DRAFT

Request for Services

Missouri Department of Natural Resources
Petroleum Storage Tank Insurance Fund
May 12, 2010

Solicitation

The Missouri Department of Natural Resources (the Department), in partnership with the Petroleum Storage Tank Insurance Fund (PSTIF), seeks to engage the services of a consultant to review and provide recommendations on management and process improvements related to Tanks[1] related work in the state of Missouri. The review shall be conducted with the following goals in mind:

- Ensuring environmental and public health protection while maximizing beneficial re-use of contaminated tanks sites;
- Accelerating the pace of cleanups;
- Improving customer service;
- Streamlining processes and increasing efficiency of the Tanks work conducted by the Department; and,
- Enhancing the working relationship between the Department and the PSTIF.

Interested parties shall provide a written proposal to Leanne Tippett Mosby, Missouri Department of Natural Resources – Division of Environmental Quality, P.O. Box 176, Jefferson City, MO 65102 or by email at leanne.tippett.mosby@dnr.mo.gov.

In order to be considered, proposals must be received no later than ~~May 28~~_____, 2010, 5 p.m. Central Time.

Background

Responsibilities of the Missouri Department of Natural Resources – Tanks-Related Work
Tanks present a potential risk to human health and the environment if they are improperly operated or if tank integrity is compromised resulting in a release of petroleum products to the environment. Petroleum products contain numerous harmful chemicals, including known human carcinogens. Because Tanks are ubiquitous, they pose a significant risk to public health and the environment. When petroleum products are released into the environment, they can cause soil contamination, ground or surface water contamination, or increased levels of volatile organic compounds (some carcinogenic) in nearby structures.

[1] For purposes of this Request for Services, "Tanks related-work" refers to regulatory activities undertaken by the Missouri Department of Natural Resources and the Petroleum Storage Tank Insurance Fund with regard to operating tanks and contaminated tank sites requiring site characterization and/or remediation. For operating tanks, the Department has responsibilities for underground tanks containing petroleum productsand other hazardous substances. For above-ground tanks, the Department has responsibility for releases only. The Missouri Department of Agriculture has responsibility over operating ASTs. For purposes of this review, the focus will be on the Tanks related-work common to both the Department and PSTIF, i.e., regulation of operating underground tanks containing petroleum products and releases of petroleum products from both underground and above-ground tanks.

ED_001187_00000419-00001

DRAFT

The goal of the tanks-related work is to protect human health and the environment by building conditions under which good management of Tank systems is common business practice and ensuring prompt and effective response and cleanup by responsible parties when petroleum releases from tanks occur or are discovered.

In 1984, Congress established a regulatory program for underground storage tanks, which was subsequently implemented by the fifty states. The Missouri law governing underground storage tank systems was enacted in 1989 and is found in Chapter 319.100-139, RSMo. The Department of Natural Resource's tanks-related work is housed in the Hazardous Waste Management Program, with ancillary activities conducted by personnel in the Environmental Services Program and the Department's Division of Geology and Land Survey.

The Department's tanks-related work includes:

1) Registering and regulating operating underground storage tanks;
2) Overseeing cleanup of properties impacted by leaks/spills from underground or aboveground tank systems, including assessing alternative technologies used in Tank site cleanup efforts;
3) Assuring proper closure of underground storage tanks when they are taken out of use, including assessment to determine whether there has been environmental impact and, if so, cleanup of same;
4) Providing general and technical information concerning installation and closure of underground storage tanks;
5) Ensuring compliance with performance standards;
~~4)~~6) Overseeing installation of new USTs;
~~5)~~7) Inspecting operating USTs for compliance with state regulations; and,
~~6)~~8) Developing regulations for promulgation by the Hazardous Waste Management Commission.

Formatted: Bullets and Numbering

Since the Department began its tanks-related work in 1990, nearly 30,500 underground tanks at approximately 10,000 sites have been taken out of service and 5,751 tank site cleanups have been completed. Today, there are approximately 9,575 underground tanks in use, whose operation is regulated by the Department, and 1,279 sites known to be contaminated from prior petroleum UST or AST operations. The primary focus of this project relates to items 2 and 3 above.

Responsibilities of the Petroleum Storage Tank Insurance Fund -- The Petroleum Storage Tank Insurance Fund is a special state trust fund that insures owners/operators of operating USTs and ASTs and reimburses tank owners/operators and property owners for cleanup of petroleum releases. It is a separate agency from the DNR and is governed by a Board of Trustees. Additional information about the PSTIF is available at www.pstif.org

The PSTIF Board employs an Executive Director and contracts with a private company, Williams & Company Consulting, Inc., for Third Party Administration services. These services include receiving and processing notices of claims, pre-approving costs for site characterization, risk assessment and corrective action, observing and documenting these activities as they are done at tank sites, and reviewing/reimbursing the costs for those activities.

Both the DNR and the PSTIF offices and staff are located in Jefferson City, Missouri.

