COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF QUALITYWATER PROGRAMS
ELLEN GILINSKY, Ph.D., Director

Mail Address:
P.O. Box 1105
Richmond, VA 23218

Location:
629 East Main Street
Richmond, VA 23219

SUBJECT: Guidance Memorandum No. 07-2001 - Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume III, Application Process: For Work Authorized On Or After March 1, 2007;

Guidance Memorandum No. 07-2002 - The Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume IV, 007 UCR Schedules: For Work Authorized On Or After March 1, 2007;

Guidance Memorandum No. 07-2003 - The Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume V, Reconsideration Procedures Applicable to initial Reimbursement Decisions issued after March 1, 2007

TO: Regional Directors

FROM: Ellen Gilinsky, Ph.D., Director

DATE: February 23, 2007

COPIES: Rick Weeks, James Golden, Fred Cunningham, Regional Groundwater Managers, John Giese, Betty Lamp, Renee Hooper, Steve Williams

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Summary:

Effective the date of this memorandum, staff should use the attached version of The Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume III, Application Process: For Work Authorized On Or After March 1, 2007; The Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume IV, 007 UCR Schedules: For Work Authorized On Or After March 1, 2007; and The Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume V, Reconsideration Procedures Applicable to Initial Reimbursement Decisions Issued After March 1, 2007.

These three volumes establish procedures for claimants and consultants to follow for phases begun on or after March 1, 2007, to remediate releases eligible for reimbursement from the Virginia Petroleum Storage Tank Fund (VPSTF). The Usual and Customary Rates (UCR) in Volume IV are guidance, which implement state law and regulation. The guidance establishes a norm but is not the final determination of the issues addressed. The Reconsideration Panel will make the final Agency decisions in any particular case by applying State Water Control Law and implementing regulations on the basis of the site-specific facts.

For work started before March 1, 2007, Guidance No. 00-2004 Reimbursement Manual Volume 1, 3rd Edition and Guidance No. 02-2019 - Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual, Volume II, 5th Edition, remain in effect.

Electronic Copy:

An electronic copy of this guidance in PDF format is available for staff internally in DEQNet, and for the general public on DEQ's website at: http://www.deq.virginia.gov.

Contact Information:

Should you have any questions or need further assistance on this guidance, please contact Steve Williams (telephone 804.698.4293; e-mail scwilliams@deq.virginia.gov) or Fred Cunningham (telephone 804.698.4285; e-mail fkcunningh@deq.virigina.gov).

Disclaimer:

This document provides procedural guidance to the DEQ Storage Tank Program staff. This document is guidance only. It does not establish or affect legal rights or obligations. It does not establish a binding norm and is not finally determinative of the issues addressed. Agency decisions in any particular case will be made by applying the State Water Control Law and the implementation regulations on the basis of site-specific facts.

THE VIRGINIA PETROLEUM STORAGE TANK FUND REIMBURSEMENT GUIDANCE MANUAL

Volume III

Application Process: For Work Authorized On Or After March 1, 2007

Commonwealth of Virginia
Department of Environmental Quality

Office of Spill Response and Remediation
P.O. Box 1105, Richmond, VA 23218

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INTRODUCTION

The purpose of this manual is to provide guidance to claimants for reimbursement from the Virginia Petroleum Storage Tank Fund for UCR Schedule 007 effective March 1, 2007. Specifically, this manual will identify activities which are eligible for reimbursement, provide guidance on evaluating reasonable costs and obtaining authorization for site activities; explain how to prepare a reimbursement application (claim), and describe how an application is processed. Failing to follow all procedures set forth in this manual for properly preparing and submitting an application can result in reimbursement denials that may not be correctable. This manual uses regulatory terms which are defined in Appendix 1. Throughout this manual, especially important information is noted using the ☞ symbol.

Revisions to this manual may be necessary due to statutory or regulatory changes, changes within the industry, or changes in the claim processing requirements of the program. As changes occur, periodic additions or supplements will be prepared for inclusion into the manual. This manual, future revisions, and all forms are available from the DEQ Petroleum Program web site at http://www.deq.virginia.gov/tanks/. Refer to Section 1.7 of this manual to obtain copies of documents and assistance on the various aspects of the Petroleum Storage Tank Program.

This is not a regulatory document; it is a guidance manual intended to assist tank owners and operators in making decisions when managing releases from tanks. The guidance provided in this manual is not intended to remove the element of competition or freedom of choice of the owner and operator when conducting clean-ups eligible for reimbursement from the Virginia Petroleum Storage Tank Fund.

1.0 PETROLEUM STORAGE TANK REIMBURSEMENT FUND

1.1 PROGRAM SUMMARY

The Commonwealth of Virginia established the Virginia Petroleum Storage Tank Fund (Fund) with the passage of Articles 9, 10, and 11 of the State Water Control Law (Sections 62.1-44.34:8 to 23). In accordance with state law and regulations, the Fund may be used for the following purposes:

> To provide reimbursement to eligible tank owners/operators for a portion of the potentially high costs of mitigating the public health and environmental risks from a petroleum storage tank release;
>
> To provide a mechanism for regulated Underground Storage Tank (UST) owners/operators to demonstrate financial responsibility in order to meet Federal requirements; and
>
> To provide reimbursement for costs incurred for third party bodily injury or property damage from confirmed regulated UST petroleum releases.

The Commonwealth of Virginia is responsible for administering the UST technical and financial responsibility regulatory programs, the Aboveground Storage Tank (AST) regulatory program, and the Virginia Petroleum Storage Tank Fund (the Fund) reimbursement program. The Fund is a non-lapsing, revolving fund which is administered by the Department of Environmental Quality (DEQ). The primary revenue source for the Fund is a state fee of one-fifth of one cent per gallon on regulated petroleum products, including gasoline, aviation motor fuel, diesel fuel, dyed diesel fuel, kerosene, and heating oil sold in Virginia. This fee, which is collected by the Department of Motor Vehicles, is monitored and maintained at an appropriate operating level and is increased by the Commissioner of Motor Vehicles to three fifths of one cent when notified by the Comptroller that the Fund has been, or is likely to be, reduced below three million dollars. The moneys collected are primarily used to reimburse responsible persons for the reasonable and necessary costs incurred in cleaning up a petroleum release from a petroleum storage tank.

Depending upon the type of storage tank and petroleum product released from that tank, owners/operators may request access to the Fund either for clean-up costs <u>only</u> or for both clean-up and third party costs. The tank owner/operator is eligible to request reimbursement from the Fund for costs that exceed their financial responsibility requirement for clean-up and if applicable, third party costs, up to a combined maximum of $1 million per occurrence. Section 1.2.3 of this manual summarizes corrective action and third party Fund eligibility for the different storage tank types.

It is important to understand that the Fund is a reimbursement program and <u>NOT</u> a repayment program. The Fund <u>does not</u> reimburse owners/operators for all costs associated with a clean-up. For example, tank removal costs are not reimbursable unless authorized by DEQ as part of a Corrective Action Plan. For a list of additional ineligible costs, refer to Section 1.4 of this manual. In order to be eligible for reimbursement, corrective action

activities must have been authorized in advance by DEQ. Only clean-up costs exceeding the financial responsibility requirement that are reasonable, necessary, and in accordance with the guidelines set forth by DEQ will be eligible for reimbursement.

The Fund will not reimburse tank owners or operators for any release which is caused by the negligence of the owner/operator or employees, agents or contractors of the owner/operator or any cost incurred by an owner/operator that is reimbursed or reimbursable under an insurance policy.

Articles 9, 10 and 11 of the State Water Control Law govern the use of the Fund. Familiarity with the State law, regulations, and DEQ Storage Tank Guidance is helpful in understanding the requirements of the Petroleum Storage Tank Program and completing reimbursement applications. To assist you in understanding this manual, Appendix 1 contains a list of terms and definitions found throughout the manual.

Refer to Section 1.7 to obtain assistance and information about the Petroleum Storage Tank Program.

1.2 ELIGIBILITY REQUIREMENTS

There are several factors that need to be considered when evaluating whether an applicant is eligible to request reimbursement from the Fund. These factors may include: the type of storage tank (See Appendix 1 for definitions.) from which the release has occurred; the person/entity claiming reimbursement; the number of release occurrences; the circumstances under which the release occurred; compliance status of the facility; insurance coverage; and the financial responsibility requirement of the claimant. These factors are described in further detail below.

1.2.1 Eligible Claimants

Not all persons are eligible claimants for reimbursement from the Fund. A claimant must be an owner/operator of the UST/AST, a person assuming liability for the clean-up of the site, or a lender agreeing to conduct the clean-up.

1.2.1.1 Responsible Persons

The responsible person is the owner/operator of the UST/AST on the date the release is reported to DEQ.

USTs: Owners/Operators of USTs may request reimbursement of corrective action costs and third party liability claims resulting from a release of petroleum from the UST[s]. See Section 1.2.3 for clean-up and third party eligibility.

ASTs: Operators of facilities with ASTs may request reimbursement of corrective action costs for an AST discharge of a product subject to the Fund Fee imposed by Virginia Code § 62.1-44.34:13.

1.2.1.2 Persons Assuming Liability

An interested person, i.e., a person or entity who has legal interest in the property, who is not the responsible person, may "step into the shoes" of the tank owner/operator and become eligible for reimbursement from the Fund. An interested person must agree to assume liability for a petroleum clean-up in accordance with DEQ requirements to be eligible to request reimbursement from the Fund. If a person does not assume liability for the clean-up or is not the owner/operator, they are not eligible for reimbursement of clean-up costs.

1.2.1.3 Lenders

Persons or entities, who have loaned money secured by real property (lenders) on which regulated USTs are located, may be eligible for reimbursement from the Fund without assuming liability for the clean-up. Lenders who foreclose on loans after July 1, 1996, are eligible to request DEQ to review whether they qualify for exemption from UST owner liability. Lenders must first ask DEQ to review whether they qualify for the exemption, and if they qualify then they must obtain regional office approval for all activities, and conduct the clean-up in accordance with DEQ requirements.

1.2.2 Tank Types Eligible For Reimbursement

Owner/operator has Fund access for the following types of USTs and ASTs.

Regulated UST: USTs containing petroleum as defined in the UST Technical Regulation (9 VAC 25-580-10, et seq.) and subject to all the requirements of the Technical Regulation. The most common types of petroleum substances include gasoline, diesel, kerosene, heating oil, and waste (used) oil.

Exempt USTs 1 and 2: Exempt USTs are those USTs that are exempted from the definition of "underground storage tank" under State Water Control Law and the UST Technical Regulation. Only two types of Exempt USTs are eligible for reimbursement from the Fund. These are:

l. USTs with a capacity of 1,100 gallons or less which contain motor fuel (gasoline or diesel fuel) for residential use or farm use; and

2. USTs used for storing heating oil for consumption on the premises where the tank is located (i.e., not offered for sale).

Releases from the other types of exempt USTs are not eligible for reimbursement from the Fund. These include: septic tanks; pipeline facilities; surface impoundments, pits, ponds, and lagoons; storm water or wastewater collection systems; flow-through process tanks; liquid traps or associated gathering lines for oil/gas production facilities.

Excluded USTs: Excluded USTs are tanks that meet the State Water Control Law and UST Technical Regulation definition of "underground storage tank," but are excluded from the requirements of the UST Technical Regulation. The types of Excluded USTs that are eligible for reimbursement from the Fund are:

(l) An UST system that contains petroleum for operational purposes such as hydraulic lift tanks and electrical equipment tanks; and

(2) 110 gallon or less UST systems that contain petroleum.

Releases from other types of excluded USTs are not eligible for reimbursement from the Fund. These include hazardous waste USTs, wastewater treatment facilities, and emergency spill and overfill containment units which are regularly emptied.

Deferred USTs: The types of Deferred USTs that are eligible for reimbursement from the Fund are emergency generator USTs at nuclear power facilities and field constructed USTs.

The other types of deferred USTs are not eligible for reimbursement from the Fund. These include wastewater treatment tank systems and USTs with radioactive materials.

Partially Deferred USTs: The types of Partially Deferred USTs that are eligible for reimbursement from the Fund include UST systems that store fuel for emergency power generator use.

Regulated AST Facilities: Facilities with ASTs with a maximum storage capacity of 25,000 gallons or more of oil subject to the Fund fee are eligible for reimbursement from the Fund. In order for clean-up and containment activities to be eligible for reimbursement, the release must be from the AST (tank, piping, and loading rack), and the product released must be subject to Code § 62.1-44.34:13 which imposes a fee on the sale, use and delivery of certain fuels to generate revenue for the Fund. Fee-eligible fuels are gasoline, aviation gasoline (jet fuel is not a fund-fee product), diesel fuel (including dyed diesel fuel), blended fuel, and heating oil.

Unregulated AST Facilities: Facilities with ASTs with a storage capacity of less than 25,000 gallons of oil subject to the Fund fee are eligible for reimbursement from the Fund. In order for clean-up and containment activities to be eligible for

reimbursement, the release must be from the AST (tank, piping, and loading rack), and the product released clean-up must be a product subject to Code § 62.1-44.34:13 which imposes a fee on the sale, use and delivery of certain fuels to generate revenue for the Fund. Fee-eligible fuels are gasoline, aviation gasoline (jet fuel is not a fee fund product), diesel fuel (including dyed diesel fuel), blended fuel, and heating oil.

Small Heating Oil ASTs: ASTs with a capacity of 5,000 gallons or less which contain heating oil for consumption on the premises where the tank is located (i.e., not offered for sale) are eligible for reimbursement from the Fund.

1.2.3 Clean-Up And Third Party Claim Eligibility

Petroleum storage tank owners or operators have access to the Fund either for clean-up costs only or for both clean-up and third party costs. The following table identifies clean-up and third party eligibility for reimbursement from the Fund based upon the tank types discussed in Section 1.2.2.

Eligibility for Reimbursement from the Fund Based Upon Tank Type		
Tank Type	Clean-up and third party costs that exceed Financial Responsibility Requirement up to a combined maximum of $1 million per occurrence	Clean-up costs that exceed the Financial Responsibility Requirement up to a maximum of $1 million per occurrence
Regulated UST	X	
Exempt USTs 1 & 2		X
Excluded UST	X [1]	
Deferred UST	X [1]	
Partially Deferred UST	X [1]	
Regulated AST Facility		X
Unregulated AST Facility		X
Small Heating Oil AST		X

[1] Some, but not all, tanks of this type have Fund access (see Section 1.2.2). For those tanks that do have access the Fund, both clean-up costs and third party costs are eligible.

As indicated in the table above, certain UST owners or operators may request reimbursement from the Fund for third party claims. Only the owner or operator of the above-specified petroleum USTs is eligible for reimbursement from the Fund for third party property damage and bodily injury claims. These claims are incurred by

the owner or operator as a result of (1) a final arbitration award, (2) a DEQ approved settlement, or (3) final court judgment, other than a default judgment, imposing liability upon an owner or operator for bodily injury or property damage to a third party arising from a UST petroleum release.

The first priority for reimbursement from the Fund is corrective action. After DEQ required corrective action has been completed, the owner or operator may seek reimbursement from the Fund for third party damages that are reasonable and necessary and that have actually been incurred. Some damages, which may be included in the award or settlement, such as damages for pain and suffering, loss of consortium, punitive damages, etc., are not reimbursable from the Fund. A list of eligible costs and a comprehensive list of ineligible damages are included in the **Virginia Petroleum Storage Tank Fund Third Party Disbursement Guidelines** that can be found in the DEQ Petroleum Program Download Library at: http://www.deq.virginia.gov/tanks/pdf/3rdpdg.pdf.

Third party claims should not be filed using the reimbursement application forms. In order for a third party liability claim to be eligible for reimbursement from the Fund, the UST owner or operator must provide adequate documentation to DEQ to support the damages sought. The **Virginia Petroleum Storage Tank Fund Third Party Disbursement Guidelines** provide more detailed information about how DEQ evaluates third party claims for reimbursement. (Refer to Section 1.7 for information about how to obtain assistance with submitting a reimbursement claim including Third Party Liability Claims.)

1.2.4 Occurrence Evaluations

For each occurrence, the owners/operators may request access to the Fund for reimbursement above the amount of the financial responsibility requirement up to $1 million. There are five factors that must be evaluated to assess the number of occurrences at a site. These factors are (1) type of contamination; (2) time of release; (3) location; (4) ownership; and (5) tank type. Petroleum releases that are discovered within the time period set by the DEQ regional office for submitting a Site Characterization Report, generally constitute one occurrence if the tanks have one owner, are the same tank type, and are located at the same facility. The regional office staff assesses the number of occurrences at a site and will review the assessment with the responsible person, if requested.

1.2.5 Corrective Action Financial Responsibility Requirement

Before owners/operators may request reimbursement, a corrective action financial responsibility requirement must be satisfied. The financial responsibility requirement amount is deducted from the total costs approved before any reimbursement payments are made. The financial responsibility requirement for an application depends upon the number of occurrences, as described above, and tank type as outlined below:

Regulated USTs: The financial responsibility requirement for regulated USTs is calculated according to the following sliding scale. This scale is based on the total gallons of petroleum pumped into or out of all of the owner's/operator's regulated USTs in the Commonwealth of Virginia for the year prior to the release report date. The year prior to the release can be any consecutive 12-month period that starts no more than 24 months prior to the release report date and ends no later than the release report date.

Example: A release is reported on February 1, 2003. The year prior to the release date must extend over 12 consecutive months but could begin on any date from February 1, 2001 to February 1, 2002.

Annual Throughput In Gallons	Corrective Action Per Occurrence FR Requirement
600,000 or less	$5,000
600,001 - 1.2M	$10,000
1,200,001 - 1.8M	$20,000
1,800,001 - 2.4M	$30,000
Above 2.4M	$50,000

Exempt USTs 1 & 2

1. USTs with a capacity of 1,100 gallons or less which contain motor fuel (gasoline or diesel fuel) for residential or farm use. The corrective action financial responsibility requirement is $500.

2. USTs used for storing heating oil for consumption on the premises where the tank is located (i.e., not offered for sale). The corrective action financial responsibility requirement is $500.

Excluded USTs: The financial responsibility requirement for an occurrence related to these types of tanks is calculated according to the sliding scale for regulated USTs shown above.

Deferred USTs: The financial responsibility requirement for an occurrence related to these types of tanks is calculated according to the sliding scale for regulated USTs shown above.

Partially Deferred USTs: The financial responsibility requirement for an occurrence related to these types of tanks is calculated according to the sliding scale for regulated USTs shown above.

Regulated ASTs and Unregulated ASTs: The corrective action financial responsibility requirement for an occurrence related to these tanks is calculated according to the following table:

Net Annual Profits greater than $10 million*	
Total Storage Capacity for all AST facilities which operate in VA	Financial Responsibility Requirement
less than 4 million gallons	$200,000
4 million to 20 million gallons	Total Storage Capacity in VA x $0.05 per Gallon
greater than 20 million gallons	Not Eligible for Reimbursement

Net Annual Profits less than $10 million*	
Total Storage Capacity for the AST Facility where the release occurred	Financial Responsibility Requirement
less than 25,000 gallons	$2,500
25,000 to100,000 gallons	$5,000
greater than 100,000 to 4 million gallons	Facility Storage Capacity x $0.05 per Gallon
greater than 4 million gallons	$200,000

* Based on the financial statements of a company's Virginia operations from the fiscal year preceding the date the release was reported to DEQ.

Small Heating Oil ASTs (≤ 5,000 gal capacity): The corrective action financial responsibility requirement for an occurrence related to these tanks is $500.

1.2.6 Insurance Coverage

Any cost incurred by an owner/operator that is reimbursed or reimbursable under an insurance policy is ineligible for reimbursement from the Fund, whether or not the insurer actually pays the cost. However, those costs covered by insurance may be used to satisfy the financial responsibility requirement. If the insurance coverage exceeds the financial responsibility requirement, only those costs, which exceed the insurance coverage, are eligible for reimbursement. In order to evaluate the costs and insurance coverage, an application[s] with all the remediation costs and a copy of the insurance policy must be submitted, including those costs covered by insurance. Costs eligible for reimbursement will be credited toward the financial responsibility requirement or insurance deductible.

Any owner or operator having an insurance policy that will cover all or part of the clean-up costs associated with the release is required to submit a copy of the policy, including the declaration page, the entire policy text, and all endorsements, with the

reimbursement application. If the owner/operator fails to provide a complete copy of the applicable insurance documents, all costs submitted on the application will be denied.

1.2.7 Negligence

Any costs incurred by an owner/operator for clean-up and/or third party liability claims, which resulted from the negligence of the responsible person or the employees, agents, or contractors of the responsible person are ineligible for reimbursement.

Negligence reviews are made by DEQ based on the specific facts of each case. Examples of negligent activities that resulted in a release for which there was no reimbursement are listed below:

- Pumping product into a monitoring well;
- Pumping product into a pipe which is not connected to an UST/AST;
- Filling an UST/AST which have the fill pipes or plugs removed; and
- Damage to a line or tank during excavation or construction activities.

1.2.8 Vandalism

Vandalism differs from negligence in that vandalism is an act or omission committed by a third party who is not the tank owner or operator, or an agent, employee, or contractor of the owner or operator. DEQ may consider releases caused by vandalism for Fund access provided that the owner/operator whose tank has been vandalized:

1. reports the act of vandalism to the police; and
2. provides a copy of the police report to the DEQ regional office.

