

CONTRACTOR COST OUTLINE



ENERGY AND ENVIRONMENT CABINET
DIVISION OF WASTE MANAGEMENT
UNDERGROUND STORAGE TANK BRANCH
200 FAIR OAKS LANE, 2ND FLOOR
FRANKFORT, KENTUCKY 40601
502-564-5981
<http://waste.ky.gov/ust>

AUGUST 2006

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Underground Storage Tank Branch
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1.0 INTRODUCTION

This document establishes the unit costs to be reimbursed for specific tasks performed pursuant to 401 KAR Chapter 42.

The unit rates prescribed in this outline include, but are not limited to, facility visits, scheduling, oversight, labor, equipment and material needed in order to perform the listed actions.

The cabinet shall not reimburse an owner or operator more than the amount specified in this outline for corrective action services performed by a certified contractor or company, except as provided in Section 3.0 of this outline.

The cabinet shall, if necessary to determine if a claim is reasonable and necessary, request additional information and documentation related to actual cost incurred by a certified contractor, certified company, subcontractor or other vendor providing corrective action services. In addition, the cabinet shall require supplemental information, as necessary, to verify claims for items related to materials, instruments, equipment and personnel costs not listed or required in this outline. Failure to provide the requested information or documentation shall result in the denial of the claim.

Items not listed in this outline may be allowed a maximum of a fifteen (15) percent total markup above the actual cost of corrective action services performed by a subcontractor or other vendor not associated with the primary contractor and shall not exceed the unit rate allowed.

A certified contractor or certified company shall not employ a subcontractor, a subsidiary company, or other vendor, in order to increase profitability on the cost of corrective action.

Reimbursement shall be made in accordance with this outline for actions directed by the cabinet after the effective date of this administrative regulation.

Costs incurred on or after the effective date of this administrative regulation, listed in Section 5(3) of 401 KAR 42:330 (Small Owners Tank Removal Account), shall be reimbursed in accordance with the rates included in this outline.

Reimbursement for pre-established fixed cost is contingent upon a determination by the cabinet that the report required by each written directive is complete and meets the requirements of 401 KAR Chapter 42.

2.0 UNIT COSTS

The following section identifies the unit cost allowed per task performed for actions directed by the cabinet for a facility. Unless otherwise noted, the following rates prescribed in this section shall include, but are not limited to, facility visits, scheduling, oversight personnel (one individual), labor, equipment and material needed in order to perform the listed tasks.

2.1 Asphalt, Concrete Removal/Disposal and Facility Restoration

The following table lists unit costs associated with asphalt or concrete removal, disposal, replacement and facility restoration, including all labor, oversight personnel (one individual), equipment (does not include field equipment or tools of the trade, as provided for in Section 2.10) and material needed in order to perform the tasks.

Removal – includes all costs associated with asphalt removal, including but not limited to the cost of loading, scheduling, all equipment, personnel and material needed.	
Asphalt Pad, for each 3 inches of thickness, per square foot.	\$0.50/sq. ft.
Cost of additional thickness per inch.	\$0.17/sq. ft.
Replacement – includes all costs associated with asphalt replacement, including, but not limited to preparing the facility, any backfill removal or replacement, cutting of asphalt, equipment, personnel and material needed.	
Asphalt Pad, for each 4 inches of thickness, per square foot.	\$4.50 sq.ft.
Cost of additional thickness per inch.	\$2.00 sq.ft.
Asphalt curb and gutter, per linear foot.	\$6.75 ln. ft.
Removal - includes all costs associated with concrete removal, including, but not limited to the cost of loading, scheduling, equipment, personnel and material needed.	
Concrete pad, per square foot.	
4 inches thickness.	\$.50 sq.ft.
6 inches thickness.	\$.75 sq.ft.
9 inches thickness.	\$1.45 sq.ft.
10 inches or more thickness.	\$3.90 sq.ft.
With rebar.	Add 15% to cost per sq.ft.
Replacement includes all cost associated with concrete replacement, including, but not limited to preparing the facility, any backfill removal or replacement, cutting of concrete, scheduling, equipment, personnel and material needed.	
Concrete, 4 inch thickness, per square foot.	\$5.00 sq.ft.
With rebar.	Add 15% to cost per sq.ft.
For each additional inch, per square foot.	\$2.00 sq.ft.
Transportation and disposal of asphalt or concrete at disposal facility, including all costs associated with this task. Reimbursement shall be based on weigh tickets from the disposal facility to verify tonnage.	
Nearest landfill within 50 one-way miles of the facility.	\$44.00/ton
Nearest landfill 50 to 100 one-way miles from the facility.	\$56.80/ton
Nearest landfill over 100 one-way miles from the facility.	\$69.60/ton
Reseeding, includes all cost associated with reseeding the facility after corrective action is completed. (does not include area's disturbed by negligence).	
Reseeding < 1 acre.	\$.20 sq.ft.
Reseeding > or = 1 acre.	\$.10 sq.ft.

2.2 Material Removal, Disposal, and Replacement

The following table lists unit costs associated with disposal, transportation and replacement of contaminated material, including all labor, oversight personnel (one individual), equipment (does not include field equipment or tools of the trade, as provided for in Section 2.10) and material needed in order to perform the tasks.

