



Distribution Center MANAGEMENT

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Managing people, materials and costs in the warehouse or DC

From the Golden Zone

Good “green” practices will benefit your DC’s bottom line

By Richard Murphy

Increasingly, Wall Street investors see “green” practices as a direct reflection of good management practices. Thus, energy and green sustainability are becoming much more important in warehouse operations. Fortune 500 firms and investors are starting to require Leadership in Energy and Environmental Design (LEED) certification for new facilities. Additional national and local environmental regulations and EPA mandates are tipping the economic model in favor of more engagement in environmentally sound business practices.

It’s no small feat for a logistics business to think green. But operating as green as possible goes beyond these issues. It’s not only the right thing to do; it also makes good business sense. If you’re struggling with how to implement green practices in your own DC, here is some advice on how to get started.

Stormwater programs

For our company, most of our sites in the Twin Cities were developed with warehouses, dock areas, and yard space — surfaces that are impervious to water. Our headquarters in Minneapolis spans 22 acres; 95 percent is developed and impervious to water due to development that occurred prior to our ownership.

This means stormwater runs off to municipal stormwater systems, resulting in \$68,000 in annual

stormwater fees. And while current EPA mandates require cities to meet stringent stormwater regulations, the federal government did not fund the new standards. As a result, more and more cities are assessing stormwater fees on businesses.

There are ways to avoid this fee. In our case, we invested in a \$275,000 system at our Minneapolis site that collects and treats stormwater. There are both ecological and economic benefits to the new system, from improving water quality as it re-enters the ecosystem and the city network, to receiving a 78 percent credit from the city based on improvements in stormwater quality and quantity. This will reduce our annual stormwater fee to \$14,960.

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Native prairies and tree plantings

There are other ways to improve stormwater management at your facility as well. For example, we’ve planted more than 730 trees on our four company-owned warehouse sites. Trees are highly valued today for biodiversity, urban heat island reduction, bird habitats, and stormwater retention. We’ve also planted 22 acres of native prairies around two Murphy-owned logistics campuses. Our prairies are now 13 years old and contain more than 60 native species of plants.

These native prairies reduce the need for wasteful sprinkler systems, reduce runoff, and

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because of the deep root structure of native plants, provide excellent water infiltration to replenish the groundwater. Not only that, but they are beautiful as well: Murphy's prairies have been cited by the Metropolitan Design Center as good examples of industrial design.

Forklift fleet improvements

If you operate forklifts in your DC, there are now many fuel-efficient vehicles available on the market that give off fewer emissions and will solve both environmental and health concerns.

Propane-fueled vehicles account for 70 percent of our forklift fleet, and 30 percent are electric. There are plenty of new technologies for propane forklift fleets that allow the vehicles to burn cleaner and be more fuel-efficient.

And while fuel savings are an important factor in this effort, having fuel-efficient forklifts can bring an even greater benefit to the DC. Upgrading your forklift fleet will see you cut indoor air emissions in half — well below OSHA standards.

Dock blankets, re-roofing, and heating efficiency

Many warehouse docks are fitted with metal plates to withstand the daily wear-and-tear of loading and unloading freight. While these docks are outfitted with insulating bristles to keep

out the elements, the metal dock plates emanate cold air during winter months like ice cubes in a drink.

There's a simple solution to help keep the dock areas more comfortable and reduce heat energy consumption: Custom-sewn, quilted blankets.

These blankets cover the metal dock plates when they are not in use. While it does require additional steps for staff to keep the dock blankets in place, it's not an uncommon sight to see a forklift driver stop what he is doing as he passes the dock and make sure the blanket is in place. These blankets can make dock areas 10–15 degrees warmer, with no additional energy used.

And don't forget re-roofing your older buildings for energy savings in both winter and summer. While gas prices increased five-fold since 1994, our own heating costs have only doubled since we re-roofed our older facilities.

There are also computer systems available for boilers that can further increase efficiency by 20 percent. There are even heat-pumps that use the constant temperature of the ground below frost levels as a heating and cooling source.

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