

COUNTY ROAD MACHINERY AND EQUIPMENT REVOLVING FUND
Policies and Procedures
April 23, 1999

PURPOSE: The Oklahoma Department of Transportation County Advisory board will establish rules and regulations for the proper and efficient administration of the "County Road Machinery and Equipment Revolving Fund" as provided for by 69 O.S. 1991, Section 636.1 through 636.7 as amended by Section 2, Chapter 6 O.S.L. 1992 (69 O.S. Supp. 1993, Section 636.3 through 636.7).

FINANCING:

(a) A revolving fund was created and designated as the "County Road Machinery and Equipment Revolving Fund", consisting of all appropriations and deposits resulting from lease, lease purchase, sale or resale of equipment purchased out of monies in the revolving fund.

(b) All purchases of equipment, for use by the counties as provided by this program, shall be charged to this fund.

(c) Any cost to repair or recondition machinery and equipment performed by ODOT shall be charged to this fund.

(d) Any costs or expense necessarily incurred by ODOT in the administration of the County Road Machinery and Equipment Revolving Fund may be charged to this fund.

(e) The cost to acquire space for storing road machinery and equipment shall be charged to this fund.

POLICY AND PROCEDURES:

PROGRAM ADMINISTRATION

Delivery of new equipment shall be made to the appropriate ODOT Field Division Headquarters. The ODOT Field Division Shop Supervisor shall notify the county when the new machinery and equipment has arrived for the county's inspection, complete the appropriate paper work to enter the machinery and equipment into the ODOT inventory and mark the machinery and equipment with black letters not less than four (4") inches in height with the words, "STATE OF OKLAHOMA", followed by "LEASED TO (the appropriate county name and district no.)"; and, in not less than two (2") black letters the Oklahoma Department of Transportation identification number, "O.D.O.T. No. 99-????".

Upon receipt of the proper paperwork supplied to us by the Field Division, the Local Government Division will prepare the lease agreement, prior to the delivery of the machinery or equipment to the requesting county.

Once the lease agreement has been signed by the County Commissioners, the county's District Attorney and attested by the County Clerk it shall be returned to ODOT and the county may take possession of the machinery or equipment or request the ODOT Field Division to deliver it.

Invoices for billing will be furnished to the county for each separate piece of machinery and equipment each month.

At the end of each fiscal year, ODOT will issue to each county a lease renewal form for each piece of machinery or equipment that the county has a remaining balance. The county has the option of:

- (a) Re-leasing the machinery or equipment for the ensuing fiscal year,
- (b) Purchasing the machinery or equipment for the remaining balance of the lease,
- (c) Returning the machinery or equipment to ODOT in good condition except for normal wear and tear.

POLICY

A county shall be eligible to enter into a lease or lease purchase contract with ODOT for road machinery and equipment if it does not have sufficient funds available for the purchase of such equipment. Funds available for each fiscal years purchase shall be apportioned among those counties giving written notice of their intention to participate in the program. Funds will be apportioned to each county in order as designated by the County Funding Classification Designation order until all funds have been depleted. Any funds not used during the current fiscal year will be re-apportioned at the beginning of the next fiscal year on the same basis.

When a county is notified, by ODOT, that funds have been approved for the purchase of machinery or equipment, the county can: (1) Notify ODOT of its requirements and specifications, provide a list of vendors and request ODOT to solicit bids for the needed machinery or equipment in accordance with the Central Purchasing Laws. (2) The county can solicit their own bids pursuant to the provisions of H.B. 1258 and the bid procedures provided for in Section 1500 et seq. of Title 19 of the Oklahoma Statutes.

Beginning, January 2, 1997 a three percent (3%) interest rate will be assessed on all machinery and equipment purchased through the Revolving Fund.

Beginning, January 2, 1997 the amortization schedule for machinery and equipment will be as follows:

Cost per Unit Maximum Depreciation

\$0 - \$49,999 48 months

\$50,000 - \$74,999 60 months

\$75,000 - \$115,000 84 months

Any county leasing road machinery and equipment from ODOT shall care for the machinery and equipment in a careful and prudent manner and shall pay all operating and maintenance expenses while in that county's possession.

When machinery or equipment is returned to ODOT prior to the completion of the lease purchase agreement, the county must notify ODOT and request an inspection of the machinery or equipment. At the appointed time of the inspection, a county commissioner, an ODOT representative and an independent appraiser will list all deficiencies and determine the fair market value of the machinery or equipment.

