



Highway Maintenance Manual

Chapter 02 Administration

Section 20 Eligible Costs

Subject 01 Introduction

Bureau of Highway Maintenance

May 2016

1.0 Authority and Purpose

This policy establishes the agreed upon costs as described in sec. 84.07(2), Stats. "Maintenance of State Trunk Highways, Repayment for State Work." This document also establishes principles and standards for determining county highway department costs applicable to grants, contracts, and other agreements with state and local governments.

This represents an agreement made and entered into by and between the State of Wisconsin, Department of Transportation, hereinafter named the "department," by the Director of the Bureau of Highway Maintenance, and the specific County Highway Department, hereinafter named the "county". The policy is referenced in the Routine Maintenance Agreements (RMAs), Discretionary Maintenance Agreements (DMAs), and Traffic Maintenance Agreements (TMAs), which are the formal contracts for work establishing the agreement of the parties.

This entire chapter, Chapter 2, Administration, includes information or references to other sections of this manual previously contained in a separate document, titled "1993 Cost Agreement between the Wisconsin Department of Transportation, Division of Highways and (name) County".

2.0 Policy Intent

This policy provides principles and allowances for determining the costs of programs administered by the county under RMA, DMA, and TMA documents with the department. These principles provide the basis for a uniform approach to determining costs and to promoting efficiency and understanding between the county and the department. It is intended each RMA, DMA, and TMA shall bear its fair share of costs recognized under these principles except where restricted or prohibited by law. No provisions for profit or other increment above cost are intended.

3.0 Approvals

1. This policy represents the agreement initially formulated by the department, including modifications approved by the Maintenance Management Committee (a joint state/county committee established expressly for this purpose by the department under Maintenance Manual Policy 2.03 (1), May 1, 1990). The terms of this agreement remain an integral part of the RMA, DMA, and TMA documents.
2. Modifications to the policy shall require the mutual agreement of the county and the department. Unless otherwise stated in the modification, any such modification shall be effective from the date of adoption.

4.0 Scope

1. Chapter 2 provides for the determination of rates for use of various types of machinery and equipment as well as associated items including communication equipment (two-way radios), general public liability insurance, field small tools, administrative support, snow fence, and storage for chlorides and bituminous materials. Various rate schedules are part of this chapter.
2. The agreement between the department and the county incurs no actual indebtedness to the department. The estimated annual indebtedness to be incurred by the department is detailed in the RMA, DMA, and TMA documents and summarized in the Annual Work Program plus any supplemental RMA, DMA, or TMA documents executed thereafter.

5.0 Composition of Cost

The total cost of any project is comprised of the allowable direct cost incident to its performance, plus the allowable portion of indirect costs, less applicable credits. The county shall use the latest classification of costs provided within the department's "Uniform Cost Accounting System for Wisconsin County Highway Department's" manual, authorized under sec. 83.015(3), Stats.