

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To:	PST Reimbursement Standard Operating Procedures	Date:	May 23, 2008
From:	Frederick Meyers, Manager, PST Reimbursements Section		
Subject:	Operation, Maintenance & Performance Pre-approval and Reimbursement		

General Information:

This guidance provides clarification on how the Reimbursable Cost Specifications (RCS) will be applied in specific situations relating to operation, maintenance and performance (OMP) activities. This guidance will be periodically updated and revised. Further questions concerning the contents of this document can be directed to the Petroleum Storage Tank Reimbursement Section at 512.239.2002.

OMP issues addressed in this guidance.

1. Requirement of sampling ports on extraction wells.
2. Requirement of monitoring system on and off status.
3. Pre-approval of 65 site visits per year.
4. Pre-approving add-ons for site visits.
5. Approving routine System Maintenance Costs - Section 4, OMP approval spreadsheet.
6. No longer approving Emergency Service trips – Section 5, OMP approval spreadsheet.
7. Approving costs for TPDES reporting.
8. Defining the \$200 monthly equipment cost allowance.
9. Guidance on the 7% Change Order Rule.
10. 85% system runtime guidance.
11. Approval of CARFs generated prior to August 31, 2007.

OMP GUIDANCE

1. Requirement of sampling ports on extraction wells sampled during OMP Activities

Guidance: For active systems, sampling and gauging of monitoring wells must occur while the system is operating. All recovery wells are required to have independent sampling ports installed at or near the wellhead. If not, installation is required and for reimbursement purposes, pre-approval must be obtained.

2. Requirement of monitoring the system's on and off status.

Guidance: All active remediation systems must have equipment that continuously tracks the operating time of the system. The units must be reportable in hours and fractions of hours. This record must be recoverable either on site or remotely and be

permanent. The raw record data must be included in the OMP Report. This information will be used to determine the actual runtime of the system.

Guidance: Telemetry Equipment: The use of telemetry equipment is optional. If selected, the operator should be able to access the data remotely or at the site. General telemetry equipment requirements are:

- i. The equipment should periodically transmit or be remotely accessed to retrieve operation parameters data.
- ii. The telemetry system should have sufficient memory capacity to store significant metering data between queried events such as, but not limited to vacuum applied by the system, operating time, treatment unit temperatures (vapor and water), treatment flow rates (vapor and water), and water level sensors; preferably on a daily basis.
- iii. For system troubleshooting, sufficient information should be available from the telemetry equipment to diagnose which basic operating function(s) may have caused the system to shut down.

3. Pre-approving 65 site visits for the yearly OMP

Guidance: As of April 1, 2008, 65 site visits for the year in place of the current 52 trips will be approved for Operation, Maintenance, and Performance (OMP) activities. Additionally, travel costs associated with the 65 trips shall also be approved.

- i. The 13 site visits are to be used at any time during the operation and maintenance (O&M) period to perform repairs on or restart the system or perform periodic maintenance for complex systems.
- ii. The contractor will be required to continue the 52 weekly visits to perform routine maintenance and to collect required samples.
- iii. A trip to the site must have been taken and documented in order for any and all eligible costs accrued during the trip to be reimbursable.

Guidance: Sites with ongoing pre-approved OMP activities as of April 1, 2008 will be allowed the following additional site visits without seeking further pre-approval

- i. Four Quarters Remaining: 13 additional trips
- ii. Three Quarters Remaining: 10 additional trips
- iii. Two Quarters Remaining: 7 additional trips
- iv. One Quarter Remaining: 4 additional trips

Guidance: Reimbursement for the additional site trip costs

- i. Reimbursable costs will include site time and travel. No additional sampling or parts costs are included. The additional 13 trips are reserved for verifying system performance or bringing the system back on line. Additional time and parts for system repairs will be covered

by the 7% rule (see Item No. 9, Change Orders). To be reimbursed, documentation of the trip, reason for the repairs, a listing of repairs performed along with field notes and invoices will be required to be submitted in the Reimbursement Application.

4. Pre-approval issues concerning weekly OMP Activity site visits:

Guidance: 1) *Dual-phase systems* are defined as having a “one-pump” or “two pump” recovery system. A one-pump system has a single pump that recovers combined vapor and liquid phase from a well (usually the extraction well has a “drop tube” that recovers the vapor and liquid streams together, which then are treated separately). A two-pump system has a pump recovering the vapor stream and a second pump recovering the liquid stream from separate lines off of the well.

- i. For a dual-phase system, pre-approve an additional \$37.50 for a second system (RCS, Section 3, OMP Personnel costs for the Remediation System, per site visit, Technician III, each additional system, up to 3 wells).
- ii. Pre-approve an additional hour for an engineer’s time (RCS, Section 3, OMP Personnel costs for the Remediation System, per site visit, Staff Engineer, field prep. Data formatting, additional system).

Guidance: Weekly maintenance of *water treatment systems*.

- i. No additional weekly technician time will be pre-approved. The amount of time currently allotted toward weekly maintenance of these unscheduled systems is sufficient.

