



Maine Department  
of Environmental Protection

# COMMON FUND MISTAKES

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Oil Remediation and Claims Unit

# COMMON FUND MISTAKE #1

# Misunderstanding the Fund Program

- All Fund applicants must choose a Clean-up Option upon applying to the Fund.
- A Clean-up Options Agreement is contained in the Fund application.

# **CLEAN-UP OPTION #1**

- **DEP manages site clean-up**
- **DEP hires contractors directly**
- **DEP pays clean-up costs directly**
- **Applicant pays assigned Fund deductible**

# **CLEAN-UP OPTION #2**

- **Applicant manages site clean-up to DEP satisfaction**
- **Applicant hires all contractors**
- **Applicant pays for all contractors**

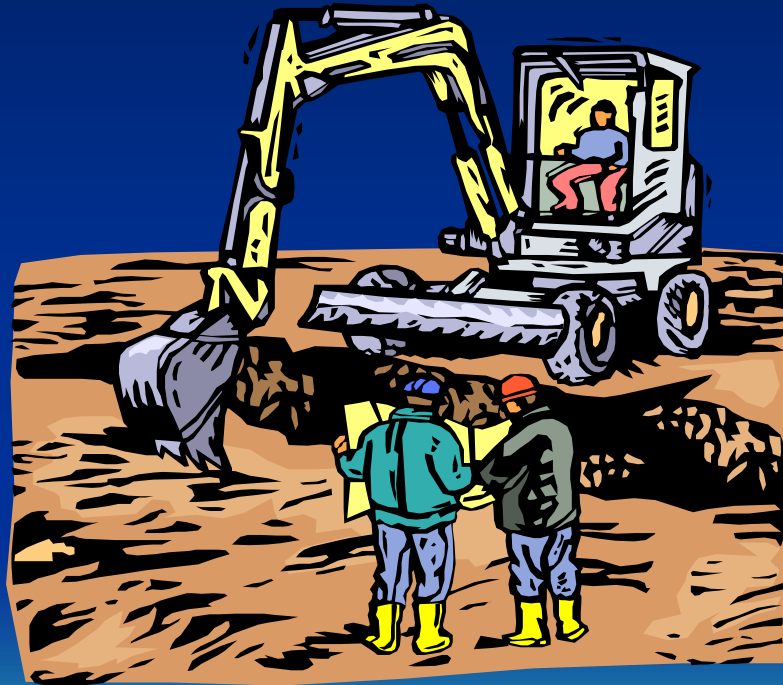
# **CLEAN-UP OPTION #2**

## **Continued...**

- **Applicant submits documentation of all clean-up expenses to the DEP for review**
- **DEP reimburses applicant for eligible clean-up expenses minus the assigned deductible**

# COMMON FUND MISTAKE #2

**Lack of DEP pre-approval or  
clean-up work that goes  
beyond what DEP requires.**



**Ask before you dig!**

**Ineligible expenses can be easily avoided by submitting a proposed work scope to the Department for review and approval before you begin.**

## TITLE 38 MRSA § 562-A.7-A.

- **“Eligible clean-up costs” means those direct expenses including expenses for site investigation that:**
  - **Are necessary to clean up discharges of oil to the satisfaction of the commissioner;**
  - **Are cost-effective and technologically feasible and reliable;**
  - **Effectively mitigate or minimize damages; and**
  - **Provide adequate protection of the public health and welfare and the environment.**

# COMMON FUND MISTAKE #3

# Lump Sum Billings



**All bills need to be submitted in the form of a time & materials basis. Details! Details! Details!**

# What Not To Submit.



# Invoice

Facility owner  
1 Main Street  
Any Town, Maine

Date	Invoice #
10/27/2005	26284

Job Location

1 Main St., Any Town

DATE	DESCRIPTION	#	UNITS	PRICE	AMOUNT
10/27/2005	Clean up of contaminated soil during tank removal			8500.00	8,500.00

**Total** \$8,500.00

Payments/Credits \$0.00

**Balance Due** \$8,500.00

*We appreciate your business*

# What To Submit.



Facility owner  
 1 Main Street  
 Any Town, Maine

# Invoice

Date	Invoice #
10/27/2005	26284

Job Location	1 Main St., Any Town
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DATE	DESCRIPTION	#	UNITS	PRICE	AMOUNT
10/27/2005	Excavation, trucking and disposal of contaminated soil				0
	Excavator	8	hrs	\$75/hr	\$600.00
	Dump Truck	8	hrs	\$55/hr	\$440.00
	Soil disposal fee (Invoice attached)	103.25	Tons	\$40/ton	\$4130.00
10/28/2005	Excavator	4	hrs	\$75/hr	\$300.00
	Dump Truck	4	hrs	\$55/hr	\$220.00
	Soil disposal fee (Invoice attached)	70.25	Tons	\$40/ton	\$2810.00

<b>Total</b>	\$8,500.00
Payments/Credits	\$0.00
<b>Balance Due</b>	\$8,500.00

*We appreciate your business*

**Don't forget to  
include back-up  
invoices and weight  
tickets for soil  
disposal cost.**

# COMMON FUND MISTAKE #4

**Lack of detail provided in the reimbursement request or lack of description for specific clean-up activities.**



**To avoid delays, make sure all reimbursement requests clearly detail the work performed and the expenses charged.**

- **This is especially true for invoices containing charges for equipment, miscellaneous expenses, mass documentation for multiple sites, etc.**
- **Spreadsheets are helpful**

