

Cost Evaluation

Client Centered

TLI Solutions, Inc. (a TechLaw Company) has 20 years of experience with cost evaluations, cost analysis, and cost auditing; and has supported over 200 cost recovery cases for the U.S. Environmental Protection Agency and Department of Justice.

TLI Solutions, Inc. (TLI) has vast experience in cost evaluations, cost analysis, and cost auditing includes the following services:

- Evaluating the technical and legal appropriateness of past response action costs
- Estimating and reviewing estimates of reasonable future costs
- Auditing costs claimed for contribution or recovery
- Collecting cost information and identifying missing documentation
- Reviewing and evaluating response action costs
- Developing cost benefit analysis
- Reviewing Engineering Evaluation/ Cost Analysis Reports

TLI has supported Department of Justice (DOJ) in defense of cost recovery claims brought by potentially responsible parties (PRPs) against the United States. We have extensive experience conducting evaluations and cost estimates to determine which past costs, incurred by the federal government, U.S. Environmental Protection Agency (EPA), or other PRPs, are technically and legally appropriate. We evaluate the technical appropriateness of the remedial activities that led to the incurrence of costs and the legal appropriateness of the remedy. For a party to recover expended costs for site remediation, the party must have undertaken its remediation in accordance with the National Oil and Hazardous Substances Pollution Contingency Plan (NCP). We also consider the

allowability of costs under the Federal Acquisition Regulations (FAR) during cost evaluations.

Contractor costs are generally allowable if they are reasonable, allocable, and not prohibited by law or contract.

TLI also has extensive experience preparing and evaluating cost documentation packages and conducting cost recovery audits. Cost recovery documentation presents a bottom-line total cost for the investigation and remediation of a hazardous waste site. Cost documentation for a site must generally meet the following four criteria to be sufficient for a cost recovery action:

- Proof of authorization to do the work
- Proof that the work was performed satisfactorily
- Proof of invoice
- Proof of payment

TLI has provided support in over 100 cost recovery cases for EPA Regional or Headquarters personnel since 1986. Extensive experience preparing cost documentation packages, tracking cost recovery activities, interpreting and auditing cost information, and designing cost summary databases has led to the development of case-specific and generic databases capable of producing unique cost summary reports. The reports are generated by individual cost category, operable unit, contract, date range, or event.



TLI Project Examples

Sparton Technology

Negotiations support for this project has involved reviewing facility cost estimates and developing independent cost estimates for soil vapor extraction and groundwater extraction and treatment technologies. Numerous deliverables pertaining to these technologies were exchanged between TLI, EPA, and state technical and legal staff. Conference calls were conducted between technical, regulatory, and legal staff to discuss technical and legal aspects for the site remediation.

Sioux City Army Air Base

TLI performed a cost evaluation/ cost estimation, which evaluated the appropriateness of past costs incurred by PRPs and analyzed whether the site investigations and remedial actions were in compliance with the NCP. A cost/benefit analysis was conducted by comparing acceptance of a range of percentages versus continuing to litigate. The value of potential assets at the site (buildings, materials, and equipment) was estimated by a certified commercial property appraiser for use in the cost/benefit analysis.

Auburn Road

TLI provided support to EPA for a cost recovery referral to the DOJ. EPA's files, including the site and contract management files, were reviewed to ensure that documentation was available to support the cost recovery package. A report was prepared, including a list of unavailable documentation.

Chemical Control Site

A cost evaluation project was completed for the New Jersey Department of Environmental Protection, Division of Law.

Nine boxes of invoice, contract, Coast Guard reimbursement, and cleanup contractor files were reviewed. A database was created to account for and identify costs and supporting records, and an analysis was conducted to support New Jersey's determination of whether adequate record of payment existed and whether costs were reasonable and necessary. A cost audit was also conducted to confirm that costs were supported by documentation. Reports were prepared outlining available and missing information. To document the expenditure of reasonable costs, a summary of activities over time was prepared, including information such as the types of activities, the extent of the work completed, and precautions necessary due to the hazardous nature of the work. Historical research was also conducted to determine whether expended costs were reasonable. TLI's work on this project assisted the state in reaching a \$17.4M settlement.

Industri-Plex 128 Site

TLI reviewed available cost documentation to apportion the costs between two sites that for eight years had been considered one site. Work assignments were reviewed; knowledgeable personnel were interviewed; and criteria were developed to apportion costs based on level of effort hours and billing rates.

State of New Jersey Contract

TLI designed and implemented an image-based document management system, and the Cost Recovery Imaging System (CRIS)—by converting 5 million documents into electronic images, thereby streamlining New Jersey's cost recovery process.