Excavation of contaminated material, per ton.	\$4.50/ton minimum of \$2,250.00
Backfill material: includes cost of material and transportation to the facility, including all costs associated with this task. Reimbursement shall be based on weigh tickets to verify tonnage.	
Nearest quarry within 50 one-way miles of the facility.	\$15.60/ton
Nearest quarry 50 to 100 one-way miles from the facility.	\$18.90/ton
Nearest quarry over 100 one-way miles from the facility.	\$22.20/ton
Backfill from borrow area, per ton (based on tonnage of excavated material disposed), includes excavation, loading, weighing, permitting, transportation and restoration of borrow area.	\$7.30/ton
Install, compact and grade backfill, per ton. Reimbursement shall be based upon the weight of material as determined above.	\$4.00/ton
Transportation and disposal of contaminated material at an approved landfill, including all costs associated with this task. Reimbursement shall be based on weigh tickets from the disposal facility to verify tonnage.	
Nearest landfill within 50 one-way miles of the facility.	\$44.00/ton
Nearest landfill 50 to 100 one-way miles from the facility.	\$56.80/ton
Nearest landfill over 100 one-way miles from the facility.	\$69.60/ton
Treatment of contaminated material by thermal desorber, landfarming, or other method, per ton. Includes all costs associated with designing, permitting, monitoring, sampling, construction, transportation of material to and from the treatment facility, environmental compliance, reporting, backfill material, closure of treatment facility and any other cost incurred to complete the tasks listed.	
Nearest landfill within 50 one-way miles of the facility.	\$53.70/ton
Nearest landfill 50 to 100 one-way miles from the facility.	\$66.00/ton
Nearest landfill over 100 one-way miles from the facility.	\$78.80/ton
Trenching, per linear foot.	\$20 ln. ft, per 5' of depth

2.3 Drums

The following table lists unit costs associated with the transportation and disposal of drums, including all labor, equipment and material costs.

Transportation of drummed tank waste (only reimbursable through the Small Operator Tank Removal Account), purged water or soil cuttings, per drum. Includes, but is not limited to all labor, equipment, personnel, scheduling, completion of documentation, and oversight if needed.	\$100 per drum
Disposal of drummed tank waste, per drum (only reimbursable through the Small Operator Tank Removal Account)	Disposal cost shall be actual cost at point of disposal plus a maximum 8% markup.
Disposal of drums containing purged water or soil cuttings: includes all costs associated with this task. Reimbursement shall be based upon the number of drums documented on waste manifests from the disposal facility.	\$80 per drum

2.4 Water/Product Recovery and Disposal

The following table lists unit costs associated with the transportation, treatment and disposal of contaminated water, prior to implementation of an approved Corrective Action Agreement, including all labor, oversight personnel (one individual), equipment (does not include field equipment or tools of the trade, as provided for in Section 2.10) and material needed in order to perform the tasks.

Pumping, treatment and discharge of contaminated water from a mobile unit; includes all equipment, labor, permitting, sampling, laboratory analysis and associated charges, per gallon.	\$0.45 per gallon
Disposal of contaminated water or tank contents (only reimbursable through the Small Operator Tank Removal Account) in a wastewater treatment plant or a recycling facility, per gallon.	Actual cost at point of disposal plus an 8% markup, not to exceed \$0.45 per gallon
Pumping and transportation of tank contents (only reimbursable through the Small Operator Tank Removal Account) or removed pit water or groundwater from an open pit to an approved facility, including truck, driver and travel time, per gallon.	\$0.25 per gallon minimum of \$600
Disposal of contaminated water from dual phase extraction events.	Actual cost at point of disposal plus an 8% markup, not to exceed \$0.45 per gallon
Free Product Recovery (by hand bailing, per well) as directed by the cabinet.	\$65 per well

2.5 Per Diem

The following table lists unit per diem costs for an individual providing supervisory oversight at the facility. Per diem reimbursement for non-supervisory personnel has been integrated into the unit costs established. Mileage shall be based on one-way miles from the nearest contractor's office to the facility. Per diem shall be determined based upon the following:

Drilling –1 day per diem shall be added by the cabinet per directive for drilling at a facility more than 65 one-way miles from the nearest office, or as determined by the cabinet.	\$110 per day
Over-excavation –1 day per diem shall be added by the cabinet per directive per 400 tons (total tonnage expected must exceed 400 tons) based on a facility more than 65 one-way miles from the nearest office, or as determined by the cabinet.	
Any other field work required by the cabinet at a facility that, including travel-time, would constitute more than a 10-hour day, study or as determined by the cabinet.	

2.6 Mobilization/Demobilization and Mileage

The following table lists unit costs associated with the mobilization and demobilization of heavy equipment and drilling equipment. One mobilization and demobilization charge for oversight personnel and heavy equipment (including support vehicle), if required, shall be allowed per directive. This includes personnel time and equipment time prior to and after travel time. Mileage shall be based on one-way miles from the nearest contractor's office to the facility. One payment (at the per mile rate listed below) shall be made for each task directed by the cabinet regardless of the number of vehicles or pieces of equipment mobilized.