1.3 ELIGIBLE COSTS

Reasonable costs which are incurred to perform necessary corrective action in response to a release from a petroleum storage tank are eligible for reimbursement from the Fund. The reasonableness of costs is normally based upon the Usual and Customary Rate Schedule (UCR Schedule) for the claimed item or activity. If no UCR exists for an activity or item, DEQ will determine an industry standard for assessing reasonableness. For Corrective Action Plan (CAP) implementation, a competitive bidding process is required to evaluate the reasonableness of some costs.

In order for necessary and reasonable costs to be eligible for reimbursement from the Fund, the activities associated with the costs must be authorized by the DEQ regional office prior to initiating the work. Section 2.0 has additional information on assessing reasonableness, bidding requirements, and obtaining authorization for site activities.

Eligible costs include, but are not limited to:

1. For Regulated USTs, Exempt USTs 1 and 2, and Small Heating Oil ASTs - Those reasonable corrective action costs for work performed on or after December 22, 1989;

2. For Regulated and Unregulated ASTs - Those reasonable corrective action costs for costs incurred on or after January 1, 1992;

3. Reasonable costs of tightness testing petroleum UST systems only when performed to confirm a leak as directed by DEQ;

4. Reasonable cost of laboratory services used to analyze contaminated soil and water when directed by DEQ;

5. Reasonable costs of restoration or replacement of a public or private potable water supply to affected users;

6. Reasonable costs to maintain equipment used for petroleum/oil recovery or corrective action;

7. Reasonable costs for soil loading, hauling, treatment, disposal, and backfilling the excavation associated with UST removal at sites with a confirmed release where contaminated soil removal was required as part of approved corrective action.

☞ Note: The amount approved by the regional office cannot exceed the quantities listed in Appendix 5, unless the regional office determines additional quantities are necessary to mitigate hazards at the site.

8. Reasonable costs for UST removals when required as part of a Corrective Action Plan or performed under Interim Authorization.

9. Reasonable costs for responsible persons to use their own personnel to conduct corrective action activities. This may include actual labor and fringe benefit costs for activities which do not duplicate activities performed by the consultant;

10. Reasonable costs of rough grading and seeding for grasses;

11. Reasonable costs of product and contaminated water disposal;

12. Reasonable levels of mark-up added to the cost of good or services necessary for corrective actions and eligible for reimbursement from the Fund. Refer to Section 2.6 for additional information on acceptable levels of mark-up.

13. The cost to prepare a reimbursement application;

14. The cost for utility service associated with the operation of remediation systems, including sewer fees, electrical fees, and natural gas fees. For reimbursement, the utility service must be independently metered and bills/invoices from the utility or service provider must be included with the claim;

15. The cost for other utility fees such as power drop and water hook-up fees required to implement and complete approved corrective actions;

16. The cost of gasoline, diesel fuels, and bottled propane gas used to power remediation systems. For reimbursement, bills/invoices from the fuel vendor must be included with the claim;

17. The cost of state and local permits required to implement and complete approved remediation activities. For reimbursement, a bill, invoice, or other cost documentation for the permit from the issuer must be included with the claim;

18. Reasonable costs to remove an obstacle or impediment to remediation; e.g., AC, heat pump, utility service, pavement, etc. Any removal activity should only be undertaken with the prior approval of the regional case manager and after demonstrating that the removal is the most cost effective approach and necessary to reduce risk to human health and/or the environment;

19. Reasonable costs to reinstall or reconnect appliances or services removed or disconnected for remediation that would create a hardship to be without; e.g., AC, heat pump, utility services, etc.;

20. Reasonable costs to pave over trenches to protect buried remediation system lines and/or prevent short circuiting of vapor extraction systems;

21. Reasonable costs to replace pavement removed to perform necessary corrective actions, e.g., excavation, trenching, MW abandonment. In most cases, the cost of replacement with asphaltic pavement will be reimbursed;

22. Reasonable fuel surcharges based on fuel costs charged by third party subcontractors. For reimbursement, the surcharge must be supported by an invoice or bill that identifies the surcharge and is included in the claim; For surcharges greater than $50, the basis for calculating the amount must be provided with the claim; and

23. Reasonable costs to make a structure impacted by remediation activities safe; and

24. Minimum charges for treating small quantities of soil and hauling partial loads (last load minimums).

1.4 INELIGIBLE COSTS

Specific corrective action costs which are **not** eligible include, but are not limited to:

1. For all UST and AST cases closed after July 1, 1998, costs claimed more than two years after the date of the case closure letter;

2. For Regulated USTs, Exempt USTs 1 & 2, and small heating oil ASTs - any corrective action costs for work performed prior to December 22, 1989;

3. For Regulated and Unregulated ASTs:

   a. any corrective action costs incurred prior to January 1, 1992;

   b. corrective action costs if the product contained in the tank is not subject to the Fund Fee imposed by Virginia Code § 62.1-44.34:13. Fuels subject to the tax include gasoline, aviation motor fuel; dyed diesel fuel, diesel fuel, and heating oil sold and delivered or used in the Commonwealth;

   c. the cost of testing AST tanks and lines to confirm a leak when performed as part of release confirmation;

   d. the cost of AST closure (dismantling or demolition);

   e. corrective action costs if the operator is not in compliance with reporting, prevention, containment, and clean-up requirements;

   f. corrective action costs if the release is from a tank whose capacity is less than 60 gallons.

4. The cost of UST closure (removal or closing in place) except as part of an approved CAP or Interim Authorization;

5. Unreasonable levels of mark-up added to the cost of goods or services necessary for corrective actions and eligible for reimbursement from the Fund. Refer to Section 2.6 for additional information on acceptable levels of mark-up.

6. All costs incurred if the release was caused in whole or in part by the negligence or willful misconduct of the owner, operator, their employee, contractor, or agent, or anyone within the privity or knowledge of the owner/operator;

7. Any cost reimbursed or reimbursable under an insurance policy unless it is used to meet the financial responsibility requirements;

8. Any cost for corrective actions performed more than 24 hours prior to reporting the release to the regional office of DEQ;

9. The costs incurred by claimants for interest and/or points on loans obtained to finance a clean-up of a petroleum release from a storage tank unless the costs were incurred by an owner or operator which is exempt from taxation under § 501(c)(3) of the Internal Revenue Code (Va. Code § 62.1-44.34:11.A.5);

10. Costs identified as fraudulent in the reimbursement application;

11. The cost of environmental site assessments arising from purchase agreements including samples and any work performed as part of a Phase II investigation or other activity initiated at the request of a party other than DEQ (e.g., Phase I and Phase II assessments or other assessments for property transfers);

12. Any excess costs which were rounded upward when transferred from the invoice to the application cost worksheet[s];

13. Fines, penalties, or supplemental environmental projects imposed by DEQ or another government entity;

14. Late fees, penalties, or interest arising from delinquent payment;

15. All corrective action costs if the owner/operator is a federal government entity;

16. Attorney's fees not associated with approved corrective action activities. Fees not associated with corrective action activities include, but are not limited to, costs for litigation or legal defense;

17. The cost of upgrading, retro-fitting, repairing, or replacing a petroleum UST system or AST;

18. The cost for replacement of lost product;

19. The cost to reinstall electrical wiring, dispensers, pumps, canopies, or other items;

20. The cost to restore structures damaged by the release that do not directly represent a risk to human health or the environment. This exclusion does not apply to repairs necessitated by the installation of remediation equipment or repairs to the remediation equipment;

21. The cost to restore, beyond a safe and serviceable condition, a structure that was altered as part of remediation efforts;

22. The cost of concrete and blacktop patching or other improvements beyond that which was removed for corrective actions;

23. The cost of fine grading, landscaping, replacing trees, shrubs, and sod due to excavation activities or to stress caused by contamination;

24. Costs associated with, but not necessary for, the clean-up of a release from a petroleum storage tank, e.g., tank closure outside of CAP Implementation phase;

25. The cost of loss of business of the owner/operator;

26. Costs which arise out of restrictions the owner/operator places on how site activities or corrective actions are performed;

27. Total rental/lease costs that exceed 120% of the purchase amount for equipment owned by the claimant or consultant;

28. The cost for calibration of field/testing equipment;

29. Duplicate site management costs and supervisory costs;

30. The cost of air fare, train fare, bus fare, cab fare, or other means of public transportation; and mileage more than 250 miles each way;

31. Travel time in excess of 6 hours, roundtrip;

32. The cost of express mail or courier services to deliver correspondence, reports, or other documents;

33. Ancillary costs (refer to Section 2.4.3 for additional information on ancillary cost);

34. Costs incurred solely for business purposes and which are not necessary for corrective action;

35. The cost of overtime pay for professional staff;

36. The cost of fuel (excluding fuel surcharges) for rolling stock or excavation equipment including gasoline, diesel fuel, and compressed natural gas;

37. X-coded items that logically should be organized or grouped together and bid;

38. Costs for necessary corrective actions which are not supported by invoices or other documentation of the cost incurred;

39. Fuel surcharges charged by the primary consultant, fuel surcharges calculated on a basis other than the cost of fuel; and

40. Soil treatment and hauling cost for amounts > 250 tons that were not bid.

1.5 REASONABLE AND NECESSARY COSTS

The Fund may reimburse reasonable and necessary costs for clean-up of a site. DEQ will authorize work, which is commensurate with the level of corrective action necessary to properly respond to a petroleum storage tank release. DEQ will evaluate the costs for activities and equipment using the reasonable cost information that DEQ has gathered and published in the UCR Schedules and evaluate whether those expenses submitted for reimbursement are within the costs that DEQ considers reasonable. It is also expected that only the most efficient and cost effective methods, means, and designs will be used to remediate petroleum releases that are eligible for reimbursement.

DEQ may only reimburse a portion of certain costs (i.e., mileage, equipment rates, and hourly fees) at rates which may be different from those some companies charge as part of their cost of doing business. Therefore, it is possible that some portion of corrective action costs incurred by the responsible person during corrective action may not be fully reimbursed.

During Corrective Action Plan (CAP) Implementation, a competitive bidding process is required to show reasonableness of some costs. See Section 2.5 for the details of the bidding process. The competitive bidding process is not limited to the CAP Implementation phase; it may be required by DEQ or utilized by the tank owner in any corrective action phase (See Section 2.3 for a list of corrective action phases and their descriptions) to show a cost is reasonable. Regardless of which method is used to assess reasonableness, if expenses exceed the costs that are considered reasonable, DEQ will only reimburse the amount that is reasonable.

1.5.1 Determining Whether To Lease Or Purchase:

The monthly rates for remediation equipment (e.g., pumps, blowers, compressors, air strippers, and hoses) listed in DEQ's list of UCRs are intended for use only when equipment is leased for short periods. If remediation equipment is authorized for extended periods using the monthly rates, the Fund might reimburse amounts that far exceed what it would have cost to purchase the equipment. In such cases, purchasing the equipment using competitive bidding would result in a significantly lower cost to the claimant and the Fund. For that reason, when remediation equipment will be used for more than two months or 8 weeks, an analysis must be performed to evaluate whether it is advantageous to purchase the equipment rather than lease.

In all instances where use of a remediation system or components is projected to be more than 8 weeks but less than a year, a lease versus purchase analysis must be performed to protect the Fund from reimbursing undue amounts for remediation systems or components.

If the projected use of the remediation system or component is more than one year, performing a lease vs. purchase analysis is not required provided the components are purchased using Reimbursement Program bidding procedures. If leasing is the preferred option, the lease vs. purchase analysis must be performed and must support the leasing

option and be approved by the regional case manager. The lease vs. purchase analysis is a straightforward comparison of the total hourly rental costs to 120% of the purchase amount plus taxes and delivery costs. The total projected operational hours used in the analysis should be consistent with timetables and schedules in the CAP or other phase report. Realistic adjustments for operational efficiency should be used (typically between 80-90%). If the analysis shows that the total projected hourly lease costs will exceed 120% of the purchase price plus taxes and shipping, the RP or consultant must purchase the equipment using the bidding procedures found in Section 2.5 of this manual. The analysis must be included in the appropriate phase report for review and approval by the regional case manager (typically the CAP or CAP Addendum).

When the lease vs. purchase analysis is performed, the option that is believed to result in the lower overall cost to the Fund must be selected. The lease v. purchase analysis must be performed by the RP or his consultant and submitted to the regional case manager for approval. If leasing is deemed acceptable, the case manager will authorize the system or components using the long-term hourly rates. Total reimbursement will not exceed 120% of the purchase amount. If purchasing the system or component is found to be preferable but the RP or consultant owns a suitable system it may be used and reimbursed using the appropriate lease rate up to 120% of the purchase amount plus taxes and shipping costs if the RP or consultant provides the same warranty as a new system or component and it performs as new.

1.5.2 Use Of Short-Term And Long-Term Rates

When the total projected rental period for remediation equipment is more than 8 weeks, it is considered long-term use. When the regional case manager approves leasing as the more cost-effective approach, the long-term hourly rates must be used. The long-term rates must be used to authorize remediation equipment that is used more than 8 weeks. Reimbursement at the long-term rates will be based upon the actual hours of operation which must be documented (168 hours equals a week of continuous operation, 729 hours equals a month of continuous operation).

Start-up: During the first 30 days (1 month) of operation, start-up problems may be encountered that impact operational time and efficiency. In the first month, regional case workers should verify 100% of the authorized hours if the system operated at least 50% of the pre-authorized time. Any problems encountered during start-up should be documented. During the first 30 days (1 month) of operation, if a system operates less than 50% of the authorized time, only the operational hours documented will be verified.

The method[s] used to measure and document the hours a system operates may be case specific but must be approved by the regional case manager prior to system start-up. Options for documenting operational time include readings from hour meters on a controlling piece of equipment, telemetry printouts of hours of operation, or operation and maintenance logs.

Long-term rates include the cost for replacement parts and components but do not include the labor costs to maintain or repair equipment. After system warranties have lapsed, appropriate labor hours for system maintenance and repairs may be authorized but the cost for replacement parts or components will not be authorized.

1.5.3 Short-Term Daily & Weekly Rates

Daily and weekly Material Codes for remediation systems and components will be limited to short-term use of eight (8) weeks or less. M-code monthly rates for remediation equipment have been discontinued. M-codes for daily rates may be used to authorize up to four (4) consecutive days use, and weekly codes may be used to authorize use up to eight (8) weeks.

1.6 AUDITS

DEQ routinely will perform a random audit of paid reimbursement claims that utilize the 007 UCR Schedule. An audit will consist of two parts; (1) Auditing for Units claimed and (2) Auditing for Mark-up.

1.6.1 Auditing For Units Claimed

For all costs, the units claimed and invoiced will be audited. Additionally, DEQ intends to request and review actual cost information to gather supporting information for future UCR changes and updates.

1.6.2 Auditing For Mark-up

DEQ intends to audit mark-up on those items with specifically defined eligible mark-up percentages: A-codes; C-codes; X-codes, Bid Items; and Laboratory and Soil Treatment costs (see Section 2.6 for a listing of eligible mark-up amounts).

1.6.3 Audit Of 007 Paid Reimbursement Claims

If selected for audit, the claimant or payee will be notified at least 30 days in advance. This will allow DEQ and the claimant or payee to communicate regarding the records to be audited and allow sufficient preparation prior to the audit.

Once an audit has been conducted, DEQ will provide a draft audit report to the claimant or payee for response. After review of the claimant or payee response, the report and the response will be published as the final audit document. The resolution of all audit findings and points is the responsibility of the claimant or payee. Points will require corrective action by the claimant or payee that must be documented and communicated to DEQ within a specific length of time. Findings must be corrected, but corrections need

not be communicated to DEQ. DEQ intends to perform follow-up reviews annually to ensure that the findings have been corrected.

Audit points will result in a range of DEQ actions, including, but not limited to, request for additional supporting documentation, prepayment audit required on subsequent claims, withholding payments on subsequent claims until audit points are corrected, and/or cost recovery.

Potential DEQ actions resulting from the audit include, but are not limited to, request for additional supporting documentation, and/or prepayment audit required on subsequent claims.

☞ 1.6.4 Maintenance And Preservation Of Records Supporting Reimbursement Claims

Claimants, consultants, and recipients of assigned payments must maintain and preserve adequate and complete auditable records to support each reimbursement application for seven (7) years from the date they receive the claim decision. Such records include, but are not limited to the following:

1. All prime contractor, sub-contractor, and supplier invoices, including but not limited to; rental equipment; Laboratory analysis, Soil Treatment; Transportation and waste manifests and invoices.

2. General ledger;

3. All financial and disbursement records that relate to the reimbursement claim(s) coved under the audit, i.e. journals, check register, monthly bank statements;

4. Mileage logs in support of all mileage claimed for reimbursement;

5. All pertinent Payroll documents, i.e. employee time records in support of all staff hours (professional, technical and trades) claimed for reimbursement that specifically identify the hours worked by site location;

6. Field Logs that identify the site location at which work was performed, equipment and/or material was used and by whom, etc.;

7. For costs incurred which were not invoiced, a record of the cost must still be obtained and kept. In the case of prepayment (such as local fees, utility power drops, etc.) the record can be a copy of the guidelines showing how to order service; a copy of the applicable fee schedule from the utility or local government; and a receipt of payment issued by the utility or local government;

8. Work that required bidding

9. Documentation to support mark-up calculations for those mark-ups defined in Section 2.6.

1.7 OBTAINING ADDITIONAL INFORMATION AND ASSISTANCE

The DEQ Petroleum Tank Program web page has extensive information and forms for download at http://www.deq.viginia.gov/tanks/reimbrs. Listed below are DEQ contacts for obtaining additional information about the petroleum storage tank program.

Reimbursements: To request copies of the reimbursement manual or for assistance regarding reimbursement claims, application status, filing deadlines, questions about how to submit a reimbursement application, please call (804) 698-4358 or email tank@deq.virginia.gov. In addition, information on claim status, the status of a claim in delayed payment, and information on claims released for payment within the past thirty days can be found at on the web at www.deq.virginia.gov/tanks/reimbrs.

Regulations/State Law/Technical Information: To request copies of regulations, statutes, informational brochures, or the Storage Tank Program guidance, please call (804) 698-4010 or email tank@deq.virginia.gov.

Claimant Eligibility: To obtain information about claimant eligibility or to request lender approval for an exemption from liability, please call (804) 698-4010.

Inability To Pay: An owner/operator can submit to DEQ financial information to document that the owner/operator is financially incapable of paying for corrective action. If DEQ determines that the owner/operator is incapable of paying for corrective action, the site may be placed on a priority list for DEQ contractors to clean up. For assistance or additional information, please call (804) 698-4205.

Regulated Petroleum UST Third Party Liability Claims: Reimbursement from the Fund for third party liability property damage and bodily injury claims is limited to owners/operators of regulated, excluded, deferred, or partially deferred USTs. For assistance or specific procedures, please call (804) 698-4010.

Demonstration of Financial Responsibility: Owners/Operators of regulated petroleum USTs and ASTs are required to demonstrate financial responsibility to address corrective action costs and third party liability claims. For specific questions regarding financial responsibility demonstration, please call (804) 698-4205.

Clean-up Requirements: Contact the appropriate regional office for information on clean-up requirements. See Appendix 8 for a map showing regional office locations, telephone numbers, and regional boundaries.

2.0 REIMBURSEMENT PROCEDURES

☞ In order for any corrective action cost to be eligible for reimbursement from the Fund, the release must be reported to DEQ. Costs for corrective action taken more than 24 hours prior to the report of the release will not be eligible for reimbursement.

2.1 RELEASE REPORTING REQUIREMENTS

USTs Owners/Operators of UST systems are required to report the following to DEQ within 24 hours: (l) discovery of released petroleum; (2) unusual operating conditions except where defective equipment does not cause a release; (3) monitoring results that indicate a release has occurred unless the monitoring device is found to be defective and subsequent monitoring indicates that no release has occurred; (4) spills or overfills that exceed 25 gallons or that cause a sheen on any surface water; or (5) spills or overfills less than 25 gallons that are not cleaned up within 24 hours of the spill or overfill. In the case of inventory control, release reporting is not required if a second month of data does not confirm the initial result indicating a release. Similarly, in the case of manual tank gauging, release reporting is not required if a second week or month of data does not confirm the initial result indicating a release.

See Appendix 8 for the appropriate regional office telephone number to report a release.

ASTs AST operators must notify DEQ immediately upon learning of any discharge (unless the discharge is less than 25 gallons, does not reach state waters, and is cleaned up within 24 hours of the spill). For these discharges, an operator must keep a record of the discharge and the clean-up activity as required by Article 11 of State Water Control Law (VA Code § 62.1-44.34:19).

See Appendix 8 for the appropriate regional office telephone number to report a release.

2.2 OBTAINING DEQ REGIONAL AUTHORIZATION

☞ In order to be eligible for reimbursement from the Fund, corrective action activities must be authorized in advance by the appropriate DEQ regional office.

The Activity Authorization Form (AAF) is the mechanism by which the responsible person obtains regional office authorization for corrective action activities. AAFs will only be authorized for established DEQ phases. Corrective action phases are established steps that progress from release abatement through clean-up and closure of the site. Each phase has a corresponding report that must be submitted to the regional office. Section 2.3 contains a listing of the corrective action phases and phase requirements.