ED_001187_00000419-00002

DRAFT

Challenges

The primary goal of the Department is to ensure protection of human health and the environment by cleaning up contamination from USTs or, in the event it is not technically or economically feasible to do so, ensure human exposure is prevented in perpetuity. ~~The Department's primary mission is to protect human health and the environment by assuring that the owner/operators of tanks promptly and properly clean up leaks/spills from their tank systems.~~ PSTIF's primary mission is to provide funds for owners/operators to do this.

Comment [ljtm1]: We feel this language is key, as it indicates the necessity for long term stewardship of sites where cleanup is conducted under RBCA.

The two agencies share the goal of timely remediation of sites and returning sites to productive use. However, their different perspectives sometimes cause conflict.

The 1,279 sites known to be contaminated from prior petroleum UST or AST releases are in various stages of site characterization, risk assessment and corrective action. The timeframe for a tank site cleanup can vary considerably based on the extent of contamination, soil type, potential for human exposure, site features, and geology; many of the 1,279 files have been open for 5 years or more.

Both the Department and the PSTIF receive a large amount of tanks-related correspondence, plans, and reports associated with tank site cleanups. The Department is charged with reviewing and approving these plans to ensure they are adequate to meet the goals of the activity in question.

Comment [ljtm2]: This language is important for the consultant to understand the Department's role in processing the paperwork.

Activities Required of the Consultant

The following are specific required tasks to be included in this effort:

- ~~Evaluate the structure of and processes utilized in the Department's tanks-related work;~~
- Evaluate how the DNR and the PSTIF interact;
- Evaluate management control and oversight of the Department's and PSTIF's tanks-related work;
- Evaluate systems for monitoring and tracking cleanup progress;
- Evaluate systems for tracking and responding to incoming mail, owner/operator responses, and related communications;
- Evaluate systems for triggering effective regulatory action to assure timely actions by parties responsible for addressing contaminated sites;
- Interview (in person) Department Tanks staff, PSTIF staff, and Williams and Company staff to gain an understanding of their differing perspectives and to solicit ideas for process improvements;
- Review and evaluate procedures, controls and training that insure quality and consistency among DNR and PSTIF staff who administer the rules and guidelines governing tank site cleanups;
- Interview a sampling of environmental consultants and Tank owners; (The Department will provide a list of external customers, not to exceed ten persons, for interview. These interviews may be conducted by telephone.);

ED_001187_00000419-00003

- Identify key areas of disagreement between the agencies and suggest a method for resolving these differences;
- Identify methods for improving the working relationship between the DNR and the PSTIF; and
- Identify opportunities for streamlining processes and improving work flow with the overall goal of timely, effective, and protective Tank site cleanups.

Formatted: Bullets and Numbering

Work Product

- The consultant will provide a written report that addresses the issues identified above and includes specific recommendations, including:
    1. Recommendations for improving process flow between the Department and PSTIF;
    2. Recommendations for improving customer service;
    3. Recommendations for improving efficiency, effectiveness and productivity of the two agencies; and,
    ~~1.~~4. Key areas of conflict and suggestions for resolution or suggestions for a process for resolution.

Formatted: Bullets and Numbering

- The consultant will also schedule ½ day to meet with designated representatives, (as determined by the Department), to discuss the findings and recommendations.

Timing and Payment

The consultant shall begin work within thirty days of engagement, and shall include a schedule for completing this project in his/her proposal. The schedule shall include no more than sixty days from project initiation to providing a draft written report.

Proposals also shall specify who will conduct the various activities described herein, including a resume and/or description of experience and qualifications, the hourly rate to be charged for such person's services, and the estimated number of hours to complete the project. Proposals must include a "not to exceed" maximum cost for completion of the project. Travel costs, if any, will be paid according to state travel regulations, which currently include a mileage rate of $0.37/mile for vehicle use.

No more than two invoices shall be submitted for payment; each shall include a description of the activities completed, the hours and hourly rate. The first may be submitted when the interviews and analysis has been completed and a draft report provided; the second may be submitted when all work has been completed. Invoices shall be submitted to: Leanne Tippett Mosby, Missouri Department of Natural Resources – Division of Environmental Quality, P.O. Box 176, Jefferson City, MO 65102 or by email at leanne.tippett.mosby@dnr.mo.gov.

ED_001187_00000419-00004

DRAFT

Appendices

Underground and Petroleum Storage Tanks Law
http://www.moga.mo.gov/STATUTES/C319.HTM (319.100 through 319.139, RSMo)

Underground Storage Tank State Regulations
http://sos.mo.gov/adrules/csr/current/10csr/10csr.asp (Division 20, Chapters 10-13)

PSTIF regulations
http://www.pstif.org/regulations.html

Department Hazardous Waste Program, Tanks Section and Enforcement Section Organization charts

PSTIF organizational chart and list of contract employees

Missouri Risk-Based Corrective Action Guideline and Flow Chart (Final Draft – February 24, 2004. *NOTE: This is a voluminous document and it is not expected the consultant will read it in its entirety. It is provided for reference. The Department will provide an overview of the document for the consultant to provide the level of understanding necessary for a thorough evaluation required by this scope of services.

Tanks 101 (general overview of the Department's Tanks related work)

ED_001187_00000419-00005