



**Highway Maintenance Manual**  
**Chapter 02 Administration**  
**Section 30 Cost Documentation**  
**Subject 60 Actual Cost Provision**

**Bureau of Highway Maintenance**  
**January 2009**

### ***1.0 Authority and Purpose***

A special provision is provided to allow for an "actual cost" method of equipment cost reimbursement. This alternate application of actual cost has been reviewed by the Machinery Management Committee and is available to any county choosing to follow this policy.

### ***2.0 Optional Use***

Counties may elect to use this "actual cost" provision. The election shall be documented in writing by signing the Annual Election to Accept Actual Cost (Policy 02-30-65). Photocopy the form in this chapter, sign and submit to the District Maintenance Office to make the election of this option.

### ***3.0 Definition***

This special provision requires a proportionate sharing of the actual gain or loss for all specific units used on State Highway projects. The method described here is referred to as the actual cost method.

### ***4.0 Methodology***

The county will provide a report to the department detailing the usage (hours, mileage, or other specified units for the class) of each unit of equipment in the county's fleet pertaining to department RMAs, DMAs, TMAs, county operations, and other accounts. The report will also (1) show the proportionate share, determined based on usage, of any net gain or loss generated by each unit; (2) summarize the total gain or loss on all equipment utilized for the department, county operations, and other accounts; (3) include in the summary a detail of gains or losses dealing with the department, the county, and other accounts.

When the summary indicates a net loss for equipment used for department RMAs, DMAs, and TMAs, the county shall invoice the department for the portion of the loss attributable to the department's share of the total usage. When the summary indicates a gain for equipment used for department RMAs, DMAs, and TMAs, the county shall issue a credit for the portion of the gain attributable to the department's share of the total usage. The state share of the loss or credit shall be issued no later than the May invoice of the subsequent year.

Acceptance of this provision eliminates the county from eligibility for the guarantee provision of the composite rate provision.