2.2.1 AAF Authorization Process

1. **Report Release:** A release is detected. Within 24 hours, the responsible person reports the release to the appropriate DEQ regional office and the regional office issues a Pollution Complaint (PC) number for the site and

assigns a DEQ regional office case manager. Information about obtaining authorization for emergency clean-up can be found in Section 2.2.3.

2. **Communicate:** The responsible person and consultant coordinate with the regional office case manager to discuss and decide upon the activities necessary to abate the release and characterize the extent of the contamination, develop a site-specific scope of work, and determine in which phase the work will be authorized and completed.

3. **Complete The AAF:** The responsible person or consultant completes an AAF which lists proposed and contingent units for Task and Material items. Proposed units are all the units that the responsible party (or their representative) believes, based on their knowledge of conditions at the site, will be required to complete the scope of work. Contingent units allow for reasonable changes to the scope of work based on changing or previously unknown conditions or circumstances at the site that occur during implementation of the planned scope for work. See Appendix 6 for Activity Authorization Forms and instructions for completion.

4. **Submit The AAF For Pre-approval:** Sign and date the AAF; attach an Initial Site Map and a Topographic Map; mail, email or fax to the appropriate DEQ Regional Office.

5. **Obtain Pre-approval:** The Regional Office will review the AAF for appropriate scope of work and associated proposed Tasks and Materials, communicate with the RP/consultant to resolve any AAF revisions necessary for DEQ approval, and send the pre-approved AAF back to the RP/consultant along with any necessary changes and DEQ comments. Only after the form is received by the RP/consultant may the authorized scope of work begin. It is the responsibility of the DEQ case manager to approve proposed units that are appropriate and necessary to complete the scope of work to meet DEQ regulatory requirements. It should also be understood that pre-approval of proposed units is not a guarantee that these will be verified on the work performed AAF.

6. **Perform The Scope Of Work:** The consultant/contractor performs the scope of work authorized by the regional office on the approved AAF.

7. **Adjust The Scope Of Work If Necessary:** The responsible person or consultant must obtain DEQ regional office authorization for all work which will exceed the proposed plus contingent units on the approved AAF. This additional work may be authorized by revising the original AAF to include the additional units or by completing a new AAF listing only the additional units to be performed.

8. **Complete Report And AAF For Work Performed:** Once the report associated with the phase or sub-phase of work is completed, the RP or

consultant should fill in the Work Performed column with the actual number of units performed for each item. The use of or need for the proposed or contingent units should be documented in the report or elsewhere (on the AAF, in an e-mail, etc.). If contingent units have been used, the RP or consultant should document the need for their use.

9. **Submit Report And Request Verification Of Work Performed:** Upon completion of a phase or sub-phase, the appropriate report and the authorized AAF[s] with the Work Performed column completed are submitted to the regional office. The AAF should not be bound in the phase report. DEQ regional case managers may request additional documentation if they deem it necessary to verify Work Performed units presented on the AAF. The Regional Office will review all AAFs with the work performed and any reports submitted for the claimed phase. The Regional Office must verify this work performed before a reimbursement application can be processed; RO verification of a work-performed AAF will be completed within 30 days.

10. **Verification Of Work Performed:** The regional office verifies that the work listed in the Work Performed column of the AAF has been performed and forwards a copy of the completed phase AAF to the DEQ central office. If pre-approved units are not verified by DEQ, the DEQ case manager will succinctly document the reason[s] for denial.

11. If necessary, the regional office authorizes additional work under the next corrective action phase.

12. The claimant sends the reimbursement claim to the DEQ central office in Richmond, Virginia. See Section 3.1, The Reimbursement Application, for additional information about submitting reimbursement applications.

2.2.2 Authorizing Work At Heating Oil Tank Sites

The majority of cases involving heating oil tanks pose minimal risk to human health and the environment. As a result, the investigation and required corrective action typically involves a smaller scope of work than that required to deal with a release from a regulated UST or large AST. Some discharges from heating oil tanks, however, result in free product or petroleum saturated soil in the environment or impacts to streams, potable water supplies, or other receptors and require a greater scope of work to deal with the contamination and abate hazards to the receptors.

To review the complete guidance pertaining to heating oil tank releases, storage tank guidance documents are available on-line from the Petroleum Program download library at: http://www.deq.virginia.gov/tanks/downllib.html.

2.2.2.1 Scope Of Work:

In order to encourage more consistency regarding the scope of work for heating oil tanks releases, DEQ has established a classification system that assigns a category to these release sites. Under the classification system, heating oil releases are classified as:

1. **No Further Action** sites are ones where the DEQ case manager may use existing information and professional judgment to determine that no further action is necessary at the site. This determination is appropriate at sites where the area is served by public water, the leaking tank has been out of service for an extended period and is not believed to be contributing product to the environment, and there is no reason to expect any impact(s) to receptor(s);

2. **Category 1** sites are typically sites with low potential risk to a receptor, no free product, and little to no petroleum-saturated soil;

3. **Category 2** sites generally have free product, petroleum-saturated soil, or are thought to pose a moderate level of risk to a receptor; and

4. **Category 3** sites either have impacted a receptor or risks to a receptor are believed imminent.

Each region will use site specific facts and analytical data to place the site into one of these categories. Regional geology often plays a part in assigning categories; therefore, regional variation may be observed but should be consistent with the potential risk to receptors.

2.2.2.2 Activity Authorization Forms:

The scopes of work for Category 1 and Category 2 sites frequently utilize the same UCR units on an AAF. Appendix 6 includes AAFs that are representative of the typical scopes of work for heating oil tank releases that fall into the categories listed above. Category 3 sites will continue to utilize the same AAF used for regulated sites. The consultant and case manager should work together to refine the scope of work to determine the appropriate number of units on the AAF for each site.

2.2.3 AAF Post Authorization

The responsible person must undertake actions to abate immediate hazards (fire/safety or environmental emergency) even if those actions have not been authorized by DEQ. DEQ realizes that when responding to emergencies, obtaining regional office authorization of an AAF prior to performing the work is not always practical.

DEQ also recognizes that regional office staff is not always available and site conditions sometimes justify the need to exceed the AAF pre-authorized units before receiving regional office approval. When the responsible person decides to perform work in excess of that authorized on the AAF, he/she takes a risk that the regional case manager will not agree that the additional work was necessary.

When either of these situations occurs the regional office must be contacted as early as possible (usually the next business day) and an AAF must be submitted to the regional office. This AAF must indicate all the work for which post authorization is needed as well as other activities that may be necessary to complete the particular corrective action phase. Regional office staff will evaluate the scope of work on the AAF and post-approve only the work that the regional office staff believes is necessary.

Responsible persons are required to report releases to DEQ (See Section 2.1). Actions taken more than 24 hours prior to report of a release to DEQ are not eligible for reimbursement and will not be post authorized on an AAF.

2.2.4 Authorization For Corrective Action Plan Implementation

The Corrective Action Plan Implementation Phase differs from other corrective action phases. Items that exceed $1,000 and do not have a DEQ established UCR must be competitively bid. All activities for CAP Implementation must be approved by the appropriate DEQ regional office on a Bid Summary Form and/or an AAF to be eligible for reimbursement.

Section 2.5 contains detailed requirements for obtaining authorization and bidding in the CAP Implementation Phase.

2.3 CORRECTIVE ACTION PHASES

Phases are established steps that progress from release abatement through clean-up and closure of the site. Each phase has a corresponding report that must be submitted to the regional office. After completion of one or more corrective action phases, an application for reimbursement may be submitted. Claims for Post Site Characterization Monitoring and Corrective Action Plan Implementation Phases may be submitted only four times in any calendar year.

2.3.1 Reimbursement By Complete Phases

After completion of one or more corrective action phases at a site, a reimbursement application for costs incurred may be submitted. If the Reimbursement application is filed prior to the submittal of the appropriate corrective action report, the application will be returned to the claimant. The application may be re-filed when the report has been submitted to the appropriate DEQ regional office. Listed below are the

corrective action phases and the corresponding reports, which must be submitted to the regional office prior to filing an application.

Corrective Action Phases	Report
Release Investigation	Release Investigation Report
Initial Abatement	Initial Abatement Report
Site Characterization	Site Characterization Report
Site Characterization Addendum	Site Characterization Addendum Report
Phase II Initial Abatement	Phase II Report
Corrective Action Plan Development	Corrective Action Plan
Corrective Action Plan Addendum	Corrective Action Plan Addendum
Site Closure	Site Closure Report

2.3.2 Reimbursement By Sub-phases

The following phases of corrective action do not need to be completed before an application for reimbursement may be submitted. These phases are broken into sub-phases based on the submittal of progress reports. The claimant should only request AAF authorization for activities that will be completed one quarter at a time.

Corrective Action Phase	Report
Post Site Characterization Monitoring	Quarterly Post Site Characterization Monitoring Report
Corrective Action Plan Implementation	Quarterly Monitoring/Operating Reports

☞ Only four claims per calendar year may be submitted for Post Site Characterization Monitoring Phase and only four claims per calendar year may be submitted for Corrective Action Plan Implementation Phase.

DEQ may provide written Interim Authorization to undertake corrective action activities prior to the approval of a Corrective Action Plan. Work authorized under Interim Authorization must be conducted and costs claimed using the procedures for the CAP Implementation Phase.

2.3.3 One Claim Per Sub-Phase

Only one application will be accepted for each phase or sub-phase. An application must include all of the costs for the work performed for that phase or sub-phase. Additional costs submitted in later applications which were incurred for a previous phase or sub-phase will be denied.

2.4 USUAL AND CUSTOMARY RATE (UCR) SCHEDULES

The UCRs represent the maximum amount (including overhead and mark-up) DEQ will reimburse for an activity or item unless bidding is used as described in Section 2.5. DEQ has established separate UCR Schedules for Task and Material items eligible for reimbursement. Each UCR Schedule may be used only for work performed within the effective dates and transition periods associated with that particular schedule. Each UCR schedule has a corresponding AAF that must be used when obtaining authorization. Volume I of the Virginia Petroleum Storage Tank Fund Reimbursement Guidance provides transition periods prior to March 1, 2007. The following table lists the transition dates to the 007 UCR Schedule:

UCR SCHEDULE	EFFECTIVE DATES	TRANSITION TO NEXT UCR SCHEDULE
198	1/01/98 through 2/28/07	New phase or new sub-phase started on or after 3/01/07 transitions to the 007 UCRs
007	3/01/07	Not Applicable

The 1289, 395, and 198 UCR Schedules are available in Volume II of the Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual. The 007 UCR Schedule is available in Volume IV of the Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual. See Section 1.7 to obtain copies.

Every five (5) years DEQ intends to conduct a comprehensive review of the existing UCR Schedule to address changes in technology, set new UCR rates and eliminate any unnecessary UCRs.

198 UCR Schedule
The 198 UCRs apply when a new corrective action phase or reimbursement period begins on or after January 1, 1998 and prior to March 1, 2007. When a phase or reimbursement period using 198 UCRs continues beyond the 198 effective date (3/01/2007), the 198 UCRs remain in effect until a new phase or sub-phase begins. A site transitions to the 007 UCRs when a new phase sub-phase begins after March 1, 2007. Costs for Work Performed units on a 198 AAF for a phase or reimbursement period, which started before January 1, 1998 or after February 28, 2007, will be denied.

007 UCR Schedule
The 007 UCRs apply when a new corrective action phase sub-phase begins on or after March 1, 2007. Costs for Work Performed units on a 007 AAF which started before March 1, 2007, will be denied.

DEQ will evaluate the 007 UCRs annually. The first evaluation will be completed by April 1, 2008. Any updates will be based on the U.S. Department of Labor Consumer Price Index

(specifically the annual Consumer Price Index – All Urban Consumers (CPI-U) for Other Goods and Services, U.S. city average using the base period of 1982-84=100, not seasonally adjusted). The CPI adjusted UCRs will be released as a version of 007 UCR Schedule.

2.4.1 Task and Material Costs

DEQ has identified Tasks that are commonly performed during corrective action at petroleum storage tank sites and has established UCRs for these Tasks. Prior regional office authorization for all corrective action Tasks is required in order for those tasks to be eligible for reimbursement.

The regional office will also authorize items from the Material UCR Schedule for activities, which the regional office believes to be necessary, but are not included in the Task UCR Schedule. The regional office will authorize only material items where it is not possible to utilize a Task UCR. Material UCRs should not be used to replace Task UCRs. As part of the approval process, the regional office will identify the site-specific activities and then authorize the appropriate items and units for each activity from the Material UCRs. Appendix 4 contains a listing of professional classifications and their corresponding responsibilities.

Examples of activities that require use of material codes include:

Sample analysis;
Complex fate and transport modeling, e.g., Modflow;
Feasibility studies;
Remediation system installation;
Remediation system O & M;
Fracture trace analysis; and
Consultant travel time and per diem.

2.4.2 Coding Items On The AAF

Every item listed on an AAF for authorization must have a code entered in the column titled "Code". Items from the UCR Schedule must be listed with their corresponding Task (T) code or Material (M) code on the AAF. See Section 2.2.1 for detailed instructions on completing the AAF.

C-codes: There are also a limited number of items and commodities with C-codes (see Page 1-46, Vol. IV, of the Reimbursement Guidance Manual). C-coded items must be listed for authorization on the AAF. C-coded items do not have fixed Unit Rates or UCRs. Commodities or services claimed as C-codes may be reimbursed at cost plus up to a 6 % mark-up if the responsible person was billed for the C-coded item by the primary consultant and the cost plus 6 % is claimed. C-coded items will be reimbursed at cost if the responsible person was billed directly for the service or commodity. To be reimbursed for C-coded items, a bill or invoice from the supplier or vendor of the commodity, documenting the cost incurred, must be submitted with

the claim. Utility late fees and penalties are not eligible for reimbursement. Invoices must conform to the invoice requirements found in Section 3.4.

A-codes: The A-code is used to claim minimum hauling charge adjustments. Use this code in conjunction with the Task codes for hauling (T075 – T078) when there is an industry practice to impose a minimum charge that does not correlate to the actual tons hauled. The A-code is used to claim the additional costs related to the minimum charge. An invoice or bill from the hauler that identifies the minimum charge must be included in the claim to support the minimum charge claimed using an A-code. The invoiced amount plus up to 18.5% is eligible for reimbursement.

Example: A hauling company has a 22 ton last load/minimum; i.e., they will charge the rate for hauling a full 22 ton load even if less is hauled. Assume 30 tons are excavated and must be hauled to a soil treatment facility. The hauling company hauls one fully loaded truckload of 22 tons and a second partially loaded truck loaded with only 8 tons. The hauling company bills for hauling 44 tons (30 tons *plus* 14 tons to achieve their 22 ton minimum). Pre-approval will be given for hauling 30 tons using T075 and T076. The additional 14 tons required to achieve the 22 ton minimum are listed as an A-code (A001) for authorization and verification. For reimbursement, an invoice from the hauler that identifies the minimum charge must be submitted with the claim. The A-coded amount plus up to 18.5% is eligible for reimbursement.

X-codes: If an item listed on the AAF is not included on the Material UCR Schedule and does not have a code, the claimant or consultant must assign one. Items that do not have an M or C-code must be assigned an X-code. Do not assign an X-code if the item has an A, M, or C-code. For each site, X-codes must begin with X001, each item must be uniquely numbered, and the X-codes must be sequential, i.e. X001, X002, X003. Tasks and materials with the same description must use the same X-code no matter how many times each is listed on the AAF Claim Worksheet (e.g., 3 line items for bag filters should all be listed with the same X-code, not 3 different X-codes).

☞ When requesting pre-approval for an X-code, an estimate of the total cost of the item or activity must be included on the AAF. The cost information should be clearly noted in the "Comments" field on the AAF. Any significant increase in the estimated cost of an X-coded item should be communicated to the regional office as soon as practical but before the AAF is submitted for verification. Once the work is completed the actual cost of the X-coded items or activities must be noted in the "Comments" section of the AAF submitted for verification. X-coded items presented to the regional office for post-approval must be annotated with their actual cost.

When submitting the reimbursement application, an invoice from the vendor must support all X-coded items over $25.00. Invoices submitted as supporting documentation for X-codes must include the invoice date and vendor's name.

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If the soil treatment company imposes a minimum charge for small quantities of soil treatment (thermal desorption or bio-remediation), the invoiced amount plus up to 16% may be claimed using an X-code instead of T012.

Additional information on mark-up and how it applies to each of the UCR codes can be found in Section 2.6 Mark-up.

2.4.3 Ancillary Costs

There are many small items that should not be charged or claimed separately. These ancillary costs are considered "tools of the trade" or as necessary to meet basic safety requirements and should not be billed to a site as separate items. These costs include, but are not limited to, the following items listed below:

Telephones	Faxes	Computers	CAD computers
Software	Photocopies	Postage	Office supplies
Building overhead	Hand tools	Cellular phones	Portable computers
Cameras	Parking Fees	Courier service	Coolers
Field notebooks	Drum dolly	Flashlights	Ear protection
OSHA required equipment	Photographic film & development		

2.5 BIDDING

Bidding is required during the CAP Implementation Phase for activities or items with no UCR that are reasonably expected to cost more than $1,000 exclusive of mark-up over the duration of the phase.

Bidding is also required when **transporting and disposing** of more than 250 tons of contaminated soil.

Regional staff may also require bidding in any phase for any activity where DEQ believes bidding is advantageous to the Commonwealth.

☞ Prior to initiating work in any phase the responsible person may also elect to use bidding to demonstrate a reasonable rate that is higher than a DEQ established UCR for a Task or Material.

DEQ expects that bidding will be used most often during the CAP Implementation Phase, since this phase typically includes purchase and installation of remediation systems for which DEQ has few established UCRs. The following section provides guidance on when bidding is required and how to properly bid work in order to be eligible for reimbursement.

2.5.1 Role Of The Primary Consultant

The responsible person may not have the technical expertise to develop bid specifications and review incoming bids for implementing corrective action plans or other phases. The following procedures assume that the responsible person will retain a primary consultant to assist with the bidding process and oversee site work. Some of the functions the primary consultant may perform at most sites can include:

1. Preparing engineering design and specifications for remediation systems;
2. Developing bid solicitations;
3. Reviewing incoming bids and selecting the winning bids;
4. Overseeing work performed by subcontractors;
5. Installing the remediation system;
6. Providing project management throughout the corrective action process;
7. Operating and maintaining the remediation system;
8. Monitoring site conditions and remediation system effectiveness;
9. Preparing status reports directed by DEQ;
10. Preparing or assisting with reimbursement application submittal; and
11. Removing the remediation system.

The personnel time needed for performing primary consultant functions must be listed on the AAF. When requesting personnel time to perform these functions, the primary consultant should list the specific activities to be performed in the comments section of the AAF.

A consulting firm may not bid on scopes of work at sites where it is managing the bid process.

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2.5.2 Ensuring A Fair Bid Process

The responsible person or primary consultant should make every effort to ensure the bidding process is fair and unbiased because this is essential for impartial competition. A list of contractors to be invited to bid should be prepared. Each contractor should be evaluated for financial capacity and integrity and for the ability to complete a project of the size, scope, and complexity required. Only those contractors determined to be fully qualified, who can meet all contract requirements, should be invited to bid. The responsible person or primary consultant should allocate sufficient time for bidders to prepare their bids. All bids should be solicited at the same time allowing each bidder equal time to prepare a response. All bids should be delivered to a pre-designated place, no later than a specified time. A tabulation of all bids should be furnished to each bidder within ten days of the bid date and, for larger scope items, it is preferable that bids be opened in the presence of all bidders at a pre-designated time and location. By provisions in the instructions to bidders or in advertisements, the responsible person typically retains the right to

reject any and all bids. However, rejection should not be used as a device to accept a bid submitted after the prices of others were made public, or to obtain an estimate of the cost of the work which is then awarded in separate contracts or to a bidder selected in advance. Any irregularities in the bids may be waived, provided this is done after careful study and in good faith. Under no circumstances should a bidder be permitted to alter a bid after all bids have been opened. The contract should be awarded to the lowest responsible bidder.

For more detailed guidance in competitive bidding procedures, refer to the American Institute of Architects Document A501/Associated General Contractors of America Document 325; *Recommended Guide for Competitive Bidding Procedures and Contract Awards for Building Construction*.

2.5.3 DEQ General Bidding Requirements And Procedures

1. The scope of work must be clearly defined.

2. The bids must be obtained before the work is performed.

3. In most cases bids are site specific. However, some activities or items are performed or used repeatedly. If an activity or item has been properly bid it may be possible to utilize the same bid to perform the same activity or procure the same item[s] for another site[s] under the following conditions:

   a. The original and subsequent scopes[s] of work are of comparable scale such that there is no expectation of obtaining additional savings through a new bid.

   b. The original bid contained unit rates for the items or activity to be used and subsequent projects will be performed at the same unit rate as contained in the original bid.

   c. If the original bid was for equipment, subsequent purchases of the same equipment are made at the same lump sum price.

   d. The regional office approves the subsequent activity, equipment, or items within one year of the date of the original bid. **NOTE:** The regional approval date is the DEQ Authorization date on the original Bid Comparison form.

   When using a bid for work at another site, a copy of the original bid and original Bid Comparison form must be attached to a new Bid Comparison Form and submitted to the current regional office for approval prior to initiating work. The top of the new Bid Comparison Form should be filled out with the information for the new site and list only the company that will perform the work or supply the item. After use of the original bid is approved for the new site by the regional office, work may proceed.