Mileage allowed per mile for vehicle and oversight personnel.	\$1.80 per mile
Mileage allowed per mile for heavy equipment, to include all equipment, trailers and personnel needed to transport equipment.	\$4 per mile, minimum of \$400
Mobilization and demobilization of drilling equipment and support vehicle: includes drill rig, two (2) man crew, labor for gathering of	\$4 per mile, minimum of \$400.

equipment, tools, travel time, and all steam cleaning.	
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2.7 Final Site Investigation and Corrective Action Activities for Facilities

The following table lists unit costs associated with the final site investigation and corrective action activities for facilities. This includes all oversight personnel (one individual), equipment (does not include field equipment or tools of the trade, as provided for in Section 2.10) and material needed in order to perform the tasks.

Dye Trace and Report – as directed by the cabinet.	Submit actual cost
Pump Test– as directed by the cabinet (includes the disposal of water).	
8-hr pump test.	\$1,720 per test
12-hr pump test.	\$2,040 per test
24-hr pump test.	\$3,000 per test
Slug Test – as directed by the cabinet.	\$500 per well
Routine Operation and Maintenance of a remediation system per an approved Corrective Action Agreement and as reported in the quarterly monitoring report. Maintenance costs shall be determined through agreement between the cabinet and the owner or operator and certified contractor as reflected in the written approval of a corrective action plan or interim corrective action proposal. Cost excludes utilities.	High: \$2,925 per qtr Medium: \$1,560 per qtr Low: \$975 per qtr
Unscheduled Maintenance of a Remediation System. Reimbursement shall be limited to 4 unscheduled maintenance visits per 12 month period. Additional unscheduled maintenance visits shall be approved in advance by the cabinet and shall result in a re-evaluation of the system. This cost excludes replacement of components.	\$500 per visit
DPE event (dual phase extraction), per day up to a 24-hours. Cost includes all personnel, equipment, material needed in order to perform this task, as directed by the cabinet.	\$3,000 up to 24 hours (1 day)
Continuous DPE event, for each day after the initial event. Reimbursement shall be prorated based on the duration of system operation.	\$1,500 day

2.8 Other Tasks

The following table lists unit costs associated with other tasks. This includes all oversight personnel (one individual), equipment, and material costs.

Initial Abatement: for initial abatement actions taken at a facility, in accordance with 401 KAR 42:060, prior to a written directive from the cabinet, and not declared an emergency by the cabinet. The cost outlined for this item also includes preparation of the required status letter, facility sketch, description of work completed, and recommendations for future actions.	\$1,000 per facility
Initial Site Survey: this cost will be allowed only once per facility in accordance with 401 KAR 42:060. This survey shall include property boundaries and the area within a 100 foot radius of the tank pit(s).	\$1,350 per facility
Additional Site Survey: for additional areas beyond those identified on the initial site survey for a facility, as directed by the cabinet.	\$675 per request
Initial review of facility information for a new certified contractor/ company entering into a contract for a facility already involved in a site investigation or corrective action.	\$500 per initial review
Tank & Line Tightness Testing as requested in writing by the cabinet in conjunction with a Site Check, Site Investigation, or Corrective Action activities for a facility.	Actual cost plus 15% markup
Initial Encroachment Permit or Property Access Agreements (including properly documented denials), per owner, when required by the cabinet.	\$395

Encroachment Permit Renewal.	\$175
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2.9 Drilling/Well Installation, Sampling, and Decommissioning

The following table lists unit costs associated with drilling, well installation, sampling (includes chain of custody documentation), and decommissioning. These costs include all equipment (does not include field equipment or tools of the trade, as provided for in Section 2.10) and material needed in order to perform the tasks, per diem for drilling personnel, and oversight personnel (one individual). Costs associated with traffic control (if necessary) are included in the listed costs.

Installation of a PVC monitoring well: includes but is not limited to, decontamination of down-hole equipment, grout or backfill material, development of well, personnel time for soil sample collection, surface completion, preparation and submission of well records. An additional \$55 per foot will be added for each well installed over 30'.	\$1,585 per well up to 30' in depth
Installation of PVC monitoring well in bedrock: includes but is not limited to, decontamination of down-hole equipment, grout or backfill material, development of well, personnel time for soil sample collection, surface completion, preparation and submission of well records. An additional \$75 per foot will be added for each well installed over 30'.	\$1,855 per well up to 30' in depth
Installation of Recovery well: includes but is not limited to, decontamination of down-hole equipment, grout or backfill material, development of well, personnel time for soil sample collection, surface completion, preparation and submission of well records if a sample is collected from the well. An additional \$75 per foot will be added for each well installed over 30'.	\$1,855 per well up to 30' in depth
Well decommissioning: includes the cost of all material, equipment and labor, including oversight personnel and the preparation and submission of well records. An additional \$25 per foot will be added for each well decommissioned over 30'. This includes decommissioning of domestic use wells.	\$750 per well up to 30' in depth
Soil borings: applies to those borings where monitoring wells are not required in the same location. Cost includes labor, water supply, personnel time for soil sample collection, backfilling of soil boring, and decontamination of equipment.	\$300 per soil boring, minimum \$700.
Installation and construction of direct push piezometer or direct push monitoring well: includes down-hole material, well development, backfilling of void, and decontamination of equipment.	\$750 per piezometer or monitoring well
Cistern Decommissioning: as directed by the cabinet.	\$1,500 per cistern
Surveying, per well installed.	\$100 per well
Water Sampling (including gauging and purging for monitoring wells), per well or other sampling point as directed by the cabinet.	\$90 per sample point
Well Gauging, per well	\$45 per well
Monitoring Well Pad Replacement: damage (e.g. cracked concrete pad, damaged protective casing, etc.), shall be reported to the cabinet in writing, and include photo documentation of the damaged monitoring well pad.	\$250 per well pad replacement