In the case that another county wishes to accept the machinery or equipment and continue the lease, the county returning the equipment shall remedy all deficiencies deemed necessary by ODOT before the machinery or equipment is returned to ODOT.

Should no county wish to continue the lease of the said machinery or equipment and the fair market value does not exceed the balance remaining on the lease purchase agreement, the county shall be assessed the difference and shall not be permitted to participate in the Fund until such difference is paid.

All risk physical damage insurance must be carried on all machinery and equipment purchased through the County Road Machinery and Equipment Revolving Fund. Proof of insurance shall be sent to ODOT annually. If a county is self-insured, documentation of self-insurance shall be sent to ODOT annually.

PROCEDURES

1) Request for equipment and machinery received and accepted by Oklahoma Department of Transportation (ODOT) from August 1st through October 1st of each year. Any request received after October 1st will be returned to requesting county with no action taken.

a) All requests must be on the standard request Form No. CERF-100.

b) No more than one request for three (3) pieces of equipment per county per year will be accepted by the Department. However, in the event that all requests have been filled and funds still remain, new requests will be taken by the Department for that year.

2) ODOT will arrange requests in county funding classification designation order.

3) Top three (3) priorities for each county will be considered for funding.

4) All requesting counties shall be notified if they are to receive funding or will not receive funding.

5) Counties that will not receive funding may apply again the following year. No requests will be held over from year to year.

6) Counties that will receive funding will be authorized to purchase the requested equipment. The amount that will be paid will not exceed the authorized amount for each piece of equipment authorized.

- 7)** Counties that are authorized to receive funding shall request bids in accordance with Section 1500 et seq. of Title 19 of the Oklahoma Statutes.
- 8)** Counties that are authorized to receive funds shall have sixty (60) days, from January 2, to receive and approve bids and notify ODOT. If bids are not taken and approved within the sixty (60) days the county will forfeit their use of the funds for that year.
- 9)** All invitations to bid shall be on Form No. CERF-200 and show the designation for delivery to be the ODOT Field Division Office that the requesting county is in.
- 10)** All invitations to bid shall show that the invoice for the equipment shall be sent to the requesting county for payment.
- 11)** After the requesting county receives and approves bids, they shall send a copy of the approved bid and specifications for the equipment or machinery to the Field Division Shop Supervisor.
- 12)** In the event the County does not consider the lowest bid to be the best bid, the following procedure shall be followed before any bid is approved by the County:
 - a)** The reason for determining that the lowest bid is not the best bid shall be recorded.
 - b)** The reason and all bids submitted shall be sent to the County's District Attorney's office for review and approval as to form and legality.
 - c)** The bid approved by the District Attorney, and awarded by the county, shall be sent, along with the reason, a copy of a summary sheet showing all vendors and their bids, the ODOT Field Division and the State Auditor and Inspector's Office.
- 13)** When the county has determined who will be awarded the bid, the county shall complete a ODOT/SA&I Form 100 (Purchase Contract) as per instructions.
- 14)** All equipment and machinery shall be delivered to the ODOT Field Division Office shown on the Invitation to Bid (Form CERF-100). Any equipment and machinery not delivered to the ODOT Field Division Office will not be paid for from this fund and will be the total responsibility of the requesting county.
- 15)** Upon delivery of the equipment or machinery, the ODOT Field Division shop Supervisor and a representative of the requesting county shall inspect the equipment and machinery prior to the acceptance.
- 16)** Upon acceptance of the equipment and machinery, it shall be placed in the ODOT inventory and decaled.
- 17)** Upon receipt of an invoice from the vendor, the requesting county shall file a 324A claim along with a copy of the invoice with ODOT for payment. The requesting county will show the vendor as the claimant, and payment will be made directly to the vendor in an amount not to exceed that which was authorized.

18) The requesting county shall be responsible for any cost of the machinery or equipment over the authorized amount.

19) ODOT will process the inventory record (72-B) and Lease Agreement shall be sent to the county. The lease amount shown on the Lease Agreement shall not be greater than the authorized amount plus a 3% one time interest premium.

20) When the county returns the signed Lease Agreement to ODOT, they may make arrangements to take possession of the equipment or machinery.