**Example of how a spreadsheet can minimize DEP questions and expedite the review process.**

## Worksheet

Equipment 2/28/98					
<u>Description</u>	<u>Qty</u>	<u>Unit</u>	<u>Rate</u>		<u>Total Amount</u>
Vactor					
1@ 1230-1830	6	Hour	90.00		\$540.00
Absorbent Bails	5	Each	30.00		\$150.00
Emergency Response Trailer 1230-1930	1	Daily	100.00		\$100.00
Compressor					
1@1230-1930	7	Hour	30.00		\$210.00
Absorbent Snare	12	Each	75.00		\$900.00
Frac Tank 1@1230-1830	1	Daily	280.00		\$280.00
Sensidyne Gas Pump	1	Daily	35.00		\$35.00
LEL O2 Gas Meter	1	Daily	70.00		\$70.00
Immersion Suits	3	Daily	42.00		\$126.00
<b>Total Daily Equipment</b>					<b>\$2,411.00</b>

# COMMON FUND MISTAKE #5

**Lack of back-up  
documentation  
for expenses,  
proof of payment.**

# **All invoice submittals should include:**

- **Copies of all invoices listed including lab and subcontractor invoices.**
- **Receipts for all materials purchased**
- **Phone bills for calls or faxes charged to clean-up**
- **Proof of payment for all invoices**

# COMMON FUND MISTAKE #6

# Mixing eligible/ineligible costs in the submittal

Commonly submitted ineligible expense include:

- Facility repair or upgrade expenses
- Tank and piping removal costs including the Chapter 691, Appendix P Tank removal site assessment
- Removal of liquid or sludge from the tanks
- Product loss

# COMMON FUND MISTAKE #7

**For major clean-ups,  
submitting invoices for DEP  
review in one chunk rather  
than in manageable pieces.**

- **Submitting invoices as they are incurred may result in a faster review and reimbursement.**

# COMMON FUND MISTAKE #8

# EQUIPMENT RENTED OR OWNED?

- **It is often unclear from the invoicing if specific equipment is from the primary contractor or a subcontractor.**
- **If equipment is rented and mark-up charged, a copy of the rental invoice will be needed to verify rate billed.**
- **No mark-up can be charged on contractor owned equipment.**

# COMMON FUND MISTAKE #9

# Mark-up Rules:

- **No mark-up on soil disposal costs.**
- **No mark-up on direct charges by primary contractor.**
- **No mark-ups exceeding 10% on applicable project costs up to \$250,000.00.**
- **No mark-ups exceeding 5% on applicable project costs from \$250,000.00 to \$1,000,000.00.**
- **No mark-up allowed on mileage, tolls, etc.**
- **No layered mark-up (I.E. subcontractor in succession marks up and invoice).**

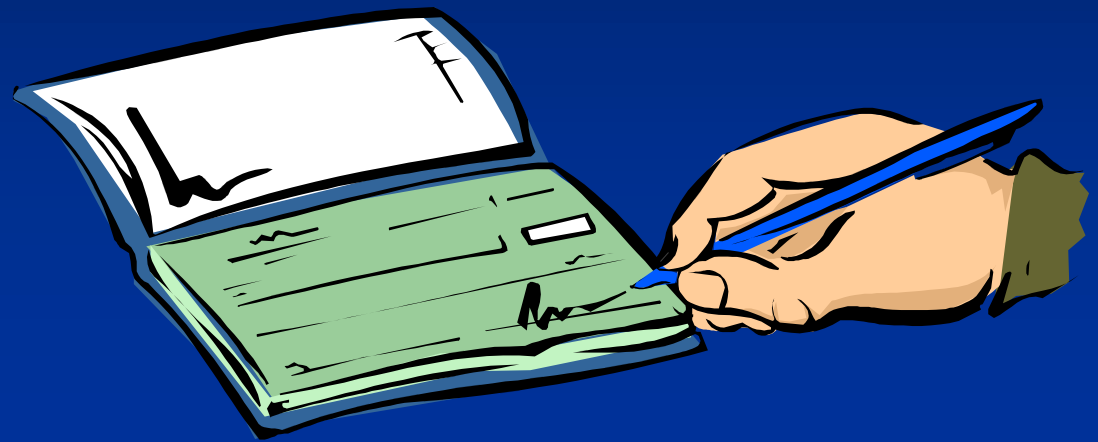
# COMMON FUND MISTAKE #10

# **Rates exceeding maximum allowed:**

- **Mileage charges for automobile and light duty trucks and Per Diem rates are limited to the maximum allowed by the State of Maine Travel and Expense Reimbursement Policy as of the date the travel is performed.**
- **Rates can be found at the Office of the State Controller web site  
<http://www.maine.gov/osc/travel/travelrelatedlinks.htm>**

# COMMON FUND MISTAKE #11

# Reimbursement request missing proof of payment.



# **Typical methods for documenting proof of payment:**

- **Vendor invoices with corresponding copies of canceled checks (front and back)**
- **Vendor invoices with corresponding account statements indicating invoice have been paid**
- **Other documentation determined to be acceptable by the Department**



Maine Department  
of Environmental Protection

If you have questions,  
contact:

Oil Remediation and Claims Unit

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