

## **Underground Storage Tank Indemnification Fund Bulletin 1: Mark-Up Of Invoices**

Mark-up allows a consultant or contractor who purchases equipment or hires subcontractors on behalf of the eligible participant to be reimbursed for administrative costs associated with coordinating the work of subcontractors. Invoices from prime corrective action consultants charge mark-up for expense and sub-contracting work ranging anywhere from 3% to 20% and above. In addition, the types of charges which are marked up vary from consultant to consultant. The core functions associated with remedial activities are defined as geological and engineering activities. The Pennsylvania Underground Storage Tank Indemnification Fund (USTIF) realizes that in the course of corrective action, it may be necessary to enlist the services of outside contractors/vendors to perform non-core functions associated with the clean-up and to purchase supplies. Since November 1, 2004, non-core functions performed by outside contractors and supply purchases may be reimbursed with a mark-up not to exceed 10%. Subcontractor invoices may also include mark-up for services and/or purchase of supplies; however, the maximum total mark-up the USTIF will reimburse for any service or item is 10%. USTIF reimbursement is subject to applicable laws and regulations including claim eligibility and the limitation of payment to the reasonable and necessary costs for corrective action, not to exceed the claim aggregate limit, and subject to applicable deductible and/or proration.

Examples of non-core functions include, but are not limited to:

- Laboratory Analyses
- Drilling Contractors
- O&M (work by outside vendors)
- Soil Disposal
- Equipment Rental (from outside vendors)
- Surveying Services
- Excavation Services
- Paving Services
- Electricians
- Drafting Services

### **Bureau of Special Funds**

Expenses associated with the mark-up of a consultant's or contractor's own internal operating expenses (such as meals and lodging) are not eligible for reimbursement. Costs for goods and/or services provided by the eligible participant are not eligible for reimbursement. Mark-up will not be reimbursed on charges for services performed by or provided by third parties that are considered core functions and/or administrative and periodic in nature. Examples include, but are not limited to:

- Groundwater Sampling and Reporting
- Project Management
- Meals
- Lodging
- Car Rentals
- System Utility Bills (electricity, natural gas, etc.)
- Copy Services
- Permits and Fees (such as those related to filing an Environmental Covenant or county fees associated with discharge permits)

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