

Attachment I

"Standard Operating Procedures for Submitting Data for
Reduced Payment/Data Rejection", September 9, 1991

ENVIRONMENTAL SERVICES DIVISION
60 Westview Street, Lexington, MA 02173-3185

MEMORANDUM

DATE: September 9, 1991

SUBJ: Standard Operating Procedures for Submitting Data for Reduced Payment/Data Rejection

FROM: Steve Stodola, Region I, Office of Quality Assurance

TO: Lead Chemists, ARC and TES Contractors

THRU: Heidi Horahan, ARC DPO

Several issues have come up recently regarding the submittal of data for reduced payment/data rejection. Please note the following:

1) The contact person for these issues is Steve Stodola at 617-860-4634. If necessary, use the voice mail to leave all the pertinent information - Case #, SDG #, Laboratory, Contractor (ARC or TES), Type of action needed reduced, payment or data rejection.

2) Review the data reduction/reduced payment flow chart and memo that was handed out at the lead chemist's meeting last September (1990). (See attachment.) Specifically, when it is determined that a package is contractually non-compliant, the lead chemist must contact the Region by phone by the end of the first week (or sooner, if possible). This process is very time critical because SMO must pay the invoices within 30 days unless we notify them of a problem.

3) In the Recommendation Letter the lead chemist should not explicitly state "we recommend reduced payment (or data rejection)", since only the TPO can make the actual recommendation for reduced payment or data rejection. The letter should state that "the following information and documentation is provided to the Region to help in your evaluation of this case".

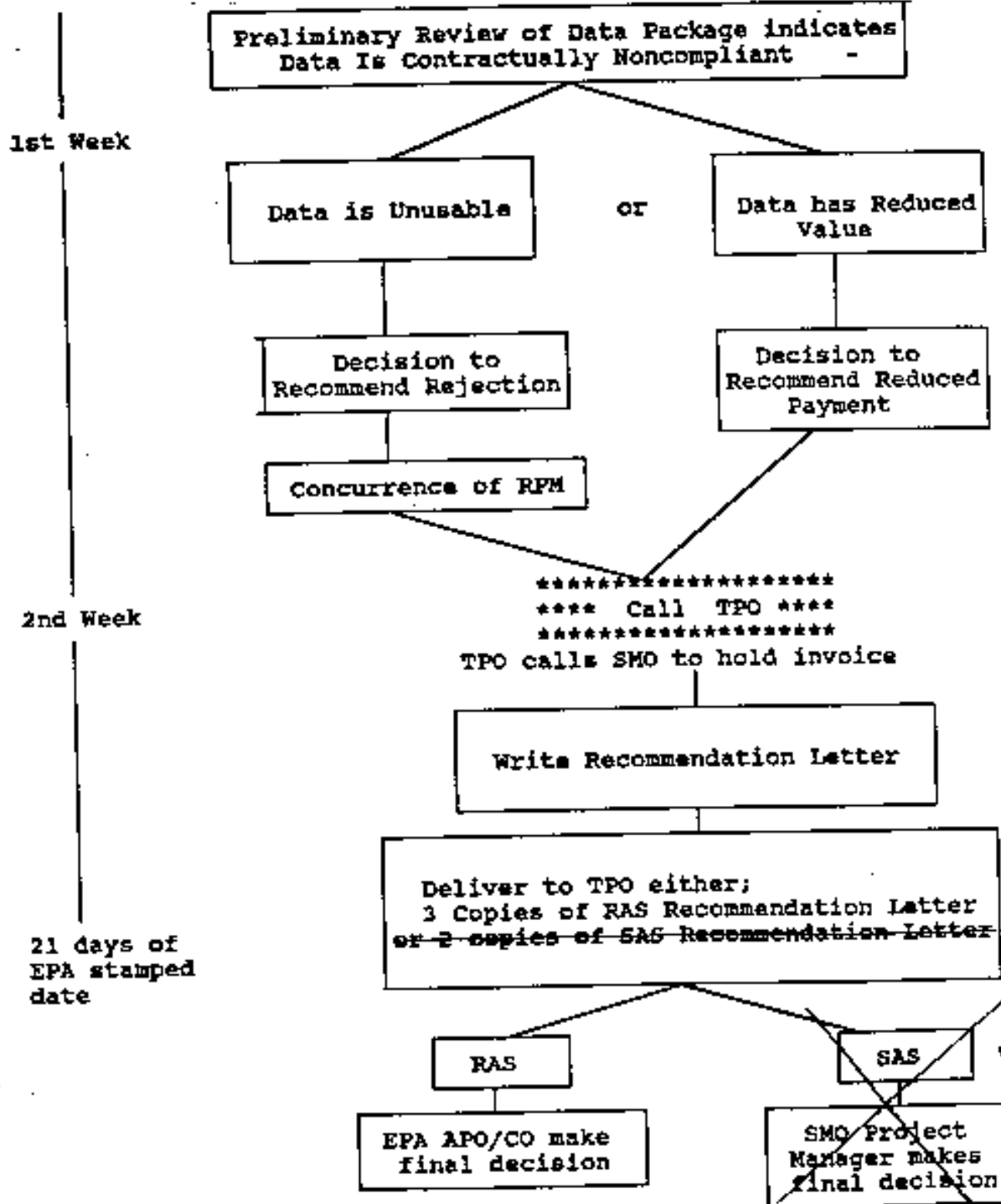
4) The Recommendation Letter must contain all the items mentioned in the memo handed out at the lead chemist's meeting. See RAS item 6) ~~and SAS item 7~~).

