



Controlling UST Cleanup Costs

Fact Sheet 1: Hiring A Contractor

Facing the Situation

When you're talking about success in business, you're talking about solid, common sense. The same is true when you're facing a petroleum or hazardous substance spill. You need to trust that common sense, gather some background information, and find the people to do the best job of cleaning it up.

Learn your State Underground Storage Tank (UST) program regulations to make sure you abide by your State's laws about cleaning up leaks from USTs.

Most States have a fund to help underground storage tank owners pay for cleaning up tank leaks. The fund is generally managed by a State Fund Administrator. Check with your State Fund Administrator to see if you are eligible to receive these funds and to learn about other requirements you need to fulfill before you hire a contractor.

As an underground storage tank owner who needs a spill cleaned up, you need to have a business plan that includes finding contractors to diagnose and complete the work. It involves more than picking a company

from the phone book. Or finding one that offers a low price. As with other vendors you deal with, the contractor offering the lowest price for a site assessment and cleanup doesn't always provide the best service.

Knowing the Jobs

Contractors often put in bids for the following two types of jobs:

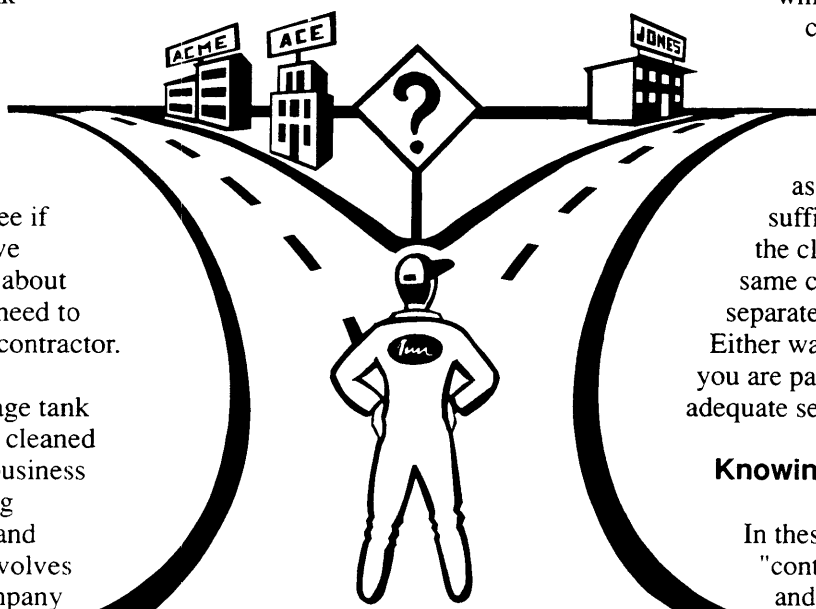
- **Site Assessment Jobs**, in which the contractor determines the extent of the contamination, and

- **Cleanup Management Jobs**, in which the contractor actually cleans up the spill.

Once your contractor has completed a site assessment, you will have sufficient data to obtain bids for the cleanup. You can have the same contractor do both jobs or separate contractors for each job. Either way, you want to be sure that you are paying appropriate fees for adequate services.

Knowing the Players

In these fact sheets, the term "contractor" refers to contractors and consultants. Consultants



often give expert advice but may not be involved in day-to-day field work. Contractors usually fall into one of two categories — full-service contractors and specialty contractors.

Full-service contractors have the capability to perform site assessment and cleanup work without obtaining the services of another contractor. Specialty contractors are qualified to perform only certain aspects of a site assessment or cleanup. A specialty contractor generally works on limited activities, like installing wells or designing a cleanup plan. Subcontractors are either full-service or specialty contractors that perform services at a site under the direction of another contractor — the prime contractor. As an owner or operator, you would probably interact only with the prime contractor.

Hiring The Best People

Keep the following tips in mind when you're shopping around for a contractor to provide the most effective and economical site assessment and cleanup available.

- **Ask Around:** It's worth your while to ask other owners and operators, or your local association, about contractors they've hired. Check with your State UST program to see if there is a list of certified contractors you can choose from.
- **Get Written Bids:** Have at least three contractors write estimates, also called bids. In their bids, contractors must list the tasks they will perform and how they will perform them. Request the same information from all contractors so you can compare bids.
- **List Charges:** Get an explanation of the rates charged. Know what you're paying for. Get a description of the tasks and a list of the junior-, mid-, and senior-level staff that will be performing each task. This is a good way to match rates to services. If you're not comfortable with any match-ups, ask the contractor for an explanation.
- **Compare Answers:** Weigh the strengths and weaknesses of each contractor against the others; decide on one, or if you don't think any of them can do your job, widen your search. You need to hire someone who will meet your needs.
- **Define Roles:** Ask that the bid include the qualifications and experience of the people who will be doing the work on your site. Whether you need to hire someone to assess your site or to clean up the spill, this information will help you determine the company's qualifications.
- **Look Closely:** Evaluate the contractor's credentials and experience. Does the company's experience match your needs? Is the contractor qualified to do the job? Have they

done this work before? How often? Are they planning on using subcontractors? How do they justify their rates?

- **Count Heads:** Know in advance any planned use of subcontractors. Make sure the contract bid includes all subcontractor fees.
- **Ask Questions:** Clear understanding — about even the most minor details — is crucial to precise negotiations.
- **Get References:** Have them include a list of references, especially those from State contracts, and ask the State about their performance on these contracts. Are they familiar with State UST regulations and criteria for payment from the State Fund?
- **Read Fine Print:** Understand the payment terms, including interest charges on outstanding bills.
- **Sign Carefully:** Don't get locked into an overestimated bid. And don't automatically choose the lowest bidder.

Double-Check

Before you commit to any contracts, have a clear understanding of the required work. Understand how long it will take and how much it will cost. Double-check, in writing, the following items with the contractor:

- Price
- Project timetable
- Terms and conditions of payment
- Cited contractor's experience/capability
- Explanation and purpose of technical work

And Remember: The sooner a spill is cleaned up, the better. The longer you wait, the more the damage will spread and the more the cleanup will cost.

Fact Sheet 1 was developed by the Environmental Protection Agency's Office of Underground Storage Tanks in conjunction with State Fund Administrators. It is one of a series; the others are: *Negotiating the Contract*, *Interpreting the Bill*, *Managing the Process*, and *Understanding Contractor Code Words*. For copies of these fact sheets or more information, contact your State Fund Administrator for USTs and/or your State Underground Storage Tank program.