2.10 Equipment

The following table lists rates for necessary equipment needed to complete directed actions by the cabinet.

Field Equipment: includes field screening equipment necessary during site investigation or corrective action activities and over-excavation activities for a facility.	\$150 per day
Tools of the Trade: includes, but is not limited to, camera, film, film development, log books, measuring wheels, personnel protective and safety equipment, cones, barricades, and other tools or devices typically used by environmental contractors. Allowed for each day of fieldwork at the facility.	\$50 per day

The following table lists equipment rates for work performed that do not fall within one of the listed tasks in this section and for which reimbursement is to be made on a time and materials basis.

Air compressor, less than 190 CFM	\$85 per day
Air compressor, 190 CFM or greater	\$165 per day
Backhoe, trailer and accessories	\$55 per hr
Concrete saw	\$55 per day
Concrete saw (push type)	\$80 per day
Conductivity meter	\$20 per day
Drum (55 gallon), each (only allowed when drum is disposed of in a disposal facility)	\$35 each
DO Meter	\$30 per day
FID, OVA	\$95 per day
Generator	\$50 per day
Grout unit	\$75 per day
Jackhammer	\$75 per day
LEL Meter	\$35 per day
pH Meter	\$20 per day
PID/Hnu Meter	\$75 per day
Power auger (hand held)	\$50 per day
Self-contained steam cleaning unit	\$125 per day
Steam cleaner	\$85 per day
Survey equipment	\$45 per day
Trackhoe, trailer and accessories	\$100 per hour
Water truck (500 gal.) (usage must be justified)	\$75 per day
Water truck (800 gallon capacity or greater) (usage must be justified)	\$175 per day
Copies	\$0.10 per page
Faxes	\$1.25 per page

2.11 Laboratory Analysis

The following table lists rates associated with laboratory analysis for samples collected and analyzed. These rates include, but are not limited to the cost of preparing the samples for shipment and the cost of shipment.

Laboratory Analysis	
BTEX (Benzene, toluene, ethyl benzene, xylene), Method 5030 in conjunction with SW-846, 8240, 8260, 8020 or 8021 (MTBE reporting included if directed by the cabinet for domestic use sources).	\$75 per sample
PAH (Polynuclear Aromatic Hydrocarbons) Method 3540 or 3550 in conjunction with SW-846 8100, 8270 or 8310	\$207 per sample
Total Lead. Method SW-846 7421 or 6010	\$45 per sample
MTBE Method 5030 in conjunction with SW-846, 8240, 8260, 8020 or 8021	\$75 per sample
Sludge and Cleaning Liquid Samples - Toxicity Characteristic Leaching Procedure (Per SW 846)	

Metals	\$280 per sample
Volatiles	\$335 per sample
Acid/base/neutrals	\$430 per sample
Pesticides and herbicides	\$330 per sample
Ignitability	\$50 per sample
Paint Filter Test	\$43 per sample
PH	\$35 per sample

2.12 Reporting

Reporting costs include, but are not limited to, personnel time for preparation of the report (narrative, figures, maps, tables, etc.), secondary reviews, modifications, revisions, any re-submittals necessary to obtain cabinet approval, clerical support, and all other direct costs such as copying, binding and delivery (e.g. mailing, faxing, hand delivery, etc.).

New or Amended Class Guide upon written directive by the cabinet	\$220.00
Initial Abatement Report	\$1,123.00
Free Product Recovery Report	\$657.00
Site Check Report for a facility	\$902.50
Initial Site Investigation Report for a facility	\$2,677.00
Intermediate Site Investigation Report for a facility	\$1,465.00
Final Site Investigation Report for a facility – Soil Only	\$2,937.00
Final Site Investigation Report for a facility – Groundwater Only	\$3,641.00
Final Site Investigation Report for a facility – Soil and Groundwater	\$4,345.00
Over-Excavation Report	\$2,660.00
Dual Phase Extraction Report	\$1,299.00
Corrective Action Plan for a facility – Soil Contamination within the Point of Compliance (in-situ only)	\$6,200.00
Corrective Action Plan for a facility – Soil and groundwater contamination within the Point of Compliance	\$7,785.00
Corrective Action Plan for a facility – Soil and groundwater contamination within and beyond the Point of Compliance	\$9,320.00
Amended Corrective Action Plan for a facility	25% of report cost allowed
Initial Quarterly Monitoring Report	\$1,548.50
Subsequent Quarterly Monitoring Report	\$662.50
ERT Report	\$777.00
Miscellaneous Reports (for actions directed not listed above)	\$500.00

2.13 Legal Services

The following table lists rates associated with reimbursement of legal services. An invoice from the legal service must be provided with a written description explaining legal costs incurred.

Legal Services	
Sole practitioner, per hour	\$110 per hour
Partner or principal in firm, per hour	\$175 per hour
Associate in firm, per hour	\$140 per hour
Paralegal, per hour	\$60 per hour

2.14 Personnel Rates

The following table lists personnel rates that do not fall within one of the listed tasks in this section and for which reimbursement is to be made on a time and materials basis. Professional, technical and labor rates shall include fringe benefits, contractor's overhead and profit. Reimbursement of labor rates shall be based upon the task performed by an employee rather than the qualifications of the employee (the lowest rate applicable for that task shall be reimbursed). See Appendix A for rates associated with certain tasks.

Title	Degree Required	KY License Required	Min. Yrs Experience	Max. Hourly Rate
Certified Contractor	As per 401 KAR 42:314	Pass Test		*
Engineer I	BS in Engineering	None	0	\$70
Engineer II	BS in Engineering	None	2	\$75
Engineer III	BS in Engineering	None	4	\$88
Professional Engineer	BS in Engineering	P.E.	0	\$92
Senior Prof. Engineer	BS in Engineering	P.E.	2	\$110
Geologist I	BS in Geology or Hydrogeology	None	0	\$70
Geologist II	BS in Geology or Hydrogeology	None	2	\$75
Geologist III	BS in Geology or Hydrogeology	None	4	\$88
Professional Geologist	BS in Geology or Hydrogeology	P.G.	0	\$92
Senior Prof. Geologist	BS in Geology or Hydrogeology	P.G.	2	\$110
Scientist I	BS in Natural or Phys. Science	None	0	\$60
Scientist II	BS in Natural or Phys. Science	None	2	\$65
Scientist III	BS in Natural or Phys. Science	None	4	\$70
Scientist IV	BS in Natural or Phys. Science	None	6	\$75
Senior Scientist	BS in Natural or Phys. Science	None	8	\$85
Project Manager	None	None	8¹	\$90
Senior Project Manager	None	None	12 ¹	\$100
Technician I	None	None	0¹	\$45
Technician II	None	None	2 ¹	\$50
Technician III	None	None	4 ¹	\$55
Technician IV	None	None	6 ¹	\$60
Senior Technician	None	None	8 ¹	\$65
Admin. Assistant I	None	None	0	\$25
Admin. Assistant II	None	None	2 ²	\$30
Admin. Assistant III	None	None	4 ²	\$35
Admin. Assistant IV	None	None	6 ²	\$40
Senior Admin. Assistant	None	None	8 ²	\$45
Draftsperson/CAD I	None	None	0	\$40
Draftsperson/CAD II	None	None	2 ³	\$45
Draftsperson/CAD III	None	None	4 ³	\$50
Draftsperson/CAD IV	None	None	6 ³	\$55
Senior Draftsperson/CAD	None	None	8 ³	\$60
Laborer I	None	None	0	\$25
Laborer II	None	None	2	\$30
Laborer III	None	None	4	\$35
Laborer IV	None	None	6	\$40
Equipment Operator I	None	None	0	\$30
Equipment Operator II	None	None	2	\$35
Equipment Operator III	None	None	4	\$40
Equipment Operator IV	None	None	6	\$45
Electrical Contractor	License			\$60
Apprentice Plumber	None			\$45
Journeyman Plumber	None			\$50
Master Plumber	License			\$55

¹Equivalent work-related or college level education with significant coursework in the physical, life, or environmental sciences can be substituted for all or part of the specified experience requirements.

²Equivalent work-related or college level education with significant coursework in administrative or secretarial services can be substituted for all or part of the specified experience requirements.

³Equivalent work-related or college level education with significant coursework in drafting or computer aided design ("CAD") can be substituted for all or part of the specified experience requirements.

*At qualified rate per approved title.

3.0 Request for Re-evaluation of Pre-Established Costs

3.1 Costs in excess of the amounts set forth in this outline shall be considered by the cabinet if the contractor demonstrates that the cost of the services or materials are not available at the established cost through either or both of the following methods.

3.1.1 In order for the cabinet to re-evaluate established costs for activities requiring the submittal of a claim for reimbursement, the owner or operator shall submit three (3) current estimates in writing from the area in which the facility is located for cabinet approval prior to costs being incurred.

3.1.2 Pre-established fixed cost shall be considered the final cost for the completion of the written directive. However, in the event that the owner or operator is unable to secure a contract with a certified company to perform the actions required to complete the directive, the cabinet shall consider a re-evaluation of the pre-established fixed cost. In order for the cabinet to re-evaluate the amount of a pre-established fixed cost directive, the owner or operator shall submit necessary documentation to establish that the total actual costs will exceed the pre-established fixed costs included with the directive letter. The cabinet's response to this submittal will identify a not-to-exceed amount to amend the pre-established fixed cost. Upon a determination that the technical report is complete, the cabinet shall initiate the review of the supporting documentation, and will process payment on a time and materials basis. The supporting documentation (e.g., personnel time sheets, itemized subcontractor/vendor receipts, etc.) shall be submitted to the cabinet as an attachment to the required technical report in response to the written directive. Reimbursement of the pre-established fixed costs shall be suspended until a determination is made by the cabinet on the re-evaluation request.

