

# Chapter 11 - Annual Work Program Financials

## 11.01 Overview

This chapter provides process, guidelines and forms for the Roadside Facilities Annual Work Program (AWP). This chapter is organized as follows:

- General Information
- Managing Budget Roles and Responsibilities
- Budget Building Process
- Invoicing Process - *Revisions in Progress*
- Information Specific to Each Line-Item Category:
  - Salaries
  - Fringe Benefits
  - Material & Supplies
  - Equipment
  - Vehicle
  - Contractor Service Costs
  - Special Vendor Services
  - Miscellaneous

*(Each Line-Item Category is then organized by: General Information, Budgeting, Purchasing (for some) & Invoicing)*
- Equipment and Vehicle Useful Life Expectancy Tables *(by name and by classification)*

This chapter is developed by DSPN Roadside Facilities (RF), reviewed and approved by WisDOT RF, and used by RF Service Providers.

## 11.02 Managing Budget Roles and Responsibilities

Once a service provider's Annual Work Program RF budget has been approved by WisDOT, the important task of managing your budget(s) throughout each fiscal year begins. This involves each service provider continuously monitoring each line item in each cost center budget to assure your never exceeding an approved amount. This is particularly important toward the end of each fiscal year budget cycle.

We recognize the timing of certain purchases and/or unexpected maintenance needs will sometimes make a budget balance appear to be off course but will often 'straighten out' near the end of a full twelve months. That said, we ask that service providers reach out to DSPN RF as soon as a potential of going over budget has been identified. If a potential deficit cannot be resolved in some other manner (such as a WisDOT approved infusion of additional funds) then it is expected that service providers will respond operationally to cut expenditures. Such action must be shared with DSPN RF to assure the integrity of the RF program is maintained and standards contractual obligations are met.

DSPN Roadside Facilities staff stand ready to assist all service providers to successfully manage their budget(s).

At the same time service providers are monitoring all line-item category and grand total budget balances, DSPN Roadside Facilities will be doing the same – but especially so the second half of each fiscal year. The emphasis taken by DSPN Roadside Facilities will lean more toward effective use of all funds. Upon review and discussions with service providers, DSPN Roadside Facilities will manage the effective use of all Annual Work Program funds by doing one or some of the following:

- Move dollars from one budget to another to cover a deficit.
- Authorize an early purchase of equipment or vehicles to effectively utilize unspent dollars and reduce budgetary needs for the next fiscal year.
- Request the service provider complete a maintenance and/or small improvement project at a site in order to use current fiscal year unspent dollars.
- Formally request WisDOT to infuse funds to cover a deficit created by a project or purchase previously discussed with and authorized by WisDOT.

## 11.03 Annual Work Program Budget Building Process

1. DSPN RF reviews and updates process, guidelines and forms for next fiscal year's Annual Work Program Budget Building Process:
  - a. Cost Center and Property Groupings
  - b. Work Specifications
  - c. Work Schedules/Shifts
  - d. Budget Building Process and Guidelines
  - e. Chapter 11: Annual Work Program Financials in the RAM Program Manual
  - f. Budget Building Forms
  - g. Budget Building Timeline
2. DSPN RF presents new and reviews existing process, guidelines and forms at February quarterly Training Seminar
3. DSPN RF emails to Service Providers all Annual Work Program Budget Building:
  - a. Instructions
  - b. Work Specifications (*which include work hours of coverage*)
  - c. Annual Work Program Budget Building Forms
4. Service Providers refer to their instructions and the “General Information” and “Budgeting” sub-sections of the Program Manual's Chapter 11, Section 11.05 – Line-Item Categories when developing budgets. There are many time-saving formulas embedded into the form that are meant to calculate and carry forward totals. Reach out to DSPN RF with questions. Service Providers submit Annual Work Program Budget Building Forms to DSPN RF by deadline
5. DSPN RF AWP Financial Manager conducts first round of reviews
  - a. Completes check-off list for each budget submission
  - b. Works directly with Service Providers in resolving all issues and obtaining revised AWP Budget Building requests if necessