

Hazardous Materials Cost Recovery and Supply Program

Request for Proposal:

A Request for Proposal was advertised for a comprehensive Hazardous Materials Cost Recovery and Supply program in accordance with LFUCG guidelines. This program mandates the vendor work with the insurance companies to help get the Lexington Fire Department reimbursed for time and equipment utilized during an emergency response specific to the release of hazardous materials. After the deadline for submission closed, a committee was formed to review RFP #17 – 2012. There was one company that responded to the request. The committee unanimously agreed to endorse Immediate Response Spill Technologies for service.

Service Summary:

IRST provides billing for Fire Departments to the responsible party's insurance company for motor vehicle collisions involving the release of fluids from the vehicle (hazardous materials). Those parties who are responsible for the spill are responsible for the mitigation and cleanup; this is based upon KRS 224.01-400 that is enforced by the Environmental Protection Agency. Billing includes personnel time, equipment on scene and product used for mitigation, the total of which then determines IRST administrative fee of 10% of that invoice. Included in IRST service delivery are supplies used in mitigation, and training of personnel on information entry. Upon payment of invoice, IRST will credit an escrow account for the Department with 10% of the product cost used on that incident. This escrow account serves as an inventory management fee and will be held until the amount equals the value of stocked inventory. When payment is received, IRST will reimburse Lexington fire for full personnel and equipment cost associated with the mitigation and clean up of the incident. IRST will recapture the product cost and Administrative fee from each payment received. The remaining money deposited back to the Lexington Fire Department will help offset and supplement general fund cost incurred by the operational arm of the Division. The program has many attributes of an enterprise fund and may counterbalance and supplement the amount of monies extended from the general fund for mitigation, especially in cases of an unknown spiller. There is no cost to the Lexington Fire Department (LFUCG) for IRST service. The contract is renewed annually and can be cancelled by either party providing a written thirty day notice.