4.0 Other Considerations

- 4.1** Items not listed in Section 2.0 of this outline shall be subject to the following qualifications:
- 4.1.1** An original invoice from the manufacturer or retailer shall be submitted to the cabinet, with supporting documentation, if required;
 - 4.1.2** An unlisted item shall be subject to a maximum reimbursable amount of fifteen (15) percent above actual cost, including a rental or purchase;
 - 4.1.3** A markup shall not be allowed on a pass through cost, such as utilities or an employee expense account;
 - 4.1.4** The cost shall be eligible, reasonable and necessary to the performance of corrective action and not included in those listed in Section 2.0.
- 4.2** A claim denied by the cabinet under this subsection may be appealed pursuant to 401 KAR 42:320. The owner, operator, certified contractor, or certified company shall have the burden to prove the validity of incurred costs other than pre-established fixed costs.

5.0 Eligible and Ineligible Costs

- 5.1** Eligible costs shall include:
- Site checks and/or testing at a facility to determine tightness of tanks and lines in response to a suspected release upon written direction of the cabinet;
 - Performance of corrective action as defined in KRS 224.60-115(4) due to a release of motor fuel from a regulated petroleum storage tank system pursuant to the written directions of the cabinet;
 - Necessary laboratory services to analyze samples taken at a facility as part of the site check, site investigation, corrective action, or maintenance of the corrective action system at the written direction of the cabinet;
 - Restoration or replacement of a well, spring or cistern used by humans for personal, commercial or agricultural purposes at the written direction of the cabinet;
 - Removal, treatment, and disposal of contaminated liquids and soils resulting from corrective action;
 - The cost of material purchased to perform corrective action as defined in KRS 224.60-115(4);
 - The cost of implementation of corrective action technology such as soil venting or bioremediation, or groundwater treatment system, as identified in a corrective action agreement approved by the cabinet for the facility;
 - The cost of replacing blacktop or concrete if removal was necessary to perform the corrective action;

- An attorney fee integral to the performance of corrective action beyond the Point of Compliance of a facility, such as preparation of a property access agreement as required by the cabinet;
- Other costs as identified in a corrective action agreement approved by the cabinet for the facility; and
- A purchase of capital equipment, for the purpose of implementing a corrective action agreement, in excess of \$1,000 if the lease or rental for the equipment will exceed the purchase price in accordance with Section 11 of this administrative regulation.

5.2 Ineligible costs shall include:

- Replacement, repair, maintenance, or retrofitting of tanks or piping;
- Removal, disposal, or replacement of backfill material, free product or contaminated water associated with the excavation zone, as defined in 401 KAR 42:005, if the permanent closure was performed after the effective date of this administrative regulation, unless directed and documented by ERT under the terms of a declared emergency;
- Out-of-state travel expense, including air fare;
- Loss of business, income or profits;
- An attorney fee related to:
 1. Judicial or administrative litigation;
 2. Consultation on administrative regulations;
 3. Preparation or submittal of cabinet documentation related to the reimbursement process; and
 4. Other legal services determined by the cabinet not to be integral to the performance of corrective action.
- Decreased property values for the facility;
- Facility improvements, including costs to upgrade the facility;
- Payment of the owner or operator's personnel for overtime, or for staff time in planning or implementing corrective action (as defined in KRS 224.60-115(4)), except as allowed under 401 KAR 42:316;
- An aesthetic improvement to the facility;
- Interest on an overdue account or loan;
- A cost covered by insurance payable to the owner or operator;
- A contractor surcharge implemented because the owner or operator failed to act in a timely fashion;
- Work performed that is not in compliance with safety codes;
- A cost associated with a release from a storage tank exempt from KRS 224.060;
- Contractor markup expense for a normally expected overhead item or in-stock material;
- Contractor markup expense for personnel cost;
- A laboratory "rush" fee, unless directed by the cabinet;
- A cost or cost recovery for governmental emergency services;
- Corrective action activities subsequent to the issuance of a no further action letter, unless otherwise directed by the cabinet;
- Reimbursement shall not be made for work or a portion of work performed at a facility where the results of laboratory analysis do not confirm the need for corrective action or for actions to achieve more stringent allowable levels than those prescribed by the cabinet, except for investigatory or corrective actions otherwise directed from the cabinet in writing;
- Cost of a party employed to act as a surrogate or stand-in for the owner or operator of the facility;
- Preparation of documentation, cost estimates, written agreements, contracts or client invoices that will be submitted to the cabinet for reimbursement purposes;
- Except as provided in 401 KAR 42:330 (Small Owners Tank Removal Account), cost related to the removal, or actions incidental to the removal of a tank system;

- Cost of resampling and laboratory tests performed as a result of an operational or methodology mistake by the analytical laboratory, or cost for an analytical laboratory to become certified or accredited under the requirements of KRS 224.60-130(2)(a);
- Other costs relating to compliance with a local program operating under KRS 224.60-105(4), to the extent that those costs are required to comply with corrective action standards more stringent than required by the cabinet;
- The costs of more stringent corrective action standards than those required by the applicable administrative regulation, as determined by the date of confirmed release or Notice of Intent to Permanently Close Underground Storage Tank System submittal;
- Actions resulting from contractor error or negligence;
- Costs covered by the contractor's liability insurance;
- Other service or cost determined by the cabinet to be an unreasonable or unnecessary cost of corrective action; and
- Overtime for individual personnel exceeding 40 hours during a standard workweek, except for actions directed by the Environmental Response Team as necessary.