Guidance: Weekly maintenance of *carbon filters and carbon drum change-out*.

- i. No additional time for this activity will be pre-approved. Changing out of drums can be performed during the weekly site visit. For larger containers (500 lbs and greater), costs for a change-out is through a formal change order or can be pre-approved within the OMP activity. Consultant must notify the TCEQ Project Manger (PM) prior to beginning this work.

Guidance: Weekly maintenance of *systems with large flow rates*; water pumpage rates exceed 15 gpm or soil vapor extraction (SVE) air flow rates exceed 500 cfm.

- i. Pre-approval for an additional \$37.50 per week is allowed for high flow rates. The consultant must provide information in the OMP proposal why an additional \$37.50 weekly charge is required in this case.

Guidance: Additional weekly time for *an engineer to review data* and troubleshoot the system.

- i. Additional time for an engineer is included with the increased number of weekly visits.
- ii. Preparation of Monthly Report and allowance of additional hours
 - 1. A one-page monthly report prepared on an agency form will be submitted to the TCEQ PM by the 10th of every month. The purpose of the report is to regularly inform the TCEQ PM of the systems

general performance, any problems that may affect the system's operation, and the tracking of cleanup goals.

2. Pre-approval of two hours per month for a Project Manager to prepare this report is allowed. This will be inputted into the worksheet under Part F: Other Expenses.

5. Approval of RCS, Section 4 – Routine System Maintenance, periodic cleaning of the remediation system.

Guidance: Systems that are experiencing significant bio-fouling or scaling problems must have a water conditioning system installed. However, most systems will require periodic cleaning though a functioning water conditioning system may be present. Pre-approval for a semi-annual cleaning of the system is allowed. It must be performed during the scheduled weekly site visit. The routine maintenance site visit must be proposed in the OMP work plan to be eligible for reimbursement of costs.

- i. When proposed, the pre-approval spreadsheet (Section 4) will automatically input the standard approval of eight hours time for a two Technician IIIs. Additional travel time for the second Technician III is allowed and must be manually inputted into the spreadsheet. If the site is greater than 90 miles from the consultant's nearest office and it is an overnight stay, an additional per diem and a truck charge is allowed and must be pre-approved.
- ii. Pertinent activities will include but are not limited to cleaning the air stripper and/or oil/water separator, pulling and cleaning of pumps and downhole sensors, minor rewiring if required, any maintenance of the vapor destruction unit, and checking and cleaning of all sensors, pumps, and meters. Additional periodic cleaning above the one trip per year will generally not be approved. If more frequent system shut-downs and cleanings are required, the engineer must evaluate (requires a change order) these conditions to determine if engineered changes to the system should be performed to reduce periodic maintenance.
- iii. Consumables and minor repairs associated with this activity are included in the monthly Small Items for System Maintenance allowance.
- iv. For purposes of reimbursement, timesheets and field logs will be required to demonstrate what activities were performed and which technicians were present.

6. Approval of Section 5 – Emergency Service

Guidance: Emergency Service will no longer be pre-approved as there are now 13 additional site visits pre-approved explicitly for system repair and restart between scheduled weekly visits. If an engineer, licensed electrician, or manufacturer's technician is required to be on site, this may be covered under the 7% (of the original pre-approval amount) field change order. Please refer to Item 9– Change Orders.

7. Approval for additional reporting costs for preparing the Texas Pollution Discharge Elimination System (TPDES) reports to an entity other than the TCEQ.

Guidance: An additional report cost is allowed on a case-by-case basis, if the permitting entity other than the TCEQ requires a monthly report to be prepared and submitted.

- i. For producing the monthly TPDES report, \$485 for a semi-annual basis can be pre-approved (approved as a separate line item on the Excel spreadsheet, Part F: Other Expenses). The consultant must propose this in the OMP work plan and provide a copy of the applicable regulations or pertinent permits that require this report to be produced.
- ii. Costs for additional analytical analyses as required by the permitting entity is an allowable reimbursable item and must be proposed in the OMP work plan. Reimbursement for additional sampling time is not granted as this can be performed during the weekly site visits.
- iii. Please note that under certain circumstances, monthly sampling and analysis of discharge water may be waived and longer periods between sampling events could be approved by the permitting agency. The consultant should verify with the TCEQ or the local permitting entity for possibly reducing the number of sampling events over the OMP Activity.

8. Monthly Small Items Equipment costs for System Maintenance

Guidance: Equipment costs in RCS, Activity 10, Part B: Equipment Costs are defined as those required during routine system maintenance and not for unscheduled system repairs.