5) The following items must be included with the attachments to the Recommendation Letter.

- a) ~~SAS Request~~ N/A
- b) Case Narrative
- c) Traffic Report

DATA REJECTION/REDUCED PAYMENT OF RAS/SAS DATA / *Contractor SOP*
Sept 26, 1990

TIME LINE



- d) Chain of Custody
- e) Phone Logs
- f) Data Validation Worksheets - when appropriate
- g) Raw data supporting the claims of noncompliance

ROUTINE ANALYTICAL SERVICES-DATA REJECTION/REDUCED PAYMENT

Background

Prior to the passage of the Amendments of 1988, the Prompt Payment Act required payment within 30 days of receipt of a valid invoice and interest payments for late payments. However, the Agency was granted a 15 day grace period before interest penalties were assessed. In October of 1988 the Prompt Payment Act Amendments were passed which abolished the 15 day grace period and required automatic interest payments after 30 days of receipt of a valid invoice.

What does this mean to EPA?

The data must be rejected or recommended for reduced payment (referred to as a qualified acceptance) within 30 days of receipt of a valid invoice. Otherwise, a constructive acceptance of the data occurs and the invoice is automatically paid when received.

What does this mean to you as a data validator?

It means that in order for you to recover analytical costs for the RPM on a data package you must submit in writing a letter detailing the contractual non-compliance of the data package no later than 21 day after the data package is received by EPA (stamped date).

RECOMMENDATION FOR REJECTION/REDUCED PAYMENT FOR RAS DATA

1. Perform preliminary review of the data package within the first week to determine if data package is contractually compliant with SOW.
2. Are the data unusable due to contract non-conformities?
Determine if the entire SDG will be rejected or one or more fractions. Determine if the RPM has need of the data even if it is just to document that a sampling episode occurred. Once the data have been rejected EPA cannot use them. Obtain verbal concurrence to reject data from the RPM and document in a telephone log.
Attach a copy of the telephone log to the letter recommending rejection of data.
3. Does the data have reduced value because of contractual non-conformities?
If the data package is non-compliant but does not warrant rejection, submit recommendation for reduced payment. It is important at this point to assess whether or not it is worth pursuing a reduced payment action.
4. Call the TPO as soon as possible to notify her that a Data Rejection/Reduced Payment letter is being written.
5. TPO will call the SMO Section Leader, Contract Compliance Screening Group to indicate that Region I may request Data Rejection/Reduced Payment for the RAS case and to hold the invoice.
6. Within 21 days of the EPA stamped date write a letter to the TPO detailing contractual problems with the data package.

Include:

- a. CASE and SDG numbers
 - b. Name of laboratory
 - c. Sample numbers
 - d. Copy of validation memo, if written
 - e. Parameters of issue
 - f. Specific references to the SOW by Exhibit, Section and page number
 - g. Resolution required (Data Rejection or Reduced Payment)
 - h. If recommendation is for rejection, attach all original data that are being rejected.
 - i. If recommendation is for reduced payment, attach copies of supporting documentation.
7. Send the recommendation letter and supporting documentation in triplicate to the TPO with the original data, if the data are to be rejected. Do not make copies of the original data if they are rejected.
- Note: Letters that do not cite specific contractual problems will not be forwarded by the TPO since non-contractual technical problems do not constitute reason for non-payment by the contracting officer.
8. The TPO will review the recommendation and if she concurs with it will write a cover letter to the Section leader, Contract Compliance Screening group, with a REJECTION/REDUCED VALUE COVER SHEET and send it by overnight delivery to SMO. A copy will be sent to the APO and one kept on file.
9. While it is the sole responsibility of the Region to reject or accept the data it remains the APO's responsibility to determine payment or non-payment based on our recommendations.
10. In the case of rejected data, the APO will document in a memo to the TPO indicating that the decision to reject data was either approved or not.
- If rejected, the entire analytical cost will be recovered for that sample or sample fraction.
11. In the case of data for reduced payment the APO will forward the recommendation to the EPA contracting officer. If the CO concurs with the recommendation she will negotiate a reduced payment with the laboratory. The decision to proceed with reduced payment will be documented in a memo to the TPO.
- A Reduced Value report may be obtained for samples from the contracting office through the APO.