

County Advisory Board CAB

County Road Machinery and Equipment Revolving
Fund

Oklahoma Department of Transportation

(405) 521-2553

COUNTY ROAD MACHINERY AND EQUIPMENT REVOLVING FUND

November 9, 2016

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:

1. 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.
2. All purchases of equipment, for use by the counties as provided by this program, shall be charged to this fund.
3. Any cost to repair or recondition machinery and equipment performed by ODOT shall be charged to this fund.
4. 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.
5. The cost to acquire space for storing road machinery and equipment may be charged to this fund.

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 requesting county taking possession of the machinery or equipment.

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 the following:

1. Renewing the lease on the machinery or equipment for the ensuing fiscal year
2. Purchasing the machinery or equipment for the remaining balance of the lease
3. Returning the machinery or equipment to ODOT in good condition except for normal wear and tear.

Machinery or equipment returned to ODOT shall be offered to other counties for lease purchase or in the case that no other county wishes to lease the machinery of equipment, it will be offered for sale to state agencies and then the general public.

POLICY AND PROCEDURES

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 a manner approved by the ODOT/County Advisory Board in an 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 to a following 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%) flat fee 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	Depreciation
\$0 - \$49,999	48 months
\$50,000 - \$74,999	60 months
\$75,000 - \$149,999	84 months
\$150,000 – CAP	96 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. Requests for equipment and machinery will be received and accepted by Oklahoma Department of Transportation (ODOT) from August 1st through October 1st of each year. Unless otherwise authorized, requests received after October 1st will be returned to the requesting county with no action taken.
 - a. All requests must be on the standard request Resolution 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 a manner approved by the ODOT/County Advisory Board utilizing the 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 or may purchase from a statewide contract, if available.
8. Counties that are authorized to receive funds shall have sixty (60) days to receive and approve bids and notify ODOT. The 60-day start date will be specified in the letter of authorization from the fund administrator. 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. If the machinery or equipment is purchased from a Statewide Contract, the County shall notify the vendor that the unit will be delivered to the ODOT Field Division office the county is in and that the invoice be sent to the county. Also that any MSO or Title shall show ODOT as the owner.
 12. After the requesting county receives and approves bids, they shall send a copy of the awarded bid and specifications for the equipment or machinery to Betty Freeman, ODOT, Local Government Division, 200 NE 21st St, OKC, OK 73105.
 13. 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 Local Government Division and the State Auditor and Inspector's Office.
 14. When the county has determined who will be awarded the bid, the county shall complete an ODOT/SA&I Form 100 (Purchase Contract) as per instructions.
 15. All equipment and machinery shall be delivered to the ODOT Field Division Office shown on the Invitation to Bid (Form CERF-200). Any equipment and machinery not delivered to the ODOT Field Division Office may not be paid for from this fund and could become the total responsibility of the requesting county.
 16. Upon delivery of the equipment or machinery, the ODOT Field Division Shop Supervisor will contact the county and a representative of the requesting county shall inspect the equipment and machinery prior to the acceptance.
 17. Upon acceptance of the equipment and machinery, ODOT will complete the proper documentation and decal the equipment.
 18. Upon receipt of an invoice from the vendor and after satisfactory inspection of the equipment, the requesting county shall file a 324A claim along with an original invoice to ODOT Local Government Division for payment. The requesting county will show the vendor as the claimant, in the assignment block, and payment will be made directly to the vendor in an amount not to exceed that which was authorized.
 19. The requesting county shall be responsible for any cost of the machinery or equipment over the authorized amount.
 20. ODOT will process the inventory record (72-B) and the 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 flat fee.
 21. Upon obtaining the required signatures (Commissioners, District Attorney, County Clerk w/ seal), the county may take the Agreements (four (4) originals) to the ODOT Field Division Shop Supervisor and take possession of the equipment or machinery.

POLICY FOR THE PURCHASE OF USED EQUIPMENT THROUGH THE COUNTY
ROAD MACHINERY AND EQUIPMENT REVOLVING FUND.

It shall be the responsibility of the County to perform due diligence in the purchase of a used piece of equipment and provide verifiable information by use of the following:

1. Independent appraisal
2. Visual inspection
3. Test drive
4. Engine condition
5. Verification of hours/miles on equipment
6. Research of comparable equipment, including prices

The estimated amount set for the purchase will be the same as for a new piece of equipment. Any amount not used will be returned to the fund.