- i. Small equipment costs are incurred during the weekly OMP maintenance activities and are covered under the standard \$200 per month charge. These are consumable items such as, lubricants, cleaning supplies, filters, hardware, small parts and other miscellaneous items.
- ii. Invoices for small items purchases covered under the \$200 umbrella are not required to be submitted in the reimbursement application.
- iii. In addition, it is encouraged that pre-approval in the OMP CARF be given for having in stock, one-time, large-ticket items that are consumed or periodically replaced during the OMP Activity Period. These include carbon canisters, special-order fuses, or other items identified by the engineer that have a demonstrated history of failing or being consumed and requiring periodic replacement within the year. Usually these are not easily obtained in the immediate area where the system is located. These items are to be listed separately in the pre-approval worksheet, Part B: Equipment Costs.

9. Change Orders Under the 7% Rule

Guidance: As defined in the RCS, Appendix, Part 10: "...for reimbursement of costs above the pre-approved amount a change order must be submitted. Change orders less than 7% of the pre-approved amount do not require TCEQ PM approval prior to

the activity. ...a change order detailing the additional field activities, must be submitted at the completion of the activity and must conform to the standard workplan and cost proposal format.”

i. Examples of OMP field activity-related change orders **where TCEQ PM approval is not required:**

1. Accrued costs associated with travel during the scheduled weekly site visits and site access was not possible due to an unforeseen condition. Note: site access limitations because of inclement weather are not necessarily considered an unforeseen condition. Documentation of the reasons are required.
2. Purchase of replacement components or hardware costing more than \$200.00 required to bring the system back online.
3. Field labor
 - a. Technician field labor and travel costs: Thirteen site visits are pre-approved for system repairs in-between the weekly site visits. Travel costs and Technician labor hours (approximately 4.5 hours in the field) are approved and will be first utilized.
 - b. Additional Field Labor costs. If the component(s) to be repaired or replace on site require more than one-half day, eight additional hours will be allowed for two site visits. For reimbursement to be eligible, the time and materials to perform the repairs must be completely documented.
4. Field Engineer: An engineer may travel to the site to repair a system without pre-approval for one visit per year. Travel and per diem costs are allowed as well as up to eight hours of labor.
 - a. Justification for a site visit by an engineer will be based upon the complexity of the problem and whether the technician can diagnose the problem within two hours of troubleshooting the system.
5. Project management costs
 - a. No project management costs are can be billed under the 7% change order. Thirteen approved site visits are available for system repairs in-between the weekly site visits. In that approval, two hours for an engineer is allowed per trip.

ii. Examples of OMP field activity-related activities where pre-approval is required:

- a. When the total of all non pre-approved costs accrued during that OMP Activity Period exceeds 7% (note, the 7% allowance is calculated on the original pre-approved amount without change orders);

- b. Substantial re-engineering of the system where the system will be down for more than one week;
 - c. Contracting with a service company to bring the system back online.
 - i. If the problem cannot be diagnosed on a particular unit, the manufacturer's technical specialist may be allowed to travel to the site to bring the system back online. A quote must be obtained from the manufacturer prior to their work being performed. No bid is required. This option however, should rarely be required. Time (and per diem, if applicable) will be allowed for the engineer or technician to be present at that time.
 - ii. If a licensed electrician or other contractor's are needed, three bids will be required to secure those services.
- iii. Protocol for obtaining written pre-approval for change orders:
- 1. For non emergency instances, the site-assigned TCEQ PM is to be contacted in a normal fashion via telephone, email, facsimile, or mail.
 - 2. If the repairs are emergency in nature and pre-approval of the change order is required, and the site-assigned TCEQ PM is not readily available:
 - a. Contact the TCEQ PMs' Team Leader.
 - b. Lastly, if the Team Leader is not available, contact the Section Manager.
 - 3. There may be times when an emergency repair must be performed and a change order is required, however agency personnel are not available (such as on a weekend or at night) and work must proceed without pre-approval. Reimbursement of costs in this case would be allowable based upon either of the two following cases.
 - i. The system was required to continue operating because an immediate threat to human health or safety due to the system not operating (i.e., vapor problem or immediate threatened impact to a drinking water well).
 - ii. It is more cost effective to perform the repair while the technician is at the site and can be completed during the stay on site. These will be considered for only those sites where travel to the site is greater than 90 miles.

- iii. Additionally:
 - 1. costs were directly incurred to repair the system;
 - 2. the TCEQ project manager is notified within 48 hrs of the repairs.
- iv. The required format for documenting costs that are not pre-approved, but fall within the above guidelines are:
 - 1. requested costs and required information must be separated out in the reimbursement application by each site visit;
 - 2. a brief explanation of the diagnosed problem, who performed the repairs, the repairs performed, parts ordered and replaced, and length of time the repairs took place;
 - 3. field logs detailing the activities;
 - 4. photographs for clarification when applicable;
 - 5. bids or quotes for any services or parts costing over \$,1000;
 - 6. invoices for any purchased of parts or services over \$100;

10. System runtime requirements

Guidance: Please refer to System Runtime Guidance.

11. Approval of CARFs generated prior to August 31, 2007.

Guidance: For those OMP and groundwater monitoring activities where it was proposed for a year, however the CARF approved the activity only up to August 31, 2007 for less than a year, the activity will be allowed to be completed in the proposed 12-month period without further pre-approval.