

Foley



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY

BUFFALO DISTRICT CORPS OF ENGINEERS
1776 NIAGARA STREET
BUFFALO, NEW YORK 14207.3199

December 20, 2000

New York - Pennsylvania Area Office

SUBJECT: Contract No. DACW49-00-D-0002, Delivery Order 0002,
Interim Removal Action - TNT Pipeline and Chemical Sewer Lines at
the Former Lake Ontario Ordinance Works

Mr. Jerry Castiglione, Site Project Manager
Sevenson Environmental Services, Inc.
2749 Lockport Road
Niagara Falls, New York 14305

Dear Mr. Castiglione:

The following is in response to your letter dated December
26, 2000 pertaining to my review of payment vouchers 4 and 5.

Voucher 4

1. Response is satisfactory.
2. Response is satisfactory.
3. Response is satisfactory.
4. Response is satisfactory subject to concurrence at final audit.
5. Response is satisfactory subject to concurrence at final audit.

Voucher 5

1. Response is satisfactory subject to concurrence at final audit. I interpret your response as saying that the purchase of steel toed work boots is treated as a direct cost in Sevenson's normal business practice.
2. Response is satisfactory.
3. Response is satisfactory.

4. Response is satisfactory subject to concurrence at final audit. I interpret your response as saying that the purchase of foot guards (steel toed work boots) is treated as a direct cost in Severson's normal business practice.

5. Response is satisfactory subject to concurrence at final audit.

6. Response is satisfactory.

7. It is requested that Severson return the torch set and request waiver of the restocking fee.

8. Response is satisfactory subject to concurrence at final audit.

9. Response is satisfactory subject to concurrence at final audit.

The above should not be interpreted as final audit and settlement of this voucher. Please contact me if you have any questions.

Sincerely,



Brian F. Moore
Administrative Contracting
Officer



Sevenson Environmental Services, Inc.

December 26, 2000

SUBJECT: Contract No. DACW49-00-D-0002 D.O. No. 0002, Overhead expenses

Mr. Brian Moore, C.O.R.
USACE Buffalo District
1776 Niagara Street
Buffalo, NY 14207-3199

Dear Mr. Moore:

This is in response to your letter concerning the charges to the job, which may have been covered in overhead expenses.

Voucher 4

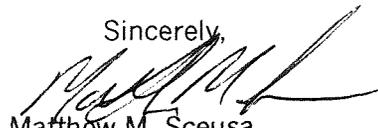
1. Matthew Sceusa was paid for 40 hours for pay period ending 9/3/00. Sevenson will provide a corrected time report reflecting this time.
2. Sevenson agrees that the charges for "Aromatic Refreshment Services" should be charged to overhead and will credit the charges from all invoices in the next invoice.
3. Sevenson agrees that medical Expenses for Daniel T. Serianni are not billable to the USACE and a credit will be applied to the next invoice.
4. The labor cost for David P. Allen is a make-up check that was issued to correct Mr. Allen's Pay Rate. We will certify this payment.
5. It is Sevensons understanding that Health and Safety officers are not exempt from receiving time and one half pay in accordance with CMP 1.

Voucher 5

1. Steel Toe work boots are a requirement of the USACE for all workers on site. Sevenson can require an employee to come to work with boots, however we can not require an employee to provide himself or herself with Steel Toe work boots. In order to be in compliance with the USACE requirement Sevenson had to purchase three pairs of Steel Toe work boots. It is our position that this cost is a reimbursable cost to the contractor.
2. Sevenson agrees that coffee is not a reimbursable cost and a credit will be given in the next invoice.

3. Severson agrees that prescription safety glasses are not reimbursable and a credit will be given in the next invoice.
4. The aluminum foot guards were purchased to try to meet the USACE requirement for foot protection. Seversons on-site safety officer found the foot guards to be cumbersome and they were a tripping hazard. At this time Severson purchased Steel Toe work boots for 3 employees.
5. Physicals for all employees on site are required by the USACE. Severson feels that this cost is a reimbursable cost.
6. The \$98.00 tax charge on invoice No. 142 will be credited on the following invoice.
7. The \$1,073.18 charge was a torch set purchased under the presumption that we would be required to size the re-bar in the concrete prior to disposal. Severson in fact did not use the torch set, as it was not required. Severson will return the torch set if you request however we will seek reimbursement for the 20% restocking fee.
8. It is Seversons understanding that Health and Safety officers are not exempt from receiving time and one half pay in accordance with CMP 1.
9. Article XVII of the Operating Engineers Agreement and Article VI of the Laborers Agreement outline the requirements to pay the workers Hazardous Pay.

We respectfully submit our position on these matters for your review. If you have any further questions about these charges please let us know.

Sincerely,

Matthew M. Sceusa
Off ice Engineer

SEVENSON ENVIRONMENTAL SERVICES, INC.

RECEIVED DE. 07 2000



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
BUFFALO DISTRICT, CORPS OF ENGINEERS
1776 NIAGARA STREET
BUFFALO, NEW YORK 14207.3199

December 5, 2000

New York - Pennsylvania Area Office

SUBJECT: Contract No. DACW49-00-D-0002, Delivery Order 0002,
Interim Removal Action - TNT Pipeline and Chemical Sewer Lines at
the Former Lake Ontario Ordinance Works

Mr. Jerry Castiglione, Site Project Manager
Sevenson Environmental Services, Inc.
2749 Lockport Road
Niagara Falls, New York 14305

Dear Mr. Castiglione:

I have processed payment vouchers 4 and 5 as submitted; however, in reviewing the vouchers, I had some questions regarding the allowability of some items. My questions are in part because I am not sure whether some items are covered under overhead expenses.

Voucher 4

1. The "Billing Worksheet" for General Requirements, shows 40 hours for Matthew Sceusa for the pay period ending 9/3/00. The employee time report for that pay period shows 35 hours.

2. Question allowability of invoice from "Aromatic Refreshment Services" (\$135.07).

3. Question allowability of medical expenses associated with injury to Daniel T. Serianni. Is this covered under Sevenson's insurance ?

4. The "Billing Worksheet" for CWS Line, includes labor costs for David P. Allen. Please submit supporting data.

5. Question allowability of time and one half pay for exempt employees (see CMP 1).

Voucher 5

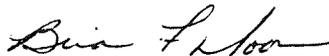
1. Page 31 - Question allowability of work boots (\$286.34).

2. Page 69 - Question allowability of coffee (\$59.79).
3. Page 77 Question allowability of safety glasses (\$109.00)
4. Page 73 - Question allowability of aluminum foot guard (\$96.30).
5. Page 95 - Question allowability of cost of physicals (\$1,424.95).
6. Page 142 - Question charging of sales tax as the words "Tax Exempt" has been written on this invoice.
7. Page 143 - Question allowability of these costs (\$1,073.18) since it is my understanding that the material/equipment has not been used on this project.
8. Question allowability of time and one half pay for exempt employees (see CMP 1).
9. Question reason for hazardous duty pay. Is there a union agreement or requirement on this.

I respectfully request your comments on the allowability of these items. If determined to be unallowable, they should be credited on future vouchers.

The above should not be interpreted as final audit and settlement of this voucher. Please contact me if you have any questions.

Sincerely,



Brian F. Moore
Administrative Contracting
Officer