6.0 Capital Equipment Rental or Purchase

- 6.1** An owner or operator who has been directed by the cabinet to initiate corrective action that requires the purchase of equipment costing in excess of \$1,000, shall obtain prior approval of the purchase by submitting a "Capital Equipment Preapproval Purchase/Rental Request" DEP 6071 (January 2006) form.
- 6.2** The cabinet shall approve either the purchase or rental of remediation equipment and shall establish the amount to be reimbursed.
- 6.3** The request to purchase the equipment shall contain:
- 6.3.1** Three (3) bids obtained from a supplier or manufacturer of corrective action equipment. If the certified contractor or certified company is included in the bid process, four (4) bids are required. Each bid shall contain a description of the equipment to be purchased and an anticipated salvage value provided by the supplier or manufacturer;
 - 6.3.2** If the bids required by subparagraph 1 of this paragraph cannot be obtained, the owner shall provide written documentation of the manufacturers' or suppliers' decline to bid. At least two (2) letters of declination shall be provided for each bid not submitted;
 - 6.3.3** A cost benefit analysis comparing purchase against rental of the equipment;
 - 6.3.4** A copy of the warranty supplied by the equipment supplier or manufacturer; and
 - 6.3.5** The cost of shipping, installation, training and start-up, stated separately from the cost of equipment.
- 6.4** The purchase of new equipment shall be considered by the cabinet at 100 percent of the invoice price for the system with the least expensive life cycle cost.
- 6.5** Reimbursement shall be limited to the original purchase price less the anticipated salvage value, including applicable sales tax. The cabinet shall not reimburse for markup.
- 6.6** If the owner or operator elects to purchase equipment with a greater life cycle cost, he shall be responsible for the amount above the most economical bid price.
- 6.7** The owner or operator shall be responsible for unscheduled maintenance costs covered by the new equipment warranty.
- 6.8** The cost of the equipment shall not be reimbursable until a corrective action agreement is finalized between the cabinet and the owner or operator.

- 6.9** A bid shall remain on file at the UST Branch until the corrective action agreement is finalized between the cabinet and the owner or operator.
- 6.10** The corrective action agreement will include the reimbursable cost for capital equipment.
- 6.11** The cost of the equipment shall not be reimbursable until the cabinet accepts the corrective action plan.
- 6.12** The amount of reimbursement to purchase used or reconditioned equipment shall be established by:
- 6.12.1** Three (3) bids for used equipment obtained from a supplier or manufacturer of corrective action equipment. If the certified contractor or certified company is included in the bid process, four (4) bids shall be submitted. Each bid shall contain a description of the equipment and an anticipated salvage value provided by the supplier or manufacturer;
 - 6.12.2** If the bids required by subparagraph 1 of this paragraph cannot be obtained, the owner shall provide written documentation of the manufacturer or supplier's decline to bid. At least two (2) letters of declination shall be provided for each bid not submitted;
 - 6.12.3** The name, address and telephone number of the previous owner of the equipment proposed for installation;
 - 6.12.4** A description of the equipment, including specifications necessary to compare the proposed equipment with a bid for new equipment;
 - 6.12.5** The remaining economic life of the used equipment;
 - 6.12.6** A projected salvage value for the used or reconditioned equipment after the proposed usage; and
 - 6.12.7** The cost of shipping, installation, training and start-up, stated separately from the cost of equipment.
- 6.13** Reimbursement for the purchase of used or reconditioned equipment shall be the cost of purchase plus fifteen (15) percent markup less the anticipated salvage value, and shall be limited to:
- 6.13.1** For used equipment, sixty-five (65) percent of the cost of the most economical new system bid submitted to the cabinet; and
 - 6.13.2** For reconditioned equipment, eighty (80) percent of the cost of the most economical new system bid submitted to the cabinet.
- 6.14** Reimbursement shall not be made for unscheduled maintenance or component replacement occurring during the greater of:
- 6.14.1** The period of limited warranty specified by the supplier or manufacturer; or
 - 6.14.2** 180 days.
- 6.15** An owner or operator may request rental of remediation equipment if the cost of rental does not exceed the cost of purchase.
- 6.15.1** The cabinet shall:
 - Reimburse for actual active usage of rented remediation equipment; and
 - Not reimburse for idle equipment maintained at the facility for the convenience of the contractual parties.
 - 6.15.2** A request to rent equipment shall contain:
 - Three (3) bids for rental equipment obtained from a supplier or manufacturer of corrective action equipment. If the certified contractor or certified company is included in the bid process, four (4) bids shall be submitted. Each bid shall contain a description of the equipment and a salvage value provided by the supplier or manufacturer;
 - If the bids required by subparagraph 1 of this paragraph cannot be obtained, the owner shall provide written documentation of the manufacturer or supplier's decline to bid. At least two (2) letters of declination must be provided for each bid not submitted; and

- The cost of shipping, installation, training, and start up, stated separately from the cost of equipment.