Costs are claimed using the standard bid forms and procedures.

4. DEQ recognizes that certain routine costs associated with operating and maintaining a remediation system will cost more than $1,000 over the duration of the CAP Implementation Phase. In these cases, the following should be taken into consideration:

   a. Disposable items such as bag filters, microorganisms, and seal oil can be obtained utilizing unit pricing. The number of units needed for each sub-phase will be authorized by the regional office. Once approved by the regional office the unit price bid can be used for other site remediation systems.

   b. Replacement parts or repairs after warranty expiration can be handled one of two ways:

      - three (3) phone quotes or bids can be obtained at the time the part or repair is needed **OR**

      - justification may be provided to the regional office for a sole source purchase prior to obtaining the part (See Section 2.5.10).

5. If eligible and ineligible items or activities are contained in the same scope of work the cost of just the eligible items or activities must be broken out. Further, the cost of the eligible items or activities in the selected bid must be the lowest of all bids regardless of the total amount of the bid. Bids that contain eligible and ineligible items or activities **CANNOT** be used at another site.

6. Consultants cannot submit bids for scopes of work where the consultant or their firms are managing the bid process. DEQ believes that it would be a conflict of interest for the primary consultant to submit a bid for a scope[s] of work when the primary consultant also evaluates the incoming bids.

7. The primary consultant may perform any task or provide material or equipment for which there are DEQ established UCRs as long as DEQ has not required bidding for that material/equipment.

8. A minimum of three qualified bids must be received for each scope of work listed on the approved Bid Summary Form. If three qualified bids are not obtained, the primary consultant should evaluate solutions including soliciting bids from additional contractors and/or revising the specifications as needed to encourage additional bids and re-bid.

9. A written bid must be received from each bidder in the format specified by the primary consultant. However, DEQ requires the cover page of each bid to include:

a. The scope of work;
b. The scope of work number;
c. The name of the bidding company;
d. The name of the person preparing the bid;
e. The date that the bid was offered;
f. For lump sum bids the specific service, material or equipment **AND** the respective number of units for each;
g. For unit price bids the specific service, material or equipment **AND** the type of unit;
h. The total price (including all taxes and shipping/handling fees) for that service or items and unit prices where applicable; and
i. The signature of an authorized agent for the bidder.

10. All bids must be for the same scope of work including number of units and equipment size[s]. Contracts will be awarded based on the Total Amounts including freight, shipping/handling, and applicable taxes.

11. Bids can be solicited for either Lump Sum or Unit Price, or a combination of the two. Lump sum prices provide a fixed total cost for providing materials or services. Unit prices provide a cost per item or work unit, and must be multiplied by the number of units used to arrive at the total cost. In some cases, a lump sum price is provided with a contingent unit price for additional work beyond the specified scope in the lump sum.

    a. When a Lump Sum bid is approved, the claimant is authorized to perform the entire Scope of Work without additional approvals.

    b. When Unit Pricing is used, the number of units necessary for each phase or sub-phase must be authorized by the DEQ Regional Office using the Unit Price Bid section of the Activity Authorization Form.

    c. In some cases a lump sum bid may contain a contingent unit price for additional work. When contingent unit rates that are part of a lump sum bid are used, contingent units should be authorized on the AAF (See Change Order process (see Section 2.5.8). For example: The Scope of Work calls for a lump sum bid for the excavation of 1,100 cubic yards of soil and a Unit Rate per cubic yard for any soil excavated in excess of 1,100 cubic yards. The lump sum bid amount is entered on the Bid Comparison Form. The Unit Rate contained in the Bid documents is use only when the soil excavation exceeds 1,100 cubic yards.

12. Each scope of work which is bid must be listed on a Bid Comparison Form. The Bid Comparison Form lists bids, which were received for each scope of work, names of the bidders, and dollar amounts for the bids, and indicates the successful bid.

13. The responsible person and primary consultant are responsible for ensuring that work is performed according to the bid specifications, and verifying that work claimed for reimbursement is completed. The responsible person and the primary consultant are responsible for completely supervising and directing the work of all subcontractors.

2.5.4 Phone Bids

Phone bids are acceptable for bidding a scope of work totaling less than $5,000. The following information must be submitted to the regional office documenting the phone bids:

a. The scope of work;
b. The scope of work number;
c. The name of the bidding company;
d. The name of the person providing the bid;
e. Phone number where the bidder may be reached;
f. The date that the bid was offered;
g. The specific service and number of units; or materials/equipment and number of units;
h. The lump sum price for that service or items or unit prices where applicable; and
i. The names and titles of individuals obtaining the phone bids.

2.5.5 The Bid Process

As with work that is not bid, pre-approval is recommended. However, in some situations, completing some or all the following steps may not be practical or possible. Under those circumstances, proceeding without pre-approval is acceptable, however, *the claimant or consultant must recognize the inherent risk in proceeding without approval and that proceeding without approval could result in denial of all bid costs.*

Step 1: The Responsible Person Or The Primary Consultant Prepares And Submits Bid Summary And Activity Authorization Forms To The Regional Office For Approval

The responsible person or primary consultant will identify which items will be bid and which will be reimbursed based upon the UCR schedules. To obtain approval for these activities, both a Bid Summary Form and an AAF must be submitted. Material or equipment, which will be bid, <u>must</u> be listed on the Bid Summary Form (see Appendix 7) and assigned a scope of work number. Tasks or materials, which utilized UCRs, must be listed on an AAF (see Appendix 6).

All non-bid activities planned for completion during the phase or sub-phase must be included on an AAF. AAFs should include personnel time needed to develop bid

solicitations, evaluate bids, and other necessary items listed in Section 2.5.1. The Bid Summary Form and AAF must be submitted to the regional office for approval.

Every item or activity must be listed on either the Bid Summary Form or the AAF, not both.

Step 2: Bid Summary And Activity Authorization Forms Are Approved And Returned To The Responsible Person

The regional office will review the AAF[s] and approve appropriate activities and units. The responsible person may also be directed to obtain bids for any task, equipment, material, or service and to modify the AAF and Bid Summary Forms accordingly.

The regional office will evaluate the information listed on the Bid Summary Form[s] and ensure that necessary items and services are included and that the scopes of work are appropriate. The regional office staff may request engineering designs or other detailed information on which the scopes of work on the Bid Summary Form are based. Once the regional office staff completes its review, copies of the approved AAF[s] and Bid Summary Form[s] will be returned to the responsible person.

If additional work or change orders for bids are required, additional AAFs and Bid Summary Forms must be submitted to the regional office for approval. Please see Section 2.5.8 for instructions regarding change orders.

Step 3: Responsible Person Obtains And Submits Bids To The Regional Office For Review

After receiving an approved Bid Summary Form, competitive bids for the scope[s] of work listed on the Bid Summary Form[s] may be obtained. A minimum of three qualified bids must be obtained for each scope of work identified on the Bid Summary Form. Bids must include shipping and freight charges and applicable taxes. All bids must be opened at the same time, preferably at a pre-designated time and location. Once all bids have been received and opened, copies of the bid solicitations, completed Bid Comparison Form (see Appendix 7), and bids or phone bid documentation must be sent to the regional office for verification. The Bid Comparison Form lists the bids which were received for each scope of work, name of the company that provided the bids, the total amount of each bid, and the lowest bid that met the specified scope of work.

Copies of the bids must be attached to the Bid Comparison Form and should be arranged in the order in which they are listed on the form.

Step 4: The Regional Office Reviews The Bids

Upon receiving copies of the bid solicitations, Bid Comparison Form[s], and bids or phone bid documentation, the regional office staff will confirm the bid selections. The regional office will retain copies of the bids and send a signed copy of the Bid

Comparison Form to the responsible person, authorizing the responsible person to award the contracts.

Step 5: The Owner/Operator Initiates Bid Work

Once the Bid Comparison Form[s] signed by the regional office has been received, bid activities may begin.

Step 6: Submittal Of Completed Bid Work Progress And Activity Authorization Forms

Before a reimbursement application can be processed, the responsible person must submit to the regional office completed Bid Work Progress Forms, AAFs, and reports or other related work products required for the phase or sub-phase. The Bid Work Progress Form lists work performed during the phase or sub-phase and indicates the cumulative percentage of work completed for each scope of work. The AAF indicates the number of units of work performed for non-bid items, unit priced items, and/or change orders for the same phase or sub-phase.

The case manager at the regional office will review the AAF and the Bid Progress Form to verify that the specified work has been completed. The regional office is responsible for forwarding AAFs and Bid Work Progress Forms to the DEQ central office for reimbursement processing.

Step7: Submitting An Application With Bid Costs

A Bid Cost Worksheet is used to claim reimbursement for lump sum bid costs excluding shipping/handling and sales tax. An AAF Cost Worksheet is used to claim reimbursement for unit price bid costs, change orders, shipping/handling, and sales tax. Shipping/handling and sales tax are claimed as X-Codes. Each Scope of Work Number for which costs are being claimed must be listed as well as a brief description. The Scope of Work Number must match the number on all previous bid forms for the corresponding scope of work. DEQ will reimburse up to the amount of the lowest bid, which met the scope of work approved by the regional office plus up to 16% mark-up if the costs were not billed directly to the responsible person.

2.5.6 Bidding Requirements For CAP Implementation Phase

For sites with acceptable Corrective Action Plans, the regional office sends a CAP approval letter to the responsible person. If Interim Authorization of a CAP is requested and necessary, the regional office sends an Interim Authorization approval letter authorizing the requested actions to be taken under Interim Authorization. Upon receipt of the CAP or Interim Authorization approval letter, the responsible person or primary consultant will identify the scope[s] of work for activities and materials needed for the CAP Implementation Phase.

Bidding may occur at different times throughout the CAP Implementation Phase (i.e., design, construction/start-up, O&M). If the responsible person or primary consultant

wishes to bid an item, a scope of work for this item or service must be developed and a scope of work number must be assigned. Bids for services, materials, and equipment may be combined or aggregated as deemed appropriate by the responsible person or primary consultant. The scopes of work that are to be bid for the duration of the CAP Implementation Phase are then summarized on a Bid Summary Form.
CAP Implementation Phase work is authorized as follows:

1. Tasks and materials on the UCR Schedule may be listed on an AAF for authorization by the regional office and do not require bidding. In some cases, the regional office may require bidding for tasks or materials with UCRs, which must be bid. If this occurs, the responsible person is required to modify the AAF and Bid Summary Forms accordingly.

2. Materials and equipment which are not listed in the UCR schedule and are reasonably expected to cost more than $1,000 exclusive of mark-up over the duration of CAP Implementation must be listed on the Bid Summary Form, assigned a scope of work number, and bids obtained. The responsible person also has the option of bidding any activity or item, even if there is an applicable UCR. In these cases, reimbursement will be based upon the lowest bid even if it exceeds the UCR.

   Activities or items should be logically organized or grouped to facilitate bidding and under no circumstances should activities or elements that logically belong together be split apart in an effort to avoid bidding. When this appears to occur reimbursement will be limited to a total of $1,000 for all the related scopes of work.

3. Activities or items not listed in the UCR schedule, which are reasonably expected to cost less than $1,000 over the duration of CAP Implementation, need not be bid. Rather, they are authorized on the AAF.

4. Task T040, General Project Management, may not be used and costs associated with this task code will not be reimbursed during the CAP Implementation Phase. Personnel time needed for project management activities should be authorized on the AAF. The primary consultant, when requesting personnel time, must specify on the AAF the activities to be performed and the amount of time that personnel at each level will spend on each activity.

5. Preparing a scope of work for bid may take considerable time to complete and could extend over multiple sub-phases. To request reimbursement for work performed during a sub-phase, the Bid Work Progress Form must indicate the cumulative percentage of the scope of work completed. This is the percentage of the scope of work that has been completed since the CAP Implementation Phase began through the end date of the sub-phase being claimed. New Bid Work Progress Form[s] must be completed to claim any remaining bid work in subsequent sub-phases.

6. An AAF that has been submitted with a CAP Implementation Phase reimbursement application cannot be used in any subsequent reimbursement applications. Work, which was authorized on an AAF but not performed, must be re-authorized on a new AAF in order to be eligible for reimbursement during a subsequent sub-phase.

   Note: To ensure site activities are not interrupted, AAFs listing activities to be performed during the next sub-phase should be authorized prior to completion of the current sub-phase.

2.5.7 Bidding Requirements Outside Of CAP Implementation Phase

If the responsible person believes a Task or Material UCR is not reasonable, DEQ will also allow the use of bidding to demonstrate the reasonableness of the costs in any phase. In addition, DEQ may require the use of bidding in any phase when DEQ believes bidding is advantageous to the Commonwealth.

☞ For phases without sub-phases (See Section 2.3.1, Reimbursement by Complete Phases), all bid work must be completed and claimed in the sole reimbursement application for the phase. The responsible person must take care to ensure that the Bid Work Progress and Verification Form and reimbursement application include all bid work completed during the phase. Unclaimed bid work cannot be submitted in a reimbursement application for another phase.

In the Post Site Characterization Monitoring Phase the bid work can be claimed following the same rules as the CAP Implementation phase.

1. To request reimbursement for work performed during a Post Site Characterization Monitoring Sub-Phase, the Bid Work Progress and Verification Form must indicate the cumulative percentage of the scope of work completed. This is the percentage of the scope of work that has been completed since the Post Site Characterization Monitoring Phase began through the end date of the sub-phase being claimed. New Bid Work Progress and Verification Form[s] must be completed to claim any remaining bid work in subsequent sub-phases.

2. An AAF that has been submitted with a Post Site Characterization Monitoring Phase reimbursement application cannot be used in any subsequent reimbursement applications. Work which was authorized on an AAF but not performed must be re-authorized on a new AAF in order to be eligible for reimbursement during a subsequent sub-phase.

2.5.8 Change Orders

<u>Any</u> change to an approved lump sum bid scope of work is considered a Change Order. Change Orders can only be made to the original scope of work, not to a

previous Change Order. Work which was not included as part of the approved bid scope of work requires regional office approval using one of the following two mechanisms in order to be eligible for reimbursement:

1. When the number of units of an approved bid scope of work increase, yet the unit costs (as specified in the successful bid) do not change, additional bidding for the change order units may not be required. Additional units may be authorized on the AAF.

2. When unit prices for a previously approved scope of work will be higher than those submitted on the original bid, or when a unit price was not included in the original bid, a new scope of work and scope of work number must be assigned. Work for these change orders must be bid using the bidding requirements of this section.

2.5.9 Bid Mark-Up

Mark-up on costs that are incurred and billed by the primary consultant directly to the responsible person is <u>not</u> eligible for reimbursement. Only costs for subcontracted services, equipment, and materials obtained through an approved bid and billed to the responsible person by the primary consultant are eligible for mark-up as defined in Section 2.6 Mark-up.

2.5.10 Sole Source Bids

DEQ encourages exploring resourceful approaches to remediation but recognizes when using innovative or proprietary technology obtaining three competitive bids may not be feasible. In these cases the central office and region staff will work with the responsible person and/or his consultant to select an approach that will allow employing inventive methods, secure adequate reimbursement, and ensure a reasonable cost. DEQ encourages the use of performance based bids in cases where proprietary technology or equipment is being proposed. In order to be eligible for reimbursement it is important to obtain approval for any nonconforming bidding procedures before the bidding or work is initiated.

DEQ also recognizes there are other circumstances where obtaining three bids is not feasible such as obtaining service or replacement parts for remediation equipment. In these instances DEQ will work with the responsible person and consultant to find a solution that will protect the interests of the Fund and ensure fair reimbursement of the costs

2.6 MARK-UP

Within the reimbursement program, mark-up is the difference between the cost of an item or service and what is charged for that item or service. Mark-up is calculated as a percentage of

the cost, e.g., an item that cost $40 and is claimed for reimbursement at $50, has been marked up 25%. Applying mark-up is a common business practice and the amount various items and services are marked up varies from company to company as well as from item to item or service to service. When requesting reimbursement from the Fund, reasonable mark-up is eligible for most items and services and is included in the UCR. However, there are some specific items and services where the amount of mark-up eligible for reimbursement from the Fund is specifically limited. When claiming these items or services, the maximum amount eligible for reimbursement from the Fund is the cost (the amount on the invoice from the originating vendor or service provider) plus the percentage mark-up listed below. Mark-up applied by primary consultants for subcontracted goods and services may be reimbursed. Under no circumstance can the **claimant** apply mark-up to claim more than he/she was invoiced.

2.6.1 UCR Mark-Up

A-codes: A-codes are used to claim minimum hauling charge adjustments. The maximum eligible for reimbursement for A-codes is the invoiced amount from the hauling company plus up to 18.5% mark-up.

C-codes: C-codes are used to claim utility services and commodities whose costs are subject to fluctuation and are controlled by the market. The maximum eligible for reimbursement for C-codes is the invoiced amount from the utility, locality, or commodity vendor plus up to 6% mark-up.

X-codes: X-codes are used to claim items that do not have an M or C-code or UCR. The maximum eligible for reimbursement for X-codes is the invoiced amount from the original company providing the item or service plus up to 16% mark-up.

Lab Analysis and Soil Treatment Costs are reimbursable as follows:

1. Invoiced cost from laboratory or soil treatment company plus 18.5% NOT TO EXCEED THE UCR, or

2. Invoiced cost from laboratory or soil treatment company + ½ of (UCR minus invoiced cost) = NOT TO EXCEED THE UCR.

2.6.2 Mark-Up On Items Obtained By Bidding

Costs claimed for items or services that were bid may be marked up to 16% if they were not billed directly to the responsible person. Costs billed directly to the responsible person may not be marked up. An invoice from the original vendor or service provider must be submitted with the claim.

2.7 REGIONAL OFFICE VERIFICATION OF AUTHORIZED WORK

Before a reimbursement application can be processed, the following must be submitted to the regional office:

1. Reports or other work products required for the completed phase or sub-phase;

2. AAFs with the Work Performed Column completed (work-performed AAF); and/or

3. Completed Bid Work Progress Forms.

☞ The AAF[s] and Bid Work Progress Forms should not be bound in the report. The AAF[s] and the Bid Work Progress Forms must include all work performed for the phase or sub-phase.

Before the report is submitted to the regional office, the claimant should take care to ensure that the AAF[s] and/or Bid Work Progress and Verification Form accurately reflect the work performed for the phase or sub-phase. All documentation to support the necessity of work, which was not authorized by the regional office but is listed in the work performed column of the AAF, must be submitted with the work-performed AAF.

The regional office case manager will review the report and complete a verification package documenting the work performed for the phase or sub-phase. DEQ procedures allow thirty days for the case manager to complete the verification package. When completed, the case manager will forward the verification package to the Reimbursement Staff at the central office of DEQ to be used in processing the corresponding claim. The claimant must send the reimbursement claim to the DEQ central office. See Section 3.1, The Reimbursement Application, for additional information about submitting reimbursement applications.

3.0 COMPLETING AND SUBMITTING THE REIMBURSEMENT APPLICATION

3.1 THE REIMBURSEMENT APPLICATION

The Reimbursement application must be used to request reimbursement from the Fund. Clearly type or print all information and ensure that all required documents are submitted with the application. Attach additional pages as necessary to explain responses. Sign and date the application where indicated. Send the original signed application with one copy of each of the supporting documents. Retain a copy of the application and the original supporting documents for seven years from the date of submission. To confirm delivery, it is suggested that applications be mailed certified, return receipt requested. Applications may not be submitted by facsimile or through electronic means.

A phase or sub-phase must be completed before a reimbursement application can be submitted. AAFs with the units in the Work Performed Column filled in, completed Bid Work Progress Forms, and reports or other related work products required for the completed phase or sub-phase must be submitted to the regional office. The AAF[s] and the Bid Work Progress Forms must include all work performed for the phase or sub-phase.

3.1.1 Reimbursement Application Accuracy

☞ An accurately completed Reimbursement Application insures that the application can be processed without delays and denial of costs. It is the responsibility of the claimant and/or consultant to ensure that all application forms (AAFs, Bid Work Progress Forms, and application Worksheets) are complete and accurate. Failure to exercise proper care in preparing an application may result in a denial of costs, which might not be corrected through the reconsideration process. See Section 4.4 Reconsideration Process, for examples of errors that cannot be corrected.

3.2 FILING REQUIREMENTS FOR CLAIMS

3.2.1 Filing Deadlines

The 1997 General Assembly enacted a claim-filing deadline for leaking petroleum storage tank sites. The law prohibits reimbursement of applications for clean-up and third party claims received after the filing deadline. The deadline for filing applications for reimbursement and third party claims is two years after case closure (the date DEQ closes the investigation and clean-up activities for a site).

In addition to the filing deadline, please remember that only underground storage tank clean-up costs incurred after December 22, 1989 and aboveground storage tank clean-up costs incurred after January 1, 1992 are eligible for reimbursement.

3.2.2 Filing Requirements

1. Only phases or sub-phases utilizing the same UCR Schedule are allowed in an application. A separate application must be submitted for phases or sub-phases utilizing different UCR Schedules.

   Example: The Initial Abatement Phase and Site Characterization Phase were completed utilizing the 395 UCR Schedule. The Corrective Action Plan Development Phase was completed using the 198 UCR Schedule. A minimum of two separate applications is required. One application would include the Initial Abatement and Site Characterization Phases (395 UCR Schedule) and the second application would be for the CAP Development Phase (198 UCR Schedule).

