



1.0 Policy

1. There shall be no monetary limit on equipment rentals providing: (a) the rental rates do not exceed the current Agreement rates, and (b) the estimated cost is within the approved County budget. Equipment rental shall not be used to avoid entering into a contract.
2. The Regional SPO Manager, hereinafter called the "Region", shall control the furnishing and use of equipment for all state highway maintenance work within their respective districts.
3. The Region, in cooperation with the County, shall estimate what equipment is necessary to complete: (a) the work enumerated in the RMA, or (b) the process plan for an emergency operation. The equipment not available in a County, or a near by County, may be rented from private vendors. The budget for equipment rental shall be formulated on the "County-Furnished Materials" worksheet.
4. The County shall invoice the cost of renting equipment under county-furnished materials. A brief description of the rented equipment and the name of the vendor or agency that owns the equipment should be included as supporting documentation.
5. Rental equipment shall not be assigned a unit number. The rental rates should normally include fuel, maintenance, repairs, insurance, depreciation and other related costs, and the rental agreement should make note of exceptions. Materials should not be purchased under equipment rental. The rental rates may include labor costs. Equipment can be rented by the square yard, ton, ton mile, linear foot, or any other unit of measurement that can be applied to the materials the equipment will be used with.

2.0 Authorization Procedures

The Region shall control the rental of all equipment used for state highway maintenance within each district. All equipment rental shall be authorized according to policies established for that purpose.

3.0 Rental Authorization

1. Policy
 - a. Equipment rental authorized in an approved budget, or not in an approved budget but at or below the current Agreement rates, may be furnished by the county highway department without prior Region authorization providing that the cost does not exceed \$2,000 per rental request. All equipment rentals not in an approved budget or exceeding these criteria shall have Region approval.
 - b. All equipment rental is subject to the review of the department prior to time when the rental begins or immediately thereafter.
2. Record Keeping
 - a. No records are required providing that the cost of each rental item is less than \$200. The county must keep records on each rental item that exceeds \$200.
 - b. Three price quotes, or an explanation of why three quotes are not given, plus the receipt for services rendered are official records. The county highway department shall establish and maintain appropriate equipment rental files for an audit trail.
 - c. The files shall be kept by (1) vendor and by (2) type of equipment. The vendor file shall provide information on the quantity of work given each vendor. The type of equipment file shall provide information on the alternative cost estimates from various vendors. The files shall be periodically reviewed by the region.

3. Audit Trail

Notes on telephone conversations that result in price quotes for rental equipment, published price lists and written correspondence on equipment rental costs are considered acceptable pieces of documentation for establishing an audit trail. Such documentation shall not be more than one year old. Such rental quotes shall be solicited from all sources within a reasonable distance of the proposed work site and not limited by county boundaries.