged in plastic.

In January 2022, all of the safety equipment began to be moved back into Fiesta Hall and the process of repacking into new boxes had commenced. Since most items of equipment were individually sealed in plastic, virtually all of it is salvageable and reusable. At a visit to the site on January 25, 2022, I observed Event Center staff repacking the sealed bags into new cardboard boxes. As of March 2022, the remaining safety equipment is being transitioned out of Fiesta Hall and is being moved to other longer-term storage facilities.



Repackaged boxes with safety equipment (Jan 25, 2022)

It appears that the County's decision to vacate Fiesta Hall (early Summer 2021) was motivated by a desire to assist the Event Center and allow it to resume its pre-pandemic operations. The County was not obligated to vacate Fiesta Hall and did so voluntarily. According to County staff, the use of Fiesta Hall was always meant to be temporary. Discussions relating to vacating Fiesta Hall began early in the Summer 2021 as the Event Center was planning its reopening. The September 2021 SAASTR event required the availability of all Event Center buildings and this prompted the decision and timing to vacate Fiesta Hall. This decision was made without a definitive plan and timeline of how and when the safety equipment would be ultimately distributed. There was not a contingency plan to move the safety equipment back into Fiesta Hall if its distribution was delayed into the rainy season. No protections were put in place to prevent damage to the equipment and packaging after it was placed outside. The safety equipment was placed outdoors in a manner that minimized outdoor space usage and not in a manner that would make for efficient and speedy retrieval of requested items.

At the time of the decision to vacate Fiesta Hall, COVID cases were declining due to vaccinations and the Omicron variant had yet to appear. County staff expected to have distributed all the safety equipment that was moved outdoors by the start of the rainy season, but that did not happen, nor is it clear how it could have happened given the short time period that remained before the start of the rainy season. There was little demand for the type of safety equipment the County still possessed and over 85% of it is still in the possession of the County as of the submittal of this report (March 2022). Further, given the way this safety equipment was stored (i.e., tightly packed together and fenced off on three sides), the process for distribution would likely have involved moving multiple pallets to access a requested pallet. This would not facilitate rapid distribution in the limited amount of time prior to the rainy season. Thus, the

lack of demand for the equipment and the impending Fall weather created the high probability the protective equipment would be exposed to rain and wind.

As of March 2022, approximately 12% of the safety equipment that had been moved outdoors from Fiesta Hall has been distributed to non-profit organizations through the efforts of the Wine Country Marines. The remainder is now in the process of being relocated to other warehouse locations. Some of what remains will be permanently stored by the County and the rest will be distributed per the current efforts underway.

Recommendations from Second Time Period (June 2021 – January 2022)

- 1) The County emergency response structure provides that the EOC serves as the primary point of coordination and decision making for response to the COVID-19 pandemic, including procurement, storage, and distribution of emergency supplies. While the EOC met very frequently in the early days of the pandemic, these meetings became less frequent as time passed, with responsibilities becoming more distributed among departments and less integrated. The issue of what to do with the large amount of seemingly unneeded protective equipment took on a far lower priority for the EOC as no ready solution was at hand and other more immediate priorities took precedence. The focus of the EOC had shifted to ensure vaccination and booster availability. Facilitating the reopening of the Event Center became a higher priority than the careful preservation of the protective equipment. These factors all contributed to the decision to move the protective equipment outdoors without considering the full impact that this decision would create in terms of the possible damage that could occur. It is recommended that throughout the life of the emergency the County maintain the centralization of the decision making process through a clear delineation of responsibilities and accountability within the EOC, more frequent EOC meetings, and a more comprehensive analysis of all factors impacting or affected by the decision under consideration.
- 2) Ensure the process for making significant decisions in an emergency situation addresses all potential consequences of the actions taken. The likely exposure of the protective equipment to the elements and its possible damage was apparently not considered in the decision to move the equipment outdoors. While there was little demand for the protective equipment by the Summer of 2021, it did represent a large investment (\$7.5 million) and, as such, needed to be protected and preserved as a community asset. Even though almost all of the protective equipment has been recovered and repackaged, a valuable asset of the County and community was put at significant risk when it was moved outdoors and should not have occurred.
- 3) The County response to the pandemic created storage management needs that exceeded available County facility resources and expertise. It is recommended that the County retain a subject matter expert to investigate and assist the County to implement

best practices relating to warehouse storage, tracking, and distribution of large quantities of equipment, particularly in the emergency/contingency operations context. The County should also develop a process for acquiring or otherwise assuring the availability of sufficient warehouse space to meet the needs for storage that became very apparent in the pandemic. In a different type of emergency, Fiesta Hall or other Event Center buildings may not be available. Moreover, this subject matter expert should work with the County to develop processes to ensure appropriate receiving, tracking, and distribution of emergency equipment and to acquire appropriate tools and software to perform these functions.

Final Thoughts

The staff members interviewed were very forthcoming and reflective regarding the decisions, actions, and conditions prevalent throughout the pandemic, which is still lingering. Overall, County staff were proactive in providing emergency services and safety equipment to meet the needs of residents and this was accomplished under extremely challenging and uncertain conditions. The response to a worldwide pandemic was a huge test for County staff and the lessons learned over the last two years will hopefully lead to an even better response to the next emergency, whenever it might come. It is hoped that the recommendations provided in this report will form the basis of a thorough review of procedures, including communication and protocols between County departments, an improved data system for approvals and tracking, and a review of how decisions are made in emergency situations.

Fortunately, only a very small amount of the unprotected equipment was damaged by the rains. The remaining equipment will be housed on a more permanent basis and ultimately be distributed over time. It is hoped that the County can make use of what has been learned in response to this emergency to strengthen its procedures in a future emergency situation.

A handwritten signature in black ink, consisting of a large, stylized initial 'L' followed by a series of connected, wavy lines representing the rest of the name.

James Lianides