2. Claims for Post Site Characterization Monitoring may be submitted only four times within a calendar year.

3. Claims for Corrective Action Plan Implementation may be submitted only four times within a calendar year.

3.3 APPLICATION FORMS AND WORKSHEETS

The following is a description of the application forms and an explanation of their use. The application forms and detailed instructions can be found in Appendix 2. Appendix 3 contains the application Worksheets and instructions.

Form 1 - Reimbursement Application
This is a two-page form that must be filled out and submitted with each application for reimbursement. The form requests claimant, site, insurance, financial responsibility and cost information and requires certifications from the claimant and consultant performing the work.

Substitute IRS Form W-9
This form must be filled out and submitted with the first application for each site by the responsible person. Completion of the form certifies that the responsible person has provided their correct taxpayer identification number, is not subject to backup withholding of federal taxes, and will update this information as necessary. If the proceeds of the claim are being assigned to another party, this form is not required. See below.

Form 2 - Payment Assignment Form and Substitute IRS Form W-9
When a responsible person wishes to assign the proceeds of a reimbursement application to another party, Form 2 must be filled out, signed, notarized, and submitted. The assignment applies only to the reimbursement application with which it is submitted and any Reconsideration of that application. Any check issued as a result of the reimbursement application will be issued only to the party named as the assignee and mailed to the assignee's address.

Form 3 - Multiple Owners Payment Assignment Form
When there are multiple responsible persons (owners/operators), only one responsible person may claim the costs submitted for the clean-up. The remaining owners/operators must assign the right to reimbursement to this single claimant. A separate, signed and notarized form for each owner must be filled out and submitted with the first application.

AAF Cost Worksheet
The AAF Cost Worksheet must be submitted to claim the costs for materials or tasks performed and link those materials or tasks to invoices or other cost documentation. Separate worksheets must be submitted for each completed corrective action phase or sub-phase claimed in the application. The items and activities claimed on the worksheet must be listed using Task, Material, C, A, or X-codes as described in Section 2.4.2.

Great care must be given to preparing the AAF Cost Worksheet. To be eligible for reimbursement, a code must have units entered in the Work Performed column of the AAF *and* those units must be listed on the AAF Cost Worksheet. If Task, Material, C, A, or X-codes are left off the Cost Worksheet, their costs will be denied even if they are listed on the AAF.

Bid Cost Worksheet
After completing a sub-phase or phase where activities or items were obtained using the bid process, a Bid Cost Worksheet must be submitted to claim the costs for work completed. Items and activities claimed on the worksheet must be listed using the same Scope of Work Numbers that were listed on the Bid Summary Form.

3.4 INVOICES

In order to be reimbursed for eligible corrective action expenses, an applicant must provide documentation to demonstrate that the expenses were incurred. Invoices are acceptable proof of incurred expenses. Include legible copies of invoices from the contractor or consultant who performed or managed the work. All invoices must include the following:

1. Site name, DEQ Pollution Complaint Number (PC Number), or site address;
2. Vendor, contractor, or service provider name;
3. Invoice number; and
4. Invoice date

☞ Only invoices pertaining to the corrective action phase or sub-phase being claimed in the current application will be accepted. Costs omitted from previous claims are ineligible for reimbursement in subsequent claims. Likewise, primary consultant invoices submitted in previous claims will not be eligible documentation for reimbursement of costs in subsequent claims. In order to reduce the risk of disqualification of costs, costs for different corrective action phases should be invoiced separately. If possible, invoices should be structured so that costs are grouped according to task or activity.

☞ Please note: DEQ may request at any time, in addition to the invoice[s], any and all supporting cost documentation for a claim. Failure to maintain and provide this documentation may result in denial of the associated costs.

3.4.1. Costs Incurred With No Invoice

For costs which are generally not invoiced, documentation of the costs is still required. In the case of prepayment (such as local fees, utility power drops, etc.) the claimant must provide documentation that the cost was not invoiced along with a receipt for payment. Documentation can consist of a copy of the Fee Schedule printed from the corresponding website, the Fee Schedule on letterhead, or a detailed receipt that lists the fee charged and what the fee was for; such as: Water connection fee of $2,500 and water meter fee of $45. The receipt must have the issuing authority's name pre-printed, to be acceptable.

When the responsible person performs some corrective actions himself, reimbursement is limited to the cost incurred by the responsible person, which may be lower than the UCR. The responsible person cannot invoice himself and then submit an application for reimbursement using those invoices as documentation of incurred costs. Rather, the claimant must document these costs by providing a certified statement from the company's chief financial officer on company letterhead. The statement must identify for each employee whose time is being claimed, the total hours spent on the clean-up, the actual hourly rate paid, a calculation of fringe benefit costs, and any overtime pay associated with the clean-up. For equipment costs, the statement must explain the basis for calculating the rate claimed. To claim materials and equipment rental, the claimant must submit receipts or invoices to support the actual costs claimed.

3.5 WHERE TO SEND THE REIMBURSEMENT APPLICATION

Submit the original completed reimbursement application including the application Worksheets and the appropriate supporting documentation to:

Department of Environmental Quality
P. O. Box 1105
Richmond, VA 23218

ATTN: Office of Spill Response and Remediation
Claim Processing Section

3.6 HOW TO WITHDRAW A REIMBURSEMENT APPLICATION

Withdrawing an application before DEQ has completed processing it to correct an error or omission then re-submitting the claim is the only way to correct some claim preparation errors. See Section 4.3, Errors Identified Through The Reconsideration Process, for a list of errors that may require withdrawing an application. Only the Claimant may withdraw an application after it has been submitted. Once an application has reached the Decision stage it may not be withdrawn. To withdraw an application the Claimant must submit a letter, via mail or fax [804-698-4338], requesting the withdrawal. The letter must include the PC and Claim Numbers of the claim to be withdrawn. The address for mailed requests is as listed above in Section 3.5.

4.0 PROCESSING THE REIMBURSEMENT APPLICATION

4.1 HOW DEQ PROCESSES THE REIMBURSEMENT APPLICATION

4.1.1 Application Review

After receipt of an application for reimbursement of corrective action costs, DEQ will review the claim application for the following:

1. If the applicant and the release are eligible for reimbursement;
2. If the application has been completed correctly, including all required signatures;
3. If all of the necessary forms and documentation have been submitted;
4. The financial responsibility requirement of the claimant for access to the Fund;
5. If the cost is reimbursable under an insurance policy;
6. If costs were incurred or paid within the acceptable date ranges;
7. If acceptable invoices have been submitted.
8. If the activities listed in the application worksheets were verified as performed and necessary by the regional office;
9. If there are any costs submitted for reimbursement that are not eligible;
10. If the costs for corrective actions are reasonable based on the appropriate UCR Schedule; and
11. If the competitive bidding process was used according to procedures.

Upon completing the reviews described above, DEQ will render reimbursement decisions based upon the information contained in the file. These reimbursement decisions will be documented and communicated to the applicant through a Reimbursement Decision package. See Section 4.2 for further explanation of DEQ decisions.

4.1.2 Time Required To Process A Reimbursement Application

It is the objective of DEQ to process an application within 30 days of receipt. This processing time frame is dependent upon the completeness of the application. If an application is received but all necessary information is not included, processing of that application will be delayed.

4.1.3 Delayed Processing and Rejection of Applications

There are a number of defects that can delay the processing and payment of an application or result in the application being rejected. The following is a partial list of those defects:

1. Failure to complete all necessary forms;
2. Failure to submit all required forms;
3. The appropriate signatures are not on the reimbursement application forms;
4. The reimbursement application and/or forms are incomplete or illegible;
5. The responsible person has not signed the reimbursement application;
6. The application is filed listing someone other than the responsible person as the claimant;
7. Required documentation is not submitted with the reimbursement application;
8. AAF Cost Worksheets are not completed by phase or sub-phase;
9. More than four reimbursement applications per site are submitted in a calendar year for CAP Implementation Phase or Post Site Characterization Monitoring Phase; and
10. Phases with different UCR Schedules in one reimbursement application.

Applications which cannot be processed as submitted will be rejected with a letter providing the reason[s] for the rejection. To assist the claimant and ensure that all required documentation is submitted with the application, an Application Checklist has been included with this Guidance Manual in Appendix 2.

4.1.4 How DEQ Handles Defective Applications

As a general rule, DEQ's processing procedures reflect a balance of customer service and processing efficiency. Any time an application is lacking documentation or improperly submitted, processing will be delayed. When DEQ finds essential information is missing, an evaluation is made to assess if the claim can be processed without the information and if so, what adverse impact the missing information will have with respect to the amount approved for reimbursement. If the application can be processed without the missing information and the defect can be addressed through the reconsideration process, then the application is usually processed "as is".

If it is not possible to process the application "as is", DEQ usually attempts to contact the claimant and resolve the deficiency(ies). If contacted, an applicant will have 14 days from the date of the call or letter to submit the information requested. Extensions of the 14-day deadline will not be granted. An application which does not contain all of the required information after the 14 day time frame may be rejected or processed "as is", which can result in costs being denied. In rare cases, an application may have so many and/or such significant defects that it cannot be processed and it will be rejected immediately with a written explanation of the defects and what remedies are needed.

4.2 DEQ REIMBURSEMENT PACKAGES

Once an application has been processed, DEQ will prepare a claim decision package. The reimbursement package provides the claimant with information on the total amount of the application, the amount disallowed, the amount approved, the financial responsibility requirement of the claimant, and the total amount of any previous payments. If DEQ does not pay the claim in full, the reimbursement package will briefly describe the reason for denial. The check for payment of reimbursement is mailed separately and will follow the reimbursement package in one to two weeks.

4.3 RECONSIDERATION PROCESS

Claimants for reimbursement from the Virginia Petroleum Storage Tank Fund (Fund) have one opportunity (the Reconsideration process) to contest the initial Reimbursement Decision for their claim. Claimants may request reconsideration of any cost denied in the reimbursement package before the initial reimbursement decision becomes final. A Reconsideration Panel (Panel) composed of DEQ personnel who have not previously rendered a reimbursement decision on the claim but who are familiar with reimbursement policies, decides the merits of each reconsideration claim. The Panel is charged with ensuring that State law and regulations and DEQ policies and procedures have been properly and fairly applied during the reconsideration claim review, and is responsible for rendering the agency's final, written decision on the claim.

The reconsideration procedures provide DEQ the opportunity to correct certain errors. The following types of errors <u>can</u> be corrected:

1. Failure of the Regional Office to verify an AAF or Bid Work Progress Form which was received by the Regional Office prior to completing the verification package for the Phase or Reimbursement Period.

2. Errors the Regional Office makes in verifying an AAF or Bid Work Progress Form.

3. Failure of the claimant to submit all invoices.

However, some types of errors cannot be corrected. It is the responsibility of the claimant and/or consultant to ensure that all application forms (AAFs, Bid Work Progress Forms, and application Worksheets) are completely and accurately filled out. Failure to exercise proper care in preparing an application may result in a denial of costs, which cannot be corrected through the reconsideration process. The following are types of errors that cannot be corrected:

1. Items or units omitted from the Work Performed Column of the AAF or the Bid Work Progress and Verification Form will not be eligible for reimbursement even if these items are included on the worksheet[s] of the application.

2. Items or units omitted from the worksheet[s] of the application will not be eligible for reimbursement.

3. Failure to limit the use of an AAF to only one phase or sub-phase.

4. Errors or omissions on the AAFs and/or the Bid Work Progress Forms that were not corrected prior to issuance of the initial claim decision.

5. Failure to claim performed work on the application Worksheets.

6. Typographical errors, (e.g. coding errors) on the AAF in the Proposed, Contingent, or Work Performed columns.

7. Typographical errors, (e.g. coding errors) on the worksheets of the reimbursement application.

8. Failure to claim Task or Material item as authorized on the AAF (authorized Tasks must be claimed as Tasks; authorized Materials must be claimed as Material items).

9. Failure to claim all costs in a phase or sub-phase. These costs are not eligible for reimbursement in subsequent claims.

10. Using one invoice in multiple claims. Invoices submitted in an application cannot be used as documentation for reimbursement of costs in subsequent claims (If one invoice applies to more than one phase, the claimant can submit one claim with worksheets for both phases).

11. Using Task or Material codes on an AAF or application Worksheet that are not listed on the UCR Schedule which is in effect for the application.

☞ To contest a cost denial[s] the claimant must submit a Reconsideration Claim Form to DEQ within 45-days of the original claim decision date. If the filing deadline is not met, the cost denial[s] in the reimbursement payment package becomes final. The claimant must submit

written objections to the denial[s] in the reimbursement payment package, and any additional supporting documentation. Upon receipt of this information and at the claimant's request, DEQ will schedule a reconsideration meeting to re-evaluate the denied costs.

Refer to Volume V of the Reimbursement Guidance for detailed reconsideration instructions, deadlines, and forms. In addition, each reimbursement decision package includes the procedures for seeking reconsideration.

4.4 DELAYED PAYMENT OF VIRGINIA PETROLEUM STORAGE TANK FUND CLAIMS

§ 62.1-44.34:11.A.11 of State Water Control Law requires that the Virginia Petroleum Storage Tank Fund balance be maintained at "a level sufficient to ensure that the Fund can serve as a financial responsibility demonstration mechanism for owners and operators of underground storage tanks." It further states that "Any disbursements made by the Board pursuant to subdivision 2 of this subsection may be temporarily reduced or delayed, in whole or in part, if such action is necessary, in the judgment of the Board, to maintain the Fund balance."

The Fund balance fluctuates and may drop, due to increased claim filings and reduced revenue, to a level where it is no longer possible to pay all claims once they have been processed. In these situations, DEQ implements Delayed Payment Claim Processing Procedures.

When Delayed Payment Claim Processing Procedures are implemented, claims will be processed as usual and once completed they will be placed on a Payment Pending Listing. When reimbursement packages are mailed out claimants will be notified that their claim will be paid as money becomes available. Claims will be organized on the Pending Payment Listing in order by the week the claim was completed. Claims completed within the same week will be listed in order by the received date. Each month, DEQ will determine the amount of revenue received which can be made available for claim payments, and claims will be released based on their placement on the list. Due to fluctuations in claim amounts and revenues received it is not possible for DEQ to predict exactly how long Delayed Payment Processing will continue.

APPENDIX 1
Definitions

DEFINITIONS

The following definitions are critical to understanding this Guidance Manual and the relevant Virginia regulations. Please take a moment to familiarize yourself with these definitions.

Aboveground Storage Tank or AST means any one or a combination of tanks, including pipes, used to contain an accumulation of oil at atmospheric pressure, and the volume of which, including the volume of the pipes, is more than 90% above the surface of the ground. This term does not include (i) line pipe and breakout tanks of an interstate pipeline regulated under the Hazardous Liquid Pipeline Safety Act of 1979 and (ii) flow-through process equipment used in processing or treating oil by physical, biological, or chemical means. For purposes of the Petroleum Storage Tank Reimbursement Program, a tank is a device, having a liquid capacity of more than 60 gallons, designed to contain an accumulation of oil and constructed of non-earthen materials, such as concrete, steel, or plastic, that provides structural support.

Auditable means generated by a system or mechanism that provides a means for tracing data step by step.

Bid Scope of Work means any combination of services, materials, personnel, equipment, and number of units specified in a bid solicitation package.

Change Order means any change to an approved bid scope of work.

Claimant is the responsible person, UST owner/operator, AST facility operator, person or entity who has a legal interest in property with a release and assumes liability for the petroleum clean-up, or a lender who has loaned money secured by property where regulated USTs are located.

Corrective Action means all actions necessary to abate, contain, and clean up a release from an UST system, an exempt UST 1 and 2, a small heating oil AST, or a facility and to mitigate the public health or environmental risk from such releases. Corrective action for an UST system must be conducted in accordance with Parts V and VI of 9 VAC 25-580-10, et seq. Corrective action for an exempt UST 1 and 2, a small heating oil AST or a facility shall include the requirements for containment and clean up as defined in Virginia Code § 62.1-44.34:14 and must be conducted in accordance with Virginia Code § 62.1-44.34:18. This term also includes the provision of an alternate water supply and actions necessary to abate, contain, and clean up a release conducted on the property of a third party who is not responsible for the release. This term does not include those actions normally associated with closure, change in service, upgrade or replacement of an UST system, an exempt UST 1 and 2, a small heating oil AST, or an AST at a facility.

Exempt UST means an underground storage tank exempt from the requirements of Article 9 of the State Water Control Law and UST regulations. These exempt USTs are identified in clauses 1 through 9 of the definition of an underground storage tank.

Facility means any development or installation within the Commonwealth that deals in, stores, or handles oil, and includes ASTs. The term does not include UST systems or pipelines.

Findings mean problems that are discovered during an audit that are not significant and can easily be corrected. Generally, the correction will not have an affect on the data being audited.

Fund Fee is the fee Code § 62.1-44.34:13 imposes on the sale, use and delivery of certain fuels to generate revenue for the Fund. Fee eligible fuels are gasoline, aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil.

Interim Authorization refers to DEQ written authorization to undertake corrective action activities prior to the approval of a Corrective Action Plan. Work performed under Interim Authorization must be conducted and costs claimed under the CAP Implementation Phase.

Operator of a Facility means any person who owns, operates, rents, or otherwise exercises control over, or responsibility for, a facility.

Operator of an Exempt UST 1 or 2 means any person who owns, operates, rents or otherwise exercises control over, or responsibility for, an exempt UST 1 or 2.

Operator of a Small Heating Oil AST means any person who owns, operates, rents or otherwise exercises control over, or responsibility for, a small heating oil AST.

Operator of an UST System means any person in control of, or having responsibility for, the daily operation of the UST system.

Owner of an UST System means:

1. in the case of an UST system in use on November 8, 1984 or brought into use after that date, any person who owns an UST system used for storage, use, or dispensing of regulated substances;

2. in the case of any UST system in use prior to November 8, 1984, but no longer in use after that date, any person who owned such UST immediately before the discontinuation of its use; but

3. shall not include any person who loans money to an UST owner/operator as long as that person does not manage or operate the regulated USTs. The loan must be secured by the real estate on which the USTs are located.

Points mean problems that are discovered during an audit that are significant and are clearly out of compliance with the guidelines in this manual. Points generally have an effect on the data being audited.

Primary Consultant means the person or firm hired by the responsible person to assist with the bidding process and oversee Corrective Action Plan implementation for a site.

Release means any spilling, leaking, emitting, discharging, escaping, leaching or disposing from an UST system, an exempt UST 1 and 2, a small heating oil AST, an AST, or a facility into ground water, surface water or upon lands, subsurface soils or storm drain systems.

Responsible person or RP means any person who is an owner or operator of an underground storage tank or aboveground storage tank at the time the release was reported to DEQ.

Rolling Stock means the wheeled, over-the-road vehicles.

Scope of Work Number means a unique reference number, which must be established by the responsible person or the primary consultant, for a specific scope of work (See Bid Scope of Work).

Small Heating Oil AST means any aboveground storage tank with a capacity of 5,000 gallons or less, used for storing heating oil for consumption on the premises where the tank is located.

Sub-phase Number is a sequential number assigned to each quarterly sub-phase within a phase.

Successful Bid means the lowest bid received for a particular scope of work, which meets the requirements, specified in the bid solicitation package.

Underground Storage Tank or UST means any one or a combination of tanks (including underground pipes connected thereto) that is used to contain an accumulation of petroleum, and the volume of which (including the volume of underground pipes thereto) is 10% or more beneath the surface of the ground. This term does not include any of the following exempt USTs:

1. farm or residential tank of 1,100 gallons or less capacity used for storing motor fuel for non-commercial purposes;

2. tanks used for storing heating oil for consumption on the premises where the tank is located;

3. septic tank;

4. pipeline facility (including gathering lines):

    a. regulated under the Natural Gas Pipeline Safety Act of 1968, or

    b. regulated under the Hazardous Liquid Pipeline Safety Act of 1979, or

    c. which is an intrastate pipeline regulated under state laws comparable to the provisions of the law referred to above;

5. surface impoundment, pit, pond or lagoon;

6. storm water or wastewater collection system;

7. flow-through process tank;

8. liquid trap or associated gathering lines directly related to oil or gas production and gathering operations; and

9. storage tank situated in an underground area (such as a basement, cellar, mine working, drift, shaft, or tunnel. if the storage tank is situated upon or above the surface of the floor.

The term underground storage tank or UST does not include any pipes connected to any tank which is described in subdivision 1 through 9 of this definition.

Unit Price means a cost expressed on a per item (unit) basis. Example: ½" inside diameter, PVC pipe of a costs $.97 per foot.

UST System means an underground storage tank, connected underground piping, underground ancillary equipment, and containment system if any.

Usual and Customary Rate Schedule or UCR Schedule refers to the list of commonly used tasks and materials for which DEQ has established Usual and Customary Rates. Separate UCR Schedules have been established for different time periods. Each UCR Schedule has its own specific costs for Task and Material items.

APPENDIX 2
Application Forms and Checklist

APPLICATION CHECKLIST

Please take a moment to complete the checklist and ensure that all of the necessary components are included in the application package. For a detailed explanation of all the forms used in a reimbursement application, see Section 3.0.