Appendix A

Personnel Tasks and Responsibilities

Professional Classification	Tasks and Responsibilities
Senior Professional Geologist Senior Professional Engineer	<p>Acts as administrative and/or professional head of company with authority and responsibility to negotiate and sign contracts, conceive and execute plans and direct professional staff. Normally has a financial interest in the company as partial owner, investor, or stockholder. May charge a limited (less than 5%) number of hours to project or program. May serve as technical expert or coordinator of large or technically challenging projects and provide final review of project documents, which legally bind the company. The P.E. or P.G. should rarely bill field time at the regular hourly rate for this classification.</p> <p>Negotiate, review, execute contracts Oversee large and complex projects Limited review of technical reports and new technologies</p>
Professional Geologist Professional Engineer Senior Project Manager	<p>Duties typically include developing strategies, contract meetings with clients and developing contract cost estimates. Responsible for final review/approval of designs, reports, plans and specifications before submittal to client or regulatory agency. Has experience in technical and/or managerial roles and has substantial expertise in remediation of complex or large facilities. May supervise or direct the work of lower level professional staff. Performs limited fieldwork, but is involved in the more technical aspects of design and final reporting.</p> <p>Oversee large and complex projects Prepare proposals Final approval of technical reports and corrective action plans Data review and analysis</p>
Engineer III Geologist III Senior Scientist Project Manager	<p>Has responsibility for managing entire remediation projects, estimating costs within the project and controlling project budgets. Identifies and develops approaches for corrective action. Serves as the technical expert. Analyzes and interprets data, supervises hydraulic tests, and may prepare limited or technical sections of reports. Supervises the work of lower level professional and technical staff. Field hours are normally limited to periodic facility visits</p> <p>Project management Report review Report preparation Development and oversee project budget Data review and analysis Field work planning Work plan preparation Field direction, coordination, and management Coordinate with agency, client and subcontractors Equipment specifications review, selection, and design Periodic facility inspection Acquire property access as required by the cabinet Hydrogeologic and contaminant modeling</p>

<p>Engineer II Geologist II Scientist IV</p>	<p>Implements fieldwork, gathers technical and hydrogeologist information. Prepares cost estimates for project sub-tasks, work plans, and reports, for corrective actions. Provides technical support. Typically works under supervision when performing complex analysis and tasks related to remediation system design. May supervise lower level professionals and technical personnel during corrective action activities (over-excavation, tank removal, etc.). The majority of work performed in this classification is fieldwork.</p> <p>Report preparation Field work preparation and planning Monitoring activities Remediation system installation Facility reconnaissance and mapping Supervise soil removal and other remediation activities Waste characterization Acquire property access as required by the cabinet Assist in modeling and data analysis</p>
<p>Engineer I Geologist I Scientist III</p>	<p>Works under appropriate supervision when performing all but routine field task related to the project. Performs monitoring well installation and sampling. Writes field notes, aids in geology mapping and basic geological analysis. Write reports only under supervision/review. Performs limited data review and analysis. May supervise lower level technical personnel. The majority of work performed in this classification is fieldwork.</p> <p>Field work preparation Limited data review and analysis Remediation system installation Oversee soil boring and monitoring well installation Perform field sampling and documentation Monitoring activities Facility reconnaissance/mapping Acquire property access as required by the cabinet Waste characterization Supervise field activities</p>
<p>Staff Scientist II Senior Technician</p>	<p>Responsible for supervision of installation, maintenance, and repair of machinery and equipment and routine sampling activities. Maintains field logs and documentation of monitoring and maintenance of machinery and equipment. May supervise other scientist or technicians and/or lower level professionals. Works under appropriate supervision. The majority of work performed in this classification is fieldwork.</p> <p>Field work preparation Supervise field activities Operation and maintenance of equipment Well development Remediation system installation Waste handling Sampling and monitoring Decontamination Maintains field/sampling logs Maintains equipment maintenance records.</p>
<p>Staff Scientist I Technician IV Technician III</p>	<p>Performs routine labor tasks related to installation, maintenance and repair of machinery and equipment. Performs routine tasks such as soil and groundwater monitoring, well bailing, etc. The majority of work performed in this classification is fieldwork.</p> <p>Fieldwork preparation Operation and maintenance of equipment Well development Remediation system installation Waste handling Sampling and monitoring Decontamination</p>

Technician II Technician I	<p>Entry level position, which requires close supervision for all but most routine activities. Performs routine labor tasks related to installation, maintenance, and repair of machinery and equipment. The majority of work performed in this classification is fieldwork.</p> <p>Fieldwork preparation Operation and maintenance of equipment Well development Remediation system installation Waste handling Sampling and monitoring Decontamination</p>
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