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.

FREQUENTLY ASKED QUESTIONS

WHAT TYPE OF EQUIPMENT CAN BE REQUESTED?

The type of equipment used to construct or maintain county roads, including, but not limited to the following types of equipment: asphalt pavers, backhoes, cranes, elevating graders, front-end loaders, motorized weed sprayers, mowers, pickups, power shovels, snow plows, street sweepers, trucks and wheel or crawler tractors.

WHO IS ELIGIBLE?

Any county is eligible to participate in this program that does not have sufficient funds available for the purpose of purchasing such equipment.

DOES A COUNTY HAVE TO PARTICIPATE IN THIS PROGRAM?

No. If a county has sufficient funds to purchase equipment outright they may do so simply by complying with the county purchasing laws or a county may enter into a full warranty lease contract for road machinery or equipment if the county has adequate funds appropriated during any fiscal year for such purpose. However, if a county wishes to lease or lease purchase a piece of equipment through the County Road Machinery and Equipment Revolving Fund they must apply through ODOT. In the case of an emergency or when specialized road equipment for a project of short duration (30 days or less) is required, a county may lease such equipment without notifying ODOT.

HOW DOES A COUNTY APPLY?

Counties apply for machinery or equipment by submitting their request, to the Local Government Division of ODOT, on the standard resolution Form No. CERF-100 between August 1st and October 1st of each year.

HOW DOES ODOT DETERMINE WHICH COUNTIES WILL RECEIVE FUNDING?

A county funding classification designation was developed by ODOT and the Association of County Commissioners and approved by the Oklahoma Department of Transportation County Advisory Board. The funding classification designation depicts the counties receiving the least appropriations per mile of road. This list is used for the county order and allocation of funds will continue the next year where it left off the previous year.

WHAT IS THE OKLAHOMA DEPARTMENT OF TRANSPORTATION COUNTY ADVISORY BOARD?

The ODOT/CAB is made up of nine (9) county commissioners elected by the Oklahoma Cooperative Circuit Engineering Districts Board. One member was elected from each of the eight districts (CED) of the Oklahoma Cooperative Circuit Engineering Districts Board with one member selected at large by the other 8 CAB members. It is the duty of the Board to act in an advisory capacity to the Director of the Department of Transportation. The Board is authorized to develop the following criteria for the County Road Machinery and Equipment Revolving Fund:

1. Establish estimated prices for machinery and equipment.
2. Establish amortization schedules for machinery and equipment.
3. Establish a list of independent appraisers for inspections of machinery and equipment.
4. Establish the County Funding Classification Designation priority list.
5. Establish the method, manner and expense of marking and identifying machinery and equipment.
6. Establish a list of items to be purchased from the state purchase list.
7. Has the authority to determine the financial obligation of a county when machinery or equipment is destroyed by an act of God or other unforeseen occurrence.

WHAT HAPPENS WHEN NO FUNDS ARE AVAILABLE OR WHEN FUNDS HAVE BEEN DEPLETED?

ODOT will notify the requesting county that there are no funds for the purchase of machinery or equipment. The county may then request the Purchasing Director of the Department of Central Services to solicit bids or request bids pursuant to the provisions of Section 1500 et seq. of Title 19 of the Oklahoma Statutes to lease purchase the requested road machinery or equipment.

ARE EQUIPMENT REQUESTS CARRIED OVER FROM ONE YEAR TO THE NEXT?

No. If a county does not receive funding in the current year the request for equipment is void and the county must re-apply for future funding between August 1st and October 1st of the following year.

COUNTY ROAD MACHINERY AND EQUIPMENT REVOLVING FUND

RESOLUTION

BE IT THEREFORE RESOLVED:

On this _____ day of _____, 20__ the Board of County Commissioners of _____ County does hereby request to participate in the County Road Machinery and Equipment Revolving Fund as the county does not have sufficient funds to purchase the listed equipment for this fiscal year.

PRIORITY LIST

NOTE: Please list the needed equipment in a county-wide priority order.

<u>PRIORITY</u>	<u>DESCRIPTION OF EQUIPMENT</u>	<u>DISTRICT</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____

It is understood that the Revolving Fund is limited and the Department of Transportation will notify each participating county of the equipment it will be authorized to order for lease purchase through the Revolving Fund.

Board of County Commissioners

ATTEST:
County Clerk: _____