In every application, submit:

- ☐ Form 1 - Reimbursement Application; and
- ☐ AAF Cost Worksheet[s]; and/or Bid Cost Worksheet; and
- ☐ Legible copies of all receipts for purchases and invoices from contractors and subcontractors.
- ☐ Substitute IRS Form W-9: Request for Taxpayer Identification Number and Certification (or Form 2, if applicable see below).

In the first application for a site also submit a:

- ☐ Copy of insurance policies with the declaration page and all endorsements that provide coverage for a petroleum storage tank release, if applicable; and
- ☐ Form 3 - Multiple Owners Payment Assignment Form, if applicable.

In each application with an assignee submit a:

- ☐ Form 2 - Payment Assignment Form and Substitute IRS Form W-9.

For the phases and/or sub-phases being claimed in this application, **submit to the DEQ regional office**:

- ☐ AAFs with the Work Performed Column completed; (the AAF[s] should not be bound in the report); and/or
- ☐ Completed Bid Work Progress Forms; (the Bid Work Progress Forms should not be bound in the report).

Submit the original completed reimbursement application including the application Worksheets and the appropriate supplementary documentation to:

Department of Environmental Quality
P.O. Box 1105
Richmond, VA 23218

ATTN: Office of Spill Response and Remediation
Claim Processing Section

FORM 1

VIRGINIA PETROLEUM STORAGE TANK FUND

REIMBURSEMENT APPLICATION

DEQ USE ONLY			
Claim No:	☐	Closed:	☐
Open:	☐	Reopen:	☐

Complete and submit with all required supporting documentation to Department of Environmental Quality (DEQ), Office of Spill Response and Remediation, P.O. Box 1105, Richmond, VA 23218. Type or print legibly the required information in the applicable sections below. Refer to the reverse side for instructions on how to complete the form. The application will NOT be accepted unless the Certification in Section VII has been signed by the claimant.

I. Claimant Information			
A. Claimant Name:		B. Pollution Complaint Number:	
C. Claimant Mailing Address:		D. City, State	E. Zip Code
F. Claimant Telephone No. ( )	G. Claimant Fax No. ( )	H. Claimant E-mail Address	
I. Contact Person for Reimbursement	J. Contact Person Telephone No. ( )	K. Contact Person Fax No. ( )	
L. Contact Person for Reimbursement E-mail	M. Contact Person Cell No. ( )	N. Regional Office Handling Case	

II. Site Information		
A. Site Name	B. Site Location	
C. City, State	D. Zip Code	

III. Insurance Information

A. Do you have insurance that would cover a petroleum storage tank release?

☐ Yes ☐ No

If you answered "Yes" to the above question, you are required to submit a complete copy of the text, endorsements, and declarations page of the above referenced insurance policy(ies). DEQ will NOT review your claim until you submit a complete copy of the policy(ies).

IV. UST Annual Gallonage - DO NOT COMPLETE FOR HOME HEATING OIL OR FARM TANKS

The total number of gallons pumped, during the year prior to the release [1], through all regulated underground storage tanks the claimant owns or operates in the Commonwealth of Virginia. Check only **one** box.

☐ Less than 600,000 gallons

☐ Between 600,000 and 1,200,000 gallons

☐ Between 1,200,001 and 1,800,000 gallons

☐ Between 1,800,001 and 2,400,000 gallons

☐ More than 2,400,000 gallons

[1] The year prior to the release can be any consecutive 12-month period, which starts no more than 24 months prior to the release report date, and ends no later than the release report date.

V. AST Storage Capacity - DO NOT COMPLETE FOR HOME HEATING OIL TANKS

Are the net annual profits for this operation less than or equal to $10 million? (Check One)

☐ Yes ☐ No

1. If you indicated "Yes" to Question A above, please complete the following:

   The number of gallons of storage capacity for all ASTs at THIS facility at the time the discharge was reported to the Department of Environmental Quality was _____

2. If you indicated "No" to Question A above, please complete the following:

   The number of gallons of storage capacity for this operator's ASTs at ALL Virginia facilities at the time the discharge was reported to the Department of Environmental Quality was _____

FORM 1

VIRGINIA PETROLEUM STORAGE TANK FUND

REIMBURSEMENT APPLICATION

VI. Claimant Certification

I hereby certify that:

1. This is the one and only reimbursement application that will be submitted for the completed corrective action phase[s] and/or sub-phases identified on the worksheets submitted in this application.
2. Under penalty of perjury, all costs claimed in this application were incurred by me to clean up this release, and all data and documentation submitted as part of this application are true and correct.
3. I understand that items inadvertently or otherwise omitted from the application will NOT be accepted by DEQ after the reimbursement decision package has been issued.
4. I understand that I am required by law to pay a financial responsibility requirement before I am eligible for reimbursement, and I agree to pay DEQ on demand, any remaining financial responsibility requirements.
5. I agree to grant DEQ and its contractor[s] reasonable access to the contaminated site.
6. I am responsible for immediately notifying DEQ in writing should any information change on any pending claim.
7. I am the owner/operator whom DEQ has designated as the responsible person for the clean-up of this site.
8. I authorize my consultant to provide all data and documentation associated with the costs incurred for this site.

_____
Print Claimant's Name

/s/ _____ _____
Claimant's Signature Date

VII. Consultant Certification – To be completed by the primary consultant

I hereby certify that:

1. That all data and documentation submitted in this application is true and correct.
2. That the work claimed as performed and invoiced in this claim was performed for this release.
3. I authorize DEQ to examine and audit all records and supporting documents related to this claim and, if applicable, the reconsideration of this claim.

_____ _____
Print Consultant's Name Company Name

/s/ _____ _____
Consultant's Signature Date

INSTRUCTIONS FOR COMPLETING THE REIMBURSEMENT APPLICATION – Page 1

Fill in the following information

Block I. Claimant Identification

A. Claimant's name: The petroleum storage tank owner/operator whom DEQ has designated the responsible person for the clean-up is the claimant[1]. This person may be an individual, a business entity (e.g. partnership or corporation) or a government agency. Only one claimant may submit and only one application may be submitted, for costs incurred for any completed corrective action phase or sub-phase. The claimant named in this section will be considered the person or entity that will receive all original correspondence and will be named as the payee on the reimbursement checks unless a Payment Assignment Form has been completed.

Where there are multiple responsible persons (owners/operators), only one responsible person may claim the costs submitted for the clean-up (for example a husband and wife). The remaining owners/operators must assign the right to reimbursement to this single claimant by using the Multiple Owners Payment Assignment Form.

B. Provide the Pollution Complaint Number (PC#) assigned by the DEQ for this site for which costs are being claimed.

C. D. E. Provide the claimant's current mailing address; including the city, state, and zip code.

F. List the telephone number, including area code, for the claimant.

G. Provide the fax number, including area code, for the claimant.

H. Provide an e-mail address for the claimant

I. Provide the name of a person who can answer questions about the application.

J. List the telephone number, including area code, where the person listed in Block I can be reached.

K. Provide the fax number, including area code, for the Contact Person listed in Block I.

L. Provide an e-mail address for the Contact Person listed in Block I.

M. Provide a cell phone number, including area code, for the Contact Person listed in Block I.

N. Provide the name of the DEQ regional office handling case. See Appendix 8 of the Reimbursement Guidance Manual for a map of DEQ regional office boundaries.

Block II. Site Identification

A. Provide the site name where the release occurred. The site name can be any name by which the release location is generally known.

B. C. D. List the site's location (street name), including the city, state, and zip code.

Block III. Insurance Information

Check the box indicating whether or not you have an insurance policy that will fully or partially pay for clean-up of the site. If "Yes" is checked, submit a complete copy of the insurance policy(ies), with the declarations page and all endorsements.

Block IV. UST Annual Gallonage

Complete this section for releases from the following types of USTs:

Regulated,

Excluded,

Deferred,

Partially Deferred,

Heating Oil USTs with a storage capacity greater than 5,000 gallons if the release occurred prior to July 1, 1996.

Do not complete this section for releases from the following types of USTs:

Heating Oil USTs with a storage capacity of less that 5,000 gallons where the release occurred prior to July 1, 1996 (this includes home heating oil tanks).

Heating Oil USTs of any size where the release occurred after July 1, 1996.

Residential or farm use motor fuel tanks with a capacity of 1,100 gallons or less.

Block V. AST Storage Capacity

Complete this section for releases from the following types of ASTs:

Regulated ASTs,

Unregulated ASTs, and

Small Heating Oil ASTs with a capacity greater than 5,000 gallons.

Do not complete this section for releases from the following types of ASTs:

Small Heating Oil ASTs with a capacity of less than 5,000 gallons (this includes home heating oil tanks).

---

[1] Unless DEQ has approved an assumption of liability for the clean-up

INSTRUCTIONS FOR COMPLETING THE REIMBURSEMENT APPLICATION – Page 2

Fill in the following information.

Block VI. Claimant Certification

This is a legal document. Read the certification carefully before signing. You may not cross out or change the wording of the certification.

The claimant must sign this form or the application WILL NOT be accepted.

Block VII. Consultant Certification

This is a legal document. Read the certification carefully before signing. You may not cross out or change the wording of the certification.

The consultant must sign this form or the application WILL NOT be accepted.

FORM 2

Virginia Petroleum Storage Tank Fund (VPSTF)

PAYMENT ASSIGNMENT FORM and

SUBSTITUTE IRS FORM W-9

Request for Taxpayer Identification Number and Certification

This form is for use by claimants who wish to assign their reimbursement payment to another party. A notarized original of this form must be submitted with each reimbursement application for which the claimant wishes to assign the payment to another party. All assignments are subject to the approval of DEQ.

Pollution Complaint No:

Part I: Claim Assignment (must be completed by Claimant)

Claimant Name:_____

Total Costs Claimed in this Application: $_____

Contact Name/Telephone of Assignee:_____

Party to Receive Payment:

Name:_____

Address_____

City:_____State_____Zip_____

By signing below, I:

1. Assign the Virginia Petroleum Storage Tank Fund payment for the above-referenced claim and any reconsideration of that claim to the Assignee designated above.
2. Warrant and represent that I am the claimant, or in claims in which the claimant is not an individual, that I have the authority to assign this payment on behalf of the claimant.
3. Agree that the assignment by this form applies only to the reimbursement claim with which it is submitted and any reconsideration of that claim.
4. Agree that use of this form does not transfer my liability for corrective action and/or third party claims.
5. Agree that any check issued as a result of this reimbursement claim will be issued only to the name of the party designated as the assignee on this form.
6. Agree that if the check is issued to the claimant rather than the party designated as assignee on this Assignment Request Form, I bear the responsibility for transferring the payment to the assignee.

_____ _____

Claimant Signature Date

THIS STATEMENT MUST BE NOTARIZED

State of_____} *SS:* City/County of _____}

Subscribed and sworn to before me by _____ on this _____ day of _____,_____

/s/_____ My commission expires _____

Notary Signature

Part II: IRS Information (must be completed by Assignee)

Please provide the Federal ID number of the Assignee named above and sign the certification below:

Check Only One	Social Security Number		Employer Identification Number
☐ Corporation	Not Applicable		_____
☐ Partnership.....	Not Applicable		_____
☐ Trust or Estate.....	Not Applicable		_____
☐ Limited Partnership	Not Applicable		_____
☐ Limited Liability CO	Not Applicable		_____
☐ Sole Proprietor	_____	or	
☐ *Individual.....	_____		Not Applicable
☐ Other (specify): _____	_____	or	_____

*If ***Individual** is checked and you are engaged in a trade or business, you are certifying that expenses associated with site remediation being claimed for reimbursement are in no way related to your business.*

CERTIFICATION:

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am responsible for updating/revising the above information should any information change on any pending claim.
4. I authorize the DEQ to examine and audit all records and supporting documents related to this claim and, if applicable, the reconsideration of this claim.

_____ _____

Claim Assignee Signature Date

FORM 3

Virginia Petroleum Storage Tank Fund

MULTIPLE OWNERS PAYMENT ASSIGNMENT FORM

An application may not be submitted to the Virginia Petroleum Storage Tank Fund by an individual or entity who does not have sole (100%) ownership of the releasing tank unless this form is included as part of the application. For a multiple owner tank, each owner who is not the claimant must complete, sign, and notarize a separate Multiple Owners Payment Assignment Form.

Owner Name: _____ Pollution Complaint Number (PC #): _____

Release Site Name:_____

Release Site Address:_____

City: _____ State: _____ Zip: _____

Assignee's Name (Agent for the Owner)_____

Mailing Address:_____

City: _____ State: _____ Zip: _____

ASSIGNMENT CERTIFICATION

Being duly sworn, I _____, certify that I am an owner of the petroleum tank located at the above named site.

I assign to _____, all rights, title, and interest which I may receive for reimbursement for reasonable and necessary costs incurred to clean up a release from a petroleum storage tank from the Virginia Petroleum Storage Tank Fund under § 62.1-44.34:11 of the Code of Virginia and § 21 of 9 VAC 25-590-10, et seq.

I agree that this assignment for reimbursement or justification of costs does not constitute an assignment of liability for a petroleum release at the below referenced site under federal, state, or local laws.

_____ _____

Owner Signature Date

THIS STATEMENT MUST BE NOTARIZED

State of_____}

} ss:

City/County of_____}

Subscribed and sworn to before me by _____ on this _____ day of _____, _____

/s/_____ My commission expires _____

Revised: 10/1/05

Virginia Petroleum Storage Tank Fund

SUBSTITUTE IRS FORM W-9
Request for Taxpayer Identification Number and Certification

Each person or organization receiving reimbursement from the VPSTF must provide the following information. Check will be made payable to the responsible person listed below unless claim payment has been assigned (see box below).

Pollution Complaint No:	**DEQ Use Only:** Task/Phase /

Name of Responsible Person _____

(*Must be the name associated with the SSN or EIN you are providing below.)*

Mailing Address _____

_____

_____

Contact Name/Telephone /

Check Only One	Social Security Number		Employer Identification Number
☐ Corporation	Not Applicable		_____
☐ Partnership.....	Not Applicable		_____
☐ Trust or Estate	Not Applicable		_____
☐ Limited Partnership	Not Applicable		_____
☐ Limited Liability CO	Not Applicable		_____
☐ Sole Proprietor	_____	or	
☐ *Individual	_____		Not Applicable
☐ Other (specify): _____	_____	or	_____

*If ***Individual** is checked and you are engaged in a trade or business, you are certifying that expenses associated with site remediation being claimed for reimbursement are in no way related to your business. (Consult a tax professional if you need assistance in making this determination.)*

CERTIFICATION:

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am responsible for updating/revising the above information should any information change on any pending claim.

_____ _____

Claimant Signature Date

Rev: 2/17/99

APPENDIX 3
Application Worksheets

AAF COST WORKSHEET

PC#:_____

Type or print legibly all required information in the sections below. Use this Worksheet to claim costs for Tasks and Materials listed on an Activity Authorization Form (AAF). AAF costs for each corrective action phase or sub-phase must be listed on separate cost worksheets. List claimed costs by Task or Material Code. Refer to the reverse side of this sheet for instructions on how to complete this form.

All costs on this worksheet are for the following Corrective Action phase (Check only one):

- ☐ Release Investigation
- ☐ Initial Abatement
- ☐ Site Characterization
- ☐ Site Characterization Addendum
- ☐ Phase II Initial Abatement
- ☐ Corrective Action Plan Development
- ☐ Corrective Action Plan Addendum
- ☐ Site Closure
- ☐ Post SCR Monitoring - Sub-phase No. _____
- ☐ CAP Implementation - Sub-phase No. _____

Code	Number of Units	Unit Type	Description Of Task/Activities Performed	Contractor Name	Invoice Number	Invoice Date	Sub Invoice No. (If applicable)	Costs Claimed

Instructions for Completing the AAF Cost Worksheet

Indicate the PC Number and check one box for the applicable phase. For Post SCR Monitoring or CAP Implementation indicate a sequential sub-phase number for the quarter being claimed.

Code (T, M, C, A, or X-code):	In this column, enter the code that corresponds to the Task (T) or Material (M, A, C, or X) code from the UCR Schedule. Refer to the UCR Schedule to obtain the appropriate code. Material Items that do not have a Material UCR code must be assigned a three-digit code beginning with "X". For each site, "X" codes must be unique, begin with X001, and be sequential. For example, X001, X002, X003,… This code **must** correspond to a code on the AAF in the Work Performed column completed.
Number of Units:	In this Column, enter the total number of units being claimed for the Task in this phase or sub-phase.
Unit Type:	In this column, enter the unit for the Task e.g., hour, ton, sq. ft. Refer to the Unit description in the UCR Schedule for the correct units.
Description of Tasks Performed:	In this column, enter a description of the Task being claimed. Use the heading found in bold letters on the Task Description list in the UCR Schedule.
Contractor Name:	In this column, enter the contractor's name that appears on the invoice for the costs being claimed.
Invoice Number:	In this column, enter the invoice number for the costs being claimed.
Invoice Date:	In this column, enter the date from the invoice for the costs being claimed.
Subcontractor Invoice Number:	In this column, enter the invoice number for any required supporting invoices, e.g., X codes, A codes, or bids
Cost Claimed:	In this column, enter the total costs from the invoice that are being claimed.

BID COST WORKSHEET

PC#:_____

Type or print legibly all required information in the sections below. Use this Worksheet to claim costs for bid costs listed on the Bid Work Progress Form. Bid costs for each corrective action phase or sub-phase must be listed on separate Bid Cost Worksheets. List claimed costs by Scope of Work Number. Refer to the reverse side of this sheet for instructions on how to complete this form.

All costs on this worksheet are for the following Corrective Action phase (Check only one):

- ☐ Release Investigation
- ☐ Initial Abatement
- ☐ Site Characterization
- ☐ Site Characterization Addendum
- ☐ Phase II Initial Abatement
- ☐ Corrective Action Plan Development
- ☐ Corrective Action Plan Addendum
- ☐ Site Closure
- ☐ Post SCR Monitoring - Sub-phase No. _____
- ☐ CAP Implementation - Sub-phase No. _____

Scope of Work Number	Scope of Work	Primary Consultant Invoice Number	Subcontractor Invoice Number	Primary Consultant Invoice Date	Amount Claimed For Work Performed

Effective Date: 01/01/98

Instructions for Completing the Bid Cost Worksheet

Background

Submit this worksheet to the DEQ reimbursement central office as part of the reimbursement claim. This worksheet is necessary to process all bid costs claimed during the sub-phase or phase.

Note: This form is only for work that was bid. The AAF Cost Worksheet must be used for all work for which bids were not received.

Instructions

Sub-phase Number : in this space enter a sequential number assigned to each quarterly sub-phase within a phase.

Scope of Work Number: In this column, list the number for the scope of work. **This scope of work number must match the scope of work number listed on the Bid Summary Form.**

Scope of Work: In this column, provide a summary of the scope of work for each bid. This may include personnel time, equipment, and materials.

Primary Consultant Invoice Number: List the number from the primary consultant's invoice for the scope of work.

Subcontractor Invoice Number: List the number from the subcontractor's invoice for the scope of work.

Primary Consultant Invoice Date: Enter the date from the primary consultant’s invoice for the costs being claimed.

Amount Claimed for Work Performed: Enter the costs incurred for each scope of work during this sub-phase or phase, including primary consultant markup.

Attachments Required:

Both primary consultant and subcontractor invoices must be submitted to support costs claimed for work performed.

APPENDIX 4
Professional Personnel Task Descriptions

Professional Personnel Task Descriptions

The table below is a listing of the professional classifications and their associated tasks and is used to evaluate costs claimed for reimbursement from the Fund. In order to evaluate professional charges, the tasks, which were performed by the claimed personnel, will be used to determine the appropriate professional classification and the rate at which the personnel will be reimbursed. The "Typical qualifications" listed under the personnel title are to be used for informational purposes only and will not be used as a basis for determining the rate for reimbursement. It is recognized that there may be circumstances, which require personnel of a higher classification to perform tasks of a lower level professional. In these cases, justification may be required prior to approval; particularly where over-qualified staff is consistently used to perform lower level professional tasks.

