



CHIEF'S FILE CABINET

Ronny J. Coleman

Bargain or Bankruptcy

I was once told by a budget analyst that an economist was someone who knew how much everything cost but did not understand the value of anything. In government it is not uncommon for the phrase “cost – benefit” to come into any conversation when it comes to spending large amounts of money, especially the taxpayers. The proverbial number crunchers are really good at talking about the cost. But who is the expert on the benefits?

If you are chief of a department you might have been asked that question in the past. Depending upon how long you have been around, you might have heard the answers range all the way from someone saying “because I say so” all the way to admitting that we are really not sure what the benefit is on a specific expenditure. The inability to articulate cost benefit conversations can be a test of organizations credibility.

One area of this debate has been carried out many times is in the field of residential sprinkler installation. One of the first questions that anybody who is being mandated to put sprinklers in is “what is in it for me”? That is a tough question to answer if you haven’t thought much about it.

Let’s start on the easiest side of this discussion. Just how much does it cost to put in a residential sprinkler system? I know the answer to that. As a matter of fact I know many answers to that. It has been my experience that the range of putting in sprinkler systems is all over the board depending on the level of sophistication of the local contractors in dealing with this issue. Recently I had my assistant contact every sprinkler contractor that is in business within 60 miles (1 hours drive) from my house just to see how many there were. There were 58. Over half of them had a practice that included residential sprinklers. I was able to get a range of installation costs that ran from 1.50 to over 3.00 per square foot.

In areas where sprinklers are widely accepted and there are multiple contractors in the business the cost is usually lower than in an area where the opposite exists. As the advocate of sprinklers, we have to be intimately knowledgeable regarding exactly what those cost factors are. This expertise should go far beyond the obvious one by just knowing a few numbers. It needs to be analyzed from a stand point of a square footage cost and recognition needs to be given to recognizing any or all tradeoffs that are incorporated in the cost of installation. The net impact of a residential sprinkler system in a community can be determined that it is specific to that community alone.

Another community twenty five miles down the freeway might have a totally different answer. Knowing the numbers is the obligation of the fire community. Even if we accept the ideas of our neighboring jurisdictions and incorporate them in our code amendments and our policy advocacy we have to take that additional step to become experts on the costs. I have referred to this phenomenon numerous



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times in the AHJ column. One of my observations after reviewing issues of code adoption by many local communities is that the cost factors are often left up to the contractors to develop and as a result there is no quality control over the number that is used. Fire departments should become increasingly sophisticated in their understanding of economic factors of practically everything they do with regard to mandatory codes. In order to be able to completely articulate benefits you must become an expert on the costs.

Now comes the tough part. Just exactly who benefits from built-in fire protection? As we turn the other check the numbers become softer and the ideas need to become stronger. Benefit is often in the eyes of the beholder. If you ask a property owner what benefit they get from having residential sprinklers, they may give you a quizzical look on their face and respond with an ambiguous if not outright contradictory answer. They may not believe there is any benefit at all. Therefore, it is important in our education programs that we continue to place a great deal of emphasis on the fact that built-in fire protection is built-in security. It is protecting the quality of life in a community.

As I was working on this column I was driving down the highway and saw a giant billboard exclaiming the virtues of a major developer in the area. The slogan was “we build trust in every house”. Well the benefit of a residential sprinkler system is your building safety into every house. “We build safety into your home” is not a bad slogan

Another benefit that I think we believe that the average person does not is that putting sprinklers into homes gives the fire department a better than fighting chance of a balanced risk management program. Both 13D and 13R are still reliant upon the fire department responding. For that matter so is 13. The difference between 13 and the other two standards however is that there is somewhat of a limited timeframe and that is a public benefit. Unfortunately this discussion of the benefit often lapses into a desire to reduce the size of the fire department to a level that is unsafe for other reasons.

I have been engaged in these discussions at a public policy level several times. A question has been posed more often than not, is why don't we just reduce the fire department back to a two person Engine Company and let them handle medical aids. If it were only that simple. At the very time that we are trying to manage our fire risks we are also being confronted with a wider range of community wide risk. Sprinklers are not put into buildings to put fire departments out of business. Instead one might look at them as being put into the buildings so that fire departments stand a fighting chance of winning more than losing.

The last benefit that might bear some discussion is a benefit to the profession. I have often thought that particular technology is comparable to a doctor knowing a cure for a disease and failing to utilize it for fear that it would put the doctor out of business. If a member of the medical profession tomorrow morning came up with a solution for cancer and withheld that information that is an ethical and moral



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dilemma for society. The benefit to society by the adoption of a residential sprinkler ordinance is a moral victory.

Having discussed all of this cost benefit stuff it is actually my belief that the only way that sprinkler systems pencil out is when they are cost neutral and that the benefits are not really debatable at all. What I mean by cost neutral is when the fire department looks long and hard at all of its requirements and finds a way to be able to incorporate the residential sprinkler technology into an occupancy and reduces the cost impacts of other requirements that are essentially passive and in many cases difficult to sustain over time. Cost neutrality is totally different than cost benefit. It is my opinion that those departments that have become experts on the cost and simultaneously become authoritative on how to properly deal with the design of entire tracts and eliminate unnecessary passive protection are probably going to have a more successful time than those who do not.

The bottom line in this whole discussion is that if we want to see sprinklers go into homes we have got to answer the question, of what is in it for everybody? The sooner we get the answer to that question the better off we all are.

Are we there yet?