Professional Classification	Tasks and Responsibilities
Principal (Principal Engineer/Geologist) Typical qualifications: BA/BS degree in engineering, geology, or other related science and/or related professional registration with at least 15 years of applicable experience.	Plans and directs all aspects of an organization's policies, objectives, and initiatives. 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 responsible for the short and long-term profitability and growth of the company. May charge a limited (less than 5%) number of hours to a 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. Relies on extensive experience and judgment to plan and accomplish goals. Leads and directs the work of others. A wide degree of creativity and latitude is expected. The principal should rarely bill field time at the principal's regular hourly rate. • Negotiate, review, execute contracts • Directs all aspects of company • Oversee large and complex projects • Limited review of technical reports and new technologies
Senior Level Professional Typical qualifications: BA/BS degree in engineering, geology, or other related science and/or applicable professional registration (geology or engineering) with minimum 8 years of experience.	Responsible for final review/approval of designs, reports, plans, and specifications. Responsible for preparing reports, plans and specifications for complex projects, including Site Characterization, Corrective Action Plans, modeling, and remediation budgets. Has experience in technical and managerial roles and substantial expertise in remediation of complex sites. Familiar with field concepts, practices, and procedures. Relies on experience and judgment to plan and accomplish goals. Performs a variety of complicated tasks. May supervise or direct the work of lower level professional staff. A wide degree of creativity and latitude is expected. Typically reports to Principal. • Oversee large and complex projects • Prepares SCR and CAPs Final review of technical reports and CAPs • Develop project budgets • Equipment specification review, selection, and design • Hydrogeologic and contaminate modeling • Data review and analysis

Professional Classification	Tasks and Responsibilities
Project Manager Typical qualifications: BA/BS degree in engineering, geology, or other related science with minimum 4 years of applicable experience and necessary health and safety training.	Responsible for managing remediation projects and controlling project budgets. . Serves as on-sight technical expert. Analyzes and interprets data, supervises field tests, and may prepare limited or certain technical sections of reports. Supervises the work of lower level professional and technical staff. Field hours are normally limited to periodic site visits. Responsible for organizing highly complex activities for the development, implementation, and maintenance of projects. Reports to Principal or Senior Professional. • Project management • Report Preparation - Limited or certain technical sections • Oversee project budgets • Data review and analysis • Field work planning • Work plan preparation • On-site direction, coordination, and management • Coordinate with agency, client, and subcontractors • Periodic site inspection • Acquire site access
Mid-Level Professional Typical qualifications: BA/BS degree in engineering, geology, or other related science, minimum 2 years of applicable experience, and necessary health and safety training.	Implements field work, gathers technical and hydrogeologic information. Performs monitoring well installation and sampling. Writes field notes, aids in geological mapping, and geological analysis. Provides -site technical support. May supervise lower level professionals and technical personnel during site remediation activities such as soil or tank removal. Substantial number of hours are for field work. Reports to Project Manager. • Report preparation • Field work preparation and planning • Monitoring activities • Remediation system installation • Oversee soil boring and monitoring well installation • Site reconnaissance and mapping • Supervise UST removal, soil removal and other site remediation activities • Waste characterization • Acquire site access • Assist in modeling and data analysis
Junior Level Professional Qualifications: Entry level professional position; BA/BS degree in engineering, geology, or other related science and 0-2 years of applicable experience.	Works under appropriate supervision when performing all but routine field tasks related to the project. Performs monitoring well installation and sampling. Writes field notes, aids in geological mapping, and basic geological analysis. Assists with reports preparation only under supervision/review. Performs limited data review and analysis. May supervise lower level technical personnel. Substantial number of hours are typically for field work. Reports to Project Manager. • Field work preparation • Limited data review and analysis • Assists with remediation system installation •
Senior Technician Typical qualifications: high school diploma or Associate degree, or certified or licensed tradesman; 2 years of related experience and necessary health and safety training.	Responsible for on-site supervision of installation, maintenance, and repair of machinery and equipment. Maintains field logs and documentation of monitoring and maintenance of machinery and equipment. May supervise other technicians and/or lower level professionals. Works under appropriate supervision. Substantial number of hours are for field work. Reports to Project Manager. • Operation and maintenance of equipment • Maintains field/sampling logs • Maintains equipment maintenance records

Professional Classification	Tasks and Responsibilities
Technician Typical qualifications: high school diploma or trade school degree typically required; 1 year of job related training, and necessary health and safety training.	Performs routine tasks such as soil and ground water monitoring, well bailing, and supporting roles for Senior Technician. Hours are for field work Reports to Project Manager. • Well development • Waste handling • Sampling and monitoring • Decontamination • Well abandonment
CAD Operator May require an associate's degree in a related area and 0-2 years of experience in the field or in a related area.	Transforms initial rough product designs and sketches into finished documents using computer aided design (CAD). Has knowledge of commonly used concepts, practices, and procedures. Relies on instructions and pre-established guidelines to perform the functions of the job. Works under immediate supervision. Reports to Project Manager. • Generate new drawings • CAD work • Cartography • Advanced drafting • Iso-concentration maps
Clerical May require an associate's degree or its equivalent.	Performs office functions, including but not limited to clerical work, word processing, data maintenance, report filing, telecommunications response, document reproduction, filing, labeling, spreadsheets, mailing and drafting transmittal correspondence. Establishes work procedures and standards to improve efficiency. Familiar with a variety of the field's concepts, practices, and procedures. Reports to a Project Manager. • Typing • Document reproduction • Report generation • Filing • Word processing • Mailing • Spreadsheets • General clerical duties

APPENDIX 5
Contaminated Soil Amounts for UST Removal

Contaminated Soil Amounts for UST Removal

UST Capacity	UST Dimensions	UST Displacement	UST Excavation	Maximum Soils Excavation
gallons	feet	cubic yards	feet, W x L x H	cubic yards / tons
Up to 550	4 x 6	2.7	7 x 12 x 7	19 /28.5
1000	4 x 11	5	7 x 17 x 7	26 / 39
2000	5.5 x 12	9.9	8.5 x 18 x 8.5	38 / 57
3000	5.5 x 18	14.8	8.5 x 24 x 8.5	49 / 73.5
4000	5.5 x 24	19.9	8.5 x 30 x 8.5	60 / 90
5000	8 x 13	24.7	11 x 19 x 11	60 / 90
6000	8 x 16	29.6	11 x 22 x 11	69 / 103.5
8000	8 x 21	39.5	11 x 27 x 11	82 / 123
10000	8 x 27	49.4	11 x 33 x 11	99 / 148.5
12000	8 x 32	59.3	11 x 38 x 11	111 / 166.5
15000	10.5 x 24	74	13.5 x 30 x 13.5	129 / 193.5
20000	10.5 x 31	98.8	13.5 x 37 x 13.5	151 / 226.5
25000	10.5 x 38.75	124.2	13.5 x 45 x 13.5	180 / 269
30000	11.5 x 40	153.8	14.5 x 46 x 14.5	204 / 306

Note: Contaminated soil loading, hauling, treatment, disposal, and backfilling the excavation are eligible for reimbursement at confirmed releases discovered during UST closure. The amount approved by the regional office cannot exceed the quantities listed above unless the regional office believes additional quantities are necessary to mitigate hazards at the site.

Assumptions:

1. Dimensions are for standard sti-P3 single-walled UST.
2. Displacement = capacity x 1 cubic foot (7.5 gallons) x 1 cubic yard (27 cubic feet).
3. Excavation dimensions assume top of UST is three feet below grade. Three feet of clearance is allowed for on both ends and one side. The excavation depth is equal to the bottom of the UST.
4. Maximum soils excavated = excavation - displacement of the tank.
5. Maximum soils excavated are for a single UST only. It is expected, in excavations containing more than one UST, that removal will proceed toward the void created by the previous UST and that less material will be generated per UST.
6. A multiplication factor of 1.5 was used to convert cubic yards to tons.

APPENDIX 6
Activity Authorization Forms

Virginia Department of Environmental Quality

Petroleum Clean-up

Activity Authorization Form for 007 UCRs

PC #: _____ Site Name: _____ Consultant: _____

Regional Office: _____ RP/Consultant's Phone No: (_____)_____ Fax No: (_____)_____

Consultant's e-mail: _____ Work Performed From: _____ to _____

Check only one phase:

- ☐ Site Characterization
- ☐ CAP Development
- ☐ CAP Implementation – Sub-phase No._____
- ☐ Release Investigation
- ☐ Site Characterization Addendum
- ☐ CAP Addendum
- ☐ Post SCR Monitoring – Sub-phase No._____
- ☐ Initial Abatement
- ☐ Phase II Initial Abatement
- ☐ Site Closure

To use this form, the phase or sub-phase must have started on or after March 1, 2007.

Costs for Work Performed units on this AAF, which started before March 1, 2007, will be denied.

Note: Authorization of work does not guarantee DEQ reimbursement of costs.

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
Activity:								

Page _____ of _____

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
Activity:								

UNIT PRICE BID ITEM[S] AND CHANGE ORDERS

Code	Scope of Work Description	Unit Type	Unit Rate	**DEQ Use:** Verified Low Bid Amount	Proposed Units	Contingent Units	Work Performed Units	**DEQ Use:** Verified Units

Scope of Work Notes (attach additional sheets as necessary)**:**

DEQ Use Only:

RP/Consultant Signature:

Name:_____ Signature:_____ Date:_____

DEQ Regional Office Pre-Approval:

Name:_____ Signature:_____ Date:_____

DEQ Regional Office Verification

Name:_____ Signature:_____ Date:_____

Instructions for Completing the AAF for 007 UCRs

Use this form for Regional Office authorization and verification of work performed for Phases or Sub-phases beginning on or after March 1, 2007.

The RP/Consultant should fill out the information at the top of the sheet including the **Site Name**, the **Phase** under which the work will be performed (see Reimbursement Guidance Manual), the appropriate **Regional Office**, and the **RP/Consultant phone number, fax number, and email address**. The **PC#** should be entered in the space at the top of each page.

PRE-APPROVAL

To complete the AAF, the complete the following:

1. ACTIVITY: Provide a concise description of the activity being performed (for example, install French drain system, sample 5 monitoring wells)
2. PROPOSED UNITS: List the number of units necessary for each proposed item.
3. CONTINGENT UNITS: List the number of additional units above the **Proposed Units** which may be needed to accommodate changes in the field (see Section 2.2 of the Reimbursement Manual for a discussion of Proposed and Contingent unit use).
4. WORK PERFORMED UNITS: Leave blank at this time.
5. DEQ VERIFIED UNITS: Leave blank at this time.
6. UNIT TYPE: Fill in the type of units (e.g., tons, samples, hours) applicable to the particular item being listed.
7. UCR CODE: List the **T, M, C or A** code from the 007 UCR schedule necessary to complete the **Activity.** For any item that is not contained within the **007 UCR Schedule**, an "**X-Code**" must be established. To establish an **X-Code,** enter a three-digit code beginning with an "X" in the **Code** column. For each AAF, an "X" code must be unique, begin with X001, and be sequential, e.g. X001, X002, X003, etc.
8. DESCRIPTION: Fill in an applicable **Description** for the T, M, C, or A code. For X codes, describe the item and <u>include</u> the estimated cost.
9. RP/CONSULTANT COMMENTS: Clearly describe how the specified units will be used within the **Activity**.
10. DEQ COMMENTS: For DEQ use only.
11. SCOPE OF WORK NOTES: Provide a general description of the work to be accomplished by all activities included on the AAF. The **Scope of Work** section may be used to add any additional information the RP/Consultant believes necessary to assist the Regional Office in evaluating the **AAF;** however**,** d<u>o not</u> use the **Scope of Work** section to request authorization for specific tasks or materials,

VERIFICATION

Upon completion of a Phase or Sub-phase, complete the following:

1. WORK PERFORMED UNITS: Fill in the **Work Performed** Units column with the <u>actual</u> number of units performed for each **Task** or **Material**.
2. Attach any needed documentation and forward along with the applicable report to the regional case manager for verification.

DEQ regional case managers may request additional documentation if they deem it necessary to verify work performed units presented on the AAF. The Regional Office will review all AAFs with the work performed and any reports submitted for the claimed phase. The Regional Office must verify this work performed before a reimbursement application can be processed; RO verification of a work-performed AAF will be completed within 30 days.

PLEASE NOTE:

- **<u>All units</u> for which a claimant seeks reimbursement must be listed in the Work Performed column of the AAF(s) submitted for verification.**
- **Claimants may seek verification <u>only once</u> for each phase or sub-phase.**
- **Materials/Tasks omitted from the Work Performed column of the AAF(s) submitted for verification will be <u>ineligible</u> for reimbursement.**
- **Work Performed units on this AAF which started before March 1, 2007 will be denied**

For Unit Price Bid Item[s] and Change Orders:

1. Code: In this space, list the number for the scope of work. For Unit Price Bids the scope of work number must match the scope of work number listed on the Bid Summary Form. For Change Orders assign a unique Code.
2. Scope of Work Description: In this column, provide a summary of the scope of work for each unit price bid For Change Orders the Description must reference the original Scope of Work.
3. Unit Type: Fill in the type of units (e.g., tons, samples, hours) applicable to the particular item being listed.
4. Unit Rate: Indicate the rate for each type of unit that was bid.

Virginia Department of Environmental Quality
Petroleum Clean-up

Category 1 – Heating Oil Tank

Activity Authorization Form for 007 UCRs

PC #: _____ Site Name: _____ Consultant: _____

Regional Office: _____ RP/Consultant's Phone No: (_____) _____ Fax No: (_____) _____

Consultant's e-mail: _____ ☒ Site Characterization Work Performed From: _____ to _____

To use this form, the phase must have started on or after March 1, 2007.

Costs for Work Performed units on this AAF, which started before March 1, 2007, will be denied.

Note: Authorization of work does not guarantee DEQ reimbursement of costs.

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
M0003	Project Manager	Hour						
M1481	Project Manager Travel	Hour						
M0005	Junior Level Professional	Hour						
M1483	Junior Level Professional Travel	Hour						
M0617	Vehicle Mileage – autos, vans, & pick-ups	Mile						
T030	Soil Sampling with Hand Auger	Sample						
M1485	Technician Travel	Hour						
M1157	Bailer – Disposable Polyethylene	Each						
M1366	Method 8015B – modified TPH-DRO in water/wastewater	Sample						

PC Number_____

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
M1368	Method 8015B – modified TPH-DRO in solid waste/soil	Sample						
M1766	Vacuum Truck, includes operator & operating cost	Hour						
M1290	Free Product/Contaminated Water Disposal	Gallon						
T100	Report Writing	Hour						
T040	General Site Management	5%						
T114	Small Reimbursement Claim Prep	Claim						

RP/Consultant Signature:

Name:_____ Signature:_____ Date:_____

DEQ Regional Office Pre-Approval:

Name:_____ Signature:_____ Date:_____

DEQ Regional Office Verification

Name:_____ Signature:_____ Date:_____

Instructions for Completing the Category 1 Heating Oil Tank AAF for 007 UCRs

Use this form for Regional Office authorization and verification for Phases beginning on or after March 1, 2007.

DEQ Regional Staff will work with the Responsible Person (RP) and/or their consultant to determine the activities necessary to abate the release and to characterize the extent of the contamination. The RP/Consultant must fill out the **Activity Authorization Form (AAF)** and submit it to the Regional Office for authorization of activities prior to the initiation of site work (see Section 2.2.3 of the Reimbursement Manual for emergency authorization of clean-up work). The RP/Consultant should fill out the information at the top of the sheet including the **Site Name**, the appropriate **Regional Office**, and the **RP/Consultant phone number, fax number, and email address.** The **PC#** should be entered at the top of each page.

Work performed at a *Category 1* heating oil tank discharge includes equipment, travel mileage and time to investigate the discharge, advance borings with a hand auger, collect and analyze soil samples, conduct a survey of potential receptors including drinking water wells within 500 feet and surface water bodies within 200 feet of the leaking tank, and, if needed, remove product and materials from the tank.

The following number of units are typically authorized at Category 1 Sites. Please reference DEQ's Storage Tank Program guidance documents for specific reporting scenarios that may impact the completion of this AAF and detailed discussion about Category I scope of work:

1-2	Hour	M0003	Project Manager (Initial site visit to plan field work to be performed by staff and visual receptor survey)
H	Hour	M1481	Project Manager Travel
4-6	Hour	M0005	Junior Level Professional (Oversee sampling and log borings; oversee removal of product and fluids from tank if needed)
H	Hour	M1483	Junior Level Professional Travel
H	Mile	M0617	Vehicle Mileage – autos, vans, & pick-ups (Up to three trips: for PM, for Jr. Level and Technician, and for Jr. Level
1-4	Sample	T030	Soil Sampling (Case specific; more than 1 sample usually will be authorized unless samples from previous work have been analyzed)
H	Hours	M1485	Technician Travel
H	Each	M1157	Bailer - Disposable Polyethylene
H	Sample	M1366	Method 8015B - modified TPH-DRO in water/wastewater
2-4	Sample	M1368	Method 8015B - modified TPH-DRO in solid waste/soil
3-4	Hour	M1766	Vacuum Truck (Typical in a metropolitan area)
H	Gallon	M1290	Free Product/Contaminated Water Disposal
1	Hour	T100	Report Writing
1	Each	T040	General Site Management
1	Claim	T114	Small Reimbursement Claim Prep

H = Site Dependent

NOTE: The consultant is strongly advised to e-mail the case manager within 24 hours confirming any verbal approval by the regional office for additional field work. The case manager should respond to the e-mail to confirm change in work scope. The consultant is advised to attach any such e-mail correspondence to the work performed AAF to assist the case manager verifying the AAF.

DEQ regional case managers may request additional documentation if they deem it necessary to verify work performed units presented on the AAF. The case manager will review all AAFs with the work performed and any reports submitted for the claimed phase. The Regional Office must verify this work performed before a reimbursement application can be processed; RO verification of a work-performed AAF will be completed within 30 days.

Virginia Department of Environmental Quality
Petroleum Clean-up

Category 2 – Heating Oil Tank

Activity Authorization Form for 007 UCRs

PC #: _____ Site Name: _____ Consultant: _____

Regional Office: _____ RP/Consultant's Phone No: (_____)_____ Fax No: (_____)_____

Consultant's e-mail: _____ Work Performed From: _____ to _____

☐ Site Characterization ☐ Site Characterization Report Addendum

☐ Post SCR Monitoring ☐ Closure

To use this form, the phase must have started on or after March 1, 2007.

Costs for Work Performed units on this AAF, which started before March 1, 2007, will be denied.

Note: Authorization of work does not guarantee DEQ reimbursement of costs.

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
M0004	Mid-Level Professional	Hour						
M1670	Equipment Operator	Hour						
M0617	Vehicle Mileage: autos, vans, & pick-ups	Mile						
M1771	Backhoe Loader - 75 hp, 4 WD, 15,000 lb operating weight	Day						
M1366	Method 8015B – modified TPH-DRO in water/wastewater	Sample						
M1368	Method 8015B – modified TPH-DRO in solid waste/soil	Sample						
M1482	Mid-Level Professional Travel	Hour						
M1766	Vacuum Truck, includes operator & operating cost	Hour						

PC# _____

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
T012	Thermal or Bio-treatment of Petroleum Contaminated Soils	Ton						
M1290	Free Product/Contaminated Water Disposal	Gallon						
T133	Grab sample	Sample						
T036	Heavy Equipment Mob/Demob	Round Trip Mob						
T047	Reseeding < 1 Acre	Sq ft						
M0058	Poly Film (100' x 20') - 6 mil	Roll						
T132	Subsurface line location	Hour						
T014	Site Reconnaissance/Initial Site Map	Site						
M1725	Gravel - #57 crushed stone	Ton						
M1299	Dump Truck - tandem, 12 ton capacity	Day						
M1300	Dump Truck - three axle, 16 ton capacity	Day						
M0003	Project Manager	Hour						
M1481	Project Manager Travel	Hour						
T100	Report Preparation	Hour of Report Prep						
T114	Small Reimbursement Claim Prep	Claim						
T040	General Site Management	5%						
T118	Monitoring Well Sampling - Two Inch Diameter	Well						

PC# _____

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
T079	Monitoring Well Installation - 2" Diameter using Air Rotary	Linear Foot						
T023	Drill Rig Mob/Demob	Round Trip Mob						
T025	Monitoring Well Installation - 2" Diameter using HSA	Linear Foot						
T028	Log Soil Borings	Hour						
T118	Monitoring Well Sampling, 2" diameter	Well						
M0007	Technician	Hour						
M1485	Technician Travel	Hour						
M1375	Method 8021B - BTEX/MTBE/Napthalene in water/wastewater	Sample						
M1483	Jr. Level Professional Travel	Hour						
T086	Domestic well sampling	Sample						
M1379	Method 8260B - Volatile Organics GC/MS in water/wastewater	Sample						
M0149	Method 8270C - Semi-volatile Organics	Sample						
M0099	Shipping Laboratory Samples (Up to 50 lbs)	Cooler						

PC# _____

RP/Consultant Signature:

Name:_____ Signature:_____ Date:_____

DEQ Regional Office Pre-Approval:

Name:_____ Signature:_____ Date:_____

DEQ Regional Office Verification

Name:_____ Signature:_____ Date:_____

Instructions for Completing the Category 2 Heating Oil Tank AAF for 007 UCRs

Use this form for Regional Office authorization and verification for Phases or Sub-phases beginning on or after March 1, 2007.

DEQ Regional Staff will work with the Responsible Person (RP) and/or their consultant to determine the activities necessary to abate the release and to characterize the extent of the contamination. The RP/Consultant must fill out the **Activity Authorization Form (AAF)** and submit it to the Regional Office for authorization of activities prior to the initiation of site work (see Section 2.2.3 of the Reimbursement Manual for emergency authorization of clean-up work). The RP/Consultant should fill out the information at the top of the sheet including the **Site Name**, the **Phase** under which the work will be performed (see Reimbursement Guidance Manual), the appropriate **Regional Office**, and the **RP/Consultant phone number, fax number, and email address.** The **PC#** should be entered in the space at the top of each page.

***Category* 2 Scope of Work**: Work performed at a *Category 2* home heating oil tank discharge often includes equipment, labor, time, and travel necessary to investigate the discharge, typically by removing and disposing of up to 26 cubic yards (approx. 39 tons) of petroleum saturated soil. Monitoring wells may be installed as part of the scope of work. Time is included to conduct a survey of drinking water wells within 500 feet and surface water bodies within 200 feet of the leaking tank, advance borings using a hand auger (if required by DEQ), collect samples, and prepare a narrative Site Characterization Report. When applicable, the following documentation should be included in the Site Characterization Report: all boring logs, well construction diagrams, lab analytical reports, hauling and disposal manifests.

The following Materials and Tasks Codes and associated units typically are authorized at *Category 2* Sites. Please reference DEQ's Storage Tank Program guidance documents for specific reporting scenarios that may impact the completion of this AAF and detailed discussion about Category I scope of work:

1-2	Hour	M0003	Project Manager (Initial Site Visit to plan field work to be performed by staff and visual receptor survey, 1-2 hours is expected for these activities). Additional hours may be authorized for complicated situations (e.g. excavation next to a foundation) where the Project Manager (PM) needs to be on site to supervise specified activities. The PM may oversee removal of fluid/product from the tank on the initial site visit (as approved by the case manager) if there is documented evidence of a catastrophic release and the materials remaining in the tank must be removed ASAP. In this situation, the case manager should authorize an additional 1 to 2 hours for a PM to oversee removal of fluids from the tank.
H	Hour	M1481	Project Manger Travel
1	5% Per Claim	T040	General Site Management
8-10	Hour	M0004	Mid-Level Professional (Supervise field work including soil excavation and removal of fluids from the tank and collect soil samples from backhoe bucket during the process of removing petroleum saturated soil. The typical amount of soil excavated from these sites is 10 to 20 tons. Eight hours is expected to be a reasonable amount of time for a mid-level professional where less than 13 tons of soil are excavated. An additional hour or two of time for the mid-level professional may be warranted when 13 – 20 tons of soil will be excavated. Additional hours for a mid-level professional may be warranted if the excavation of greater than 20 tons of soil is authorized by the DEQ case manager.
H	Hour	M1482	Mid-Level Professional Travel
8-10	Hour	M1670	Equipment Operator (When a skid-steer and a mini-excavator combination is authorized, typically, 2 operators for a total of 16-20 hours will be authorized)
H	Mile	M0617	Vehicle Mileage – autos, vans, & pick-ups
1	Day	M1771	Backhoe Loader - 75 hp, 4 WD, 15,000 lb operating weight, includes operating costs. In lieu of a backhoe loader, different equipment such as a Skid Steer Loader (Bobcat 853H) in combination with mini-excavator may be authorized.
2-4	Sample	M1368	Method 8015B - modified TPH-DRO in solid waste/soil. Additional samples may be authorized as needed by the case manager.
H	Sample	M1366	Method 8015B - modified TPH-DRO in water/wastewater. May be authorized as needed by the case manager.
3-4	Hour	M1766	Vacuum Truck, Includes Operator & Operation Cost (3 – 4 hour minimum may apply).
H	Ton	T012	Thermal Desorption or Bio-remediation of Petroleum Contaminated Soils (Max. expected is 39 tons)
H	Gallon	M1290	Free Product/Contaminated Water Disposal
1-4	Sample	T133	Grab Soil Sampling. The collection of up to 4 soil samples is expected to be typical at most sites having tanks of 550 gallons or less. Additional samples may be needed for larger tanks or as directed by DEQ staff to further delineate contamination as

			dictated by site conditions. The DEQ will not reimburse for sampling performed at the request of an entity other than DEQ. Some or all of these samples may be collected with the backhoe bucket during the removal of petroleum saturated soil.
1	Round Trip Mob	T036	Heavy Equipment Mob/Demob
H	Day	M1299	12 Ton dump truck (An additional ½ day may be authorized for backfilling along with gravel).
H	Day	M1300	16 Ton dump truck (An additional ½ day may be authorized for backfilling along with gravel).
H	Hour	T132	Subsurface Line Location
8-10	Hour	M0007	Technician – Assists with excavation and general site work including moving soil and materials by hand, A technician will only be authorized in conjunction with M1771. A technician is not needed if 2 equipment operators are present a the site.
H	Hour	M1485	Technician Travel
H	Roll	M0058	Poly Film (100' x 20') - 6 mil. Up to one roll of poly film may be authorized on a case-specific basis. Poly film must be used to contain petroleum contaminated soil prior to disposal. Staff will not authorize poly film if it will be used only for placement of the removed storage tank.
H	Sq. Ft.	T047	Re-seeding < 1 acre. Re-seeding disturbed area (recommend using perennial/annual blend)
1	Site	T014	Site Reconnaissance, site map. This must be a to-scale map showing utilities, wells, septic fields, etc.
6-10	Hour of Report Prep	T100	Report Preparation (6 hours is expected to be sufficient for simple sites where 3 or 4 soil samples were collected and analyzed. If wells were installed, domestic wells were sampled or additional soil or ground water samples were collected, additional report writing hours corresponding with the complexity of the site should be approved).
H	Ton	M1725	Gravel - #57 crushed stone. If M1299 or M1300 is used, then this code should be used instead of T042. May be authorized along with ½ day of dump truck for backfilling purposes.
1	Claim	T114	Small Reimbursement Claim Prep
Tasks/Materials/Personnel Expected when Monitoring wells will be installed, sampled, or domestic wells sampled			
H	Sample	T086	Domestic Well Sampling
H	Well	T118	Monitoring Well Sampling, 2” diameter
H	Sample	M1379	Method 8260 in ground water (to be used for analyzing water from domestic wells, if needed)
H	Sample	M0149	Method 8270C (to be used for analyzing water from domestic wells, if needed)
H	Round trip MOB	T023	Drill rig MOB/DMOB
H	Linear Foot	T025	Monitoring Well Installation, 2” diameter using HSA
H	Linear Foot	T079	Monitoring Well Installation, 2” diameter using Air Rotary
H	Hour	T028	Log soil borings. Used to log monitoring wells or borings installed with a drill rig, task requires Jr. Level Prof.
H	Hour	M1483	Junior Level Professional Travel - see M0005
H	Hour	M1485	Technician travel. Associated with T118, T086, and T030.
H	Sample	M1375	Method 8021B, BTEX/MTBE/Naphthalene in water (typically samples collected from monitoring wells)
H	Cooler	M0099	Shipping Laboratory Samples (Up to 50 lbs) Use this code only in conjunction with T028 to send samples to the lab

H = Site Dependant

Note: If the consultant encounters field conditions that alter the approved scope of work, and verbal approval is obtained from the case manager for additional work, the consultant is strongly advised to e-mail the case manager within 24 hours confirming the verbal approval. The case manager should respond to the e-mail to confirm change in work scope. The consultant is advised to attach any such e-mail correspondence to the work performed AAF to assist the case manager verifying the AAF.

DEQ regional case managers may request additional documentation if they deem it necessary to verify work performed units presented on the AAF the case manager will review all AAFs with the work performed and any reports submitted for the claimed phase. Regional Office Staff must verify this work performed before a reimbursement application can be processed; RO verification of a work-performed AAF must be completed within 30 days.

APPENDIX 7
Bidding Authorization Forms

BID SUMMARY FORM

PC Number:_____ Site Name:_____ Region:_____

Check only one box below:

- ☐ Release Investigation
- ☐ Initial Abatement
- ☐ Site Characterization
- ☐ Site Characterization Addendum
- ☐ Phase II Initial Abatement
- ☐ Corrective Action Plan Development
- ☐ Corrective Action Plan Addendum
- ☐ Site Closure
- ☐ Post SCR Monitoring Sub-phase: from_____ to _____
- ☐ CAP Implementation Sub-phase: from_____ to _____

Scope of Work Number	Scope of Work (including equipment, materials, personnel, freight, and number of units)

Responsible Person: _____ Signature:_____ Date:_____

Consultant: _____ Signature:_____ Date:_____

DEQ Authorization: _____ Signature:_____ Date:_____

Effective Date: 01/01/98

Instructions for Completing the Bid Summary Form

Background

The Bid Summary Form informs the regional office staff of all corrective action services, materials, and equipment for which you, the tank owner/operator or your primary consultant plan to solicit competitive bids. The Regional case manager will review this list and consider whether additional items should be bid. When the Regional case manager is satisfied that the appropriate scopes of work to be bid have been properly defined, he/she will sign this form and send it back to you so that bids may be solicited.

Instructions

Scope of Work Number: In this column, list a reference number for the scope of work. The scope of work number is generated and assigned by you and may not exceed six digits. Each scope of work number is unique to its corresponding scope of work for a site.

Scope of Work: In this column, provide a summary of the scope of work for each bid. This may include personnel time, equipment, and materials. Remember, list only those items for which you intend to solicit bids. Other costs that are not bid must be listed on an AAF.

Provide the following information only for Change Orders with Unit Prices

When the number of units of an approved bid scope of work increase, yet the unit cost remains the same (as specified in the successful bid), bidding of the additional units is not required. To obtain approval you must assign a new scope of work number to the additional units, describe the scope of work, and then complete the following information.

Original Scope of Work Number: List the original scope of work number for which established the unit price for this work.

Unit Cost: Cost expressed on a per item (unit) basis. Example: PVC pipe costs $0.97 per foot, the Unit Cost is $0.97 per foot.

Total Cost for Change Order: In this column, list the total cost for completing the change order scope of work.

LUMP SUM BID COMPARISON FORM

PC Number:_____ Site Name:_____

Region:_____ Date:_____

Scope of Work Number:_____ Scope of Work:_____

Name of Company Providing Bid	Lump Sum Amount A	Shipping/Handling + Sales Tax (If applicable) B	Total Amount of Bid A + B	Bid Selected
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐
				YES ☐ NO ☐

I certify that the bids for the scope of work identified above were obtained and evaluated in a fair and impartial manner in accordance with generally accepted business practices.

Responsible Person: _____ Signature:_____ Date:_____

Consultant: _____ Signature:_____ Date:_____

DEQ Authorization: _____ Signature:_____ Date:_____

Effective Date: 03/01/07

Instructions for Completing the Lump Sum Bid Comparison Form

Background

The Lump Sum Bid Comparison Form provides a summary of all lump sum bids received. Copies of all bids received for a scope of work must be attached to the completed Bid Comparison Form and submitted to the regional office along with a copy of the approved Bid Summary Form. The Regional Case Officer will verify that bids were obtained for the scope of work and that the bid that is deemed to be successful is the lowest bid which met the bid specification.

Instructions

One Bid Comparison Form must be submitted for each scope of work number.

Scope of Work Number: In this space, list the reference number for the scope of work. **This scope of work number must match the scope of work number listed on the Bid Summary Form.**

Scope of Work: In this space, provide a brief description or name of the scope of work for which bids were solicited.

Name of Company Providing Bid: Indicate the name of the company, individual, etc. that provided the quotation.

Lump Sum Amount: Lump sum cost for item or service.

Shipping/Handling + Sales Tax: In this space enter the total amount for shipping, handling, and sales tax.

Total Amount of Bid: Indicate the total dollar amount including shipping and sales tax.

Bid Selected: Indicate if the bid was selected by placing an "x" in the appropriate box.

Attach bids to the Bid Comparison Form in the order in which they are listed on the form.

UNIT PRICE BID COMPARISON FORM

PC Number:_____ Site Name:_____

Region:_____ Date:_____

Scope of Work Number:_____ Scope of Work:_____

Name of Company Providing Bid	Unit Price A	Estimated Number of Units B	Extended Price A x B	Shipping/Handling + Sales Tax (If applicable) C	Total Amount of Bid A x B + C	Bid Selected
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐
						YES ☐ NO ☐

I certify that the bids for the scope of work identified above were obtained and evaluated in a fair and impartial manner in accordance with generally accepted business practices.

Responsible Person: _____ Signature:_____ Date:_____

Consultant: _____ Signature:_____ Date:_____

DEQ Authorization: _____ Signature:_____ Date:_____

Effective Date: 03/01/07

Instructions for Completing the Unit Price Bid Comparison Form

Background

The Unit Price Bid Comparison Form provides a summary of all unit price bids received. Copies of all bids received for a scope of work must be attached to the completed Bid Comparison Form and submitted to the regional office along with a copy of the approved Bid Summary Form. The Regional Case Officer will verify that bids were obtained for the scope of work and that the bid that is deemed to be successful is the lowest bid which met the bid specification.

Instructions

One Bid Comparison Form must be submitted for each scope of work number.

Scope of Work Number: In this space, list the reference number for the scope of work. **This scope of work number must match the scope of work number listed on the Bid Summary Form.**

Scope of Work: In this space, provide a brief description or name of the scope of work for which bids were solicited.

Name of Company Providing Bid: Indicate the name of the company, individual, etc. that provided the quotation.

Unit Price: Cost for a single unit or service, indicate units. For example: Dollars per hour or dollars per foot.

Estimated Number of Units: Enter the number of units needed for scope of the bid.

Extended Price: Multiply the Unit Price times the Estimated Number of Units

Shipping/Handling + Sales Tax: In this space enter the total amount for shipping, handling, and sales tax.

Total Amount of Bid: Indicate the total dollar amount including shipping and sales tax.

Bid Selected: Indicate if the bid was selected by placing an "x" in the appropriate box.

Attach bids to the Bid Comparison Form in the order in which they are listed on the form.

LUMP SUM BID WORK PROGRESS FORM

PC Number: _____ Site Name: _____

Regional Office: _____

Check only one box below:

☐ Release Investigation ☐ Phase II Initial Abatement ☐ Post SCR Monitoring - Sub-phase No. _____:

☐ Initial Abatement ☐ Corrective Action Plan Development

☐ Site Characterization ☐ Corrective Action Plan Addendum ☐ CAP Implementation - Sub-phase No. _____

☐ Site Characterization Addendum ☐ Site Closure

Responsible Person: _____ Signature: _____ Date: _____

Consultant: _____ Signature: _____ Date: _____

A. LUMP SUM BID ITEM[S]

Scope of Work Number	Scope of Work Description	Complete (Yes or No)	Work Performed Cumulative Percentage (%)	Total Lump Sum Bid Amount	Bid Item Amount Claimed **Without Mark-up**	**DEQ USE ONLY** Verified %
EXAMPLE 1	***THE ANALYSIS OF 40 WATER SAMPLES FOR BTEX***	**YES** ☐ **NO** ☒	***20%***	***$3,200***	***$640.***	
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				
		YES ☐ NO ☐				

Instructions for Completing the Lump Sum Bid Work Progress Form

Post SCR Monitoring or CAP Implementation Sub-phase No: In this space enter the sequential number corresponding to the quarter of the sub-phase.

Scope of Work Number: In this space, list the number for the scope of work. **The scope of work number must match the scope of work number listed on the Bid Summary Form.**

***Scope of Work Description*:** In this column, provide a summary of the scope of work for each bid. This may include personnel time, equipment, and materials. **The scope of work must match exactly the scope of work listed on the Bid Summary Form or reference the form and attach a copy.**

Complete (YES or NO): If you checked "Yes" in this field, you are indicating that the scope of work has been completed **and that no additional work should be reimbursed for this scope of work**. For a scope of work to be considered complete, it is not necessary for the cumulative percent complete for that scope to be 100%. If, for example, a change order requires work to stop on a particular scope of work after 30% of the work is verified, the cumulative work completed should indicate 30% and the complete field should indicate "Yes". **If you checked "No" in this field, you are indicating that the scope of work is not yet completed.**

Work Performed Cumulative Percentage (%):

Applications for a completed Sub-phase - To request reimbursement for work performed during a Sub-phase, the Bid Work Progress Form must indicate the cumulative percentage of the scope of work completed. **The Cumulative Percent of Work Completed is the percentage of the scope of work that has been completed since the phase began through the end of the Sub-phase being claimed.** New Bid Work Progress Form[s] must be completed to claim the remaining bid work in subsequent Sub-phases.

Example: The analysis of forty water samples for BTEX was approved. A total cost of $3200 was the winning bid for these forty analyses. If eight samples were analyzed during the first corrective action implementation Sub-phase, the percentage of the cumulative scope of work completed by the end of that Sub-phase is 20 percent. You will be reimbursed a maximum of 20 percent of the total amount of the low bid. When eight additional samples are analyzed during the second Sub-phase, the percentage of the cumulative scope of work completed by the end of the second Sub-phase will be 40 percent. You will be reimbursed a maximum of an additional 20 percent of the total amount of the low bid.

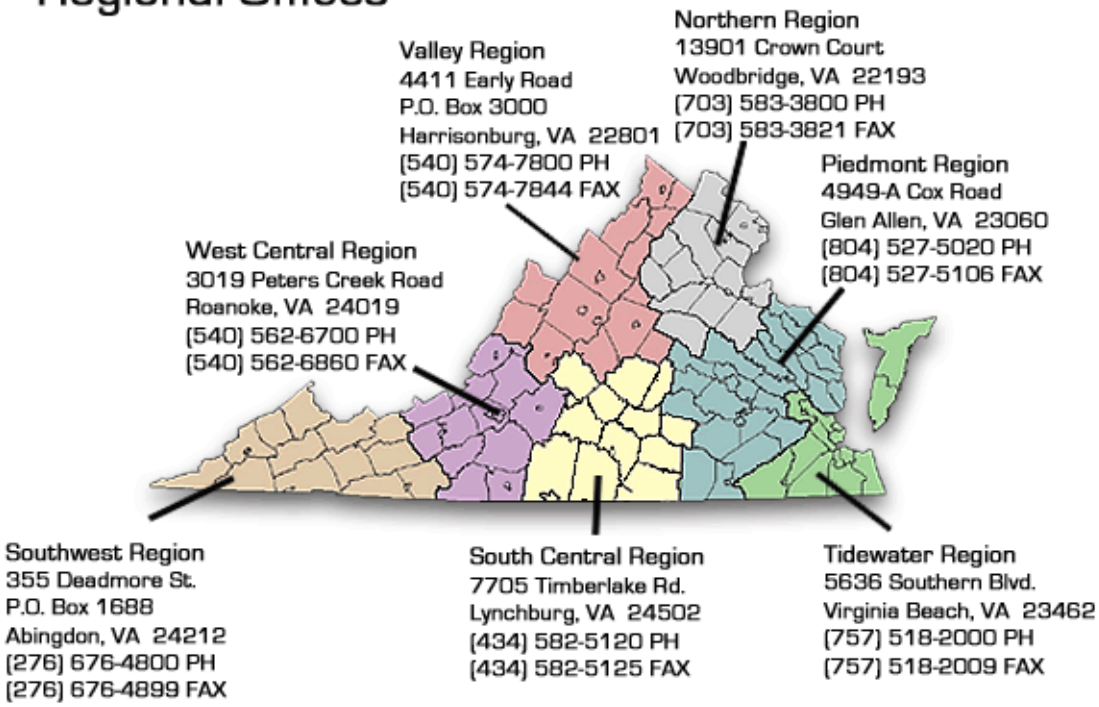
Applications for Completed Phases - For phases without Sub-phases, all bid work must be completed and claimed in the sole reimbursement application for the phase. The responsible person must take care to ensure that the Bid Work Progress Form and reimbursement application include all bid work completed during the phase. **Unclaimed bid work cannot be submitted in an application for another phase or sub-phase.**

Total Lump Sum Bid Amount: Indicate the total dollar amount for the **lowest bid** for each scope of work claimed.

Bid Item Amount Claimed Without Mark-up: Indicate the total dollar amount being claimed which is the Percentage being claimed for this Sub-phase times the Total Lump Sum Bid Amount. [Using the example above on form 20% x $3,200 = $640.]

APPENDIX 8
Map of DEQ Regional Office Boundaries

Virginia Department of Environmental Quality
Regional Offices



Regional Offices		Counties and Cities
Northern Regional Office	**Counties**	Arlington, Caroline, Culpeper, Fairfax, Fauquier, King George, Loudoun, Madison, Orange, Prince William, Rappahannock, Spotsylvania, Stafford, Louisa
	Cities	Alexandria, Falls Church, Fairfax, Fredericksburg, Manassas, Manassas Park
Piedmont Regional Office	**Counties**	Amelia, Brunswick, Charles City, Chesterfield, Dinwiddie, Essex, Gloucester, Goochland, Greensville, Hanover, Henrico, King and Queen, King William, Lancaster, Mathews, Middlesex, New Kent, Northumberland, Powhatan, Prince George, Richmond, Surry, Sussex, Westmoreland
	Cities	Colonial Heights, Emporia, Hopewell, Petersburg, Richmond.
South Central Regional Office	**Counties**	Amherst, Appomattox, Buckingham, Campbell, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway, Prince Edward, Pittsylvania
	Cities	Danville, Lynchburg
Valley Regional Office	**Counties**	Albemarle, Augusta, Bath, Clarke, Fluvanna, Frederick, Greene, Highland, Nelson, Page, Rockbridge, Rockingham, Shenandoah, Warren
	Cities	Buena Vista, Charlottesville, Harrisonburg, Lexington, Staunton, Waynesboro, Winchester
Southwest Regional Office	**Counties**	Bland, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe
	Cities	Bristol, Galax, Norton
West Central Regional Office	**Counties**	Alleghany, Bedford, Botetourt, Craig, Floyd, Franklin, Giles, Henry, Montgomery, Patrick, Pulaski, Roanoke
	Cities	Bedford, Clifton Forge, Covington, Martinsville, Radford, Roanoke, Salem
Tidewater Regional Office	**Counties**	Accomack, Isle of Wight, James City, Northampton, Southampton, York
	Cities	Chesapeake, Franklin, Hampton, Newport News, Norfolk, Portsmouth, Poquoson, Suffolk, Virginia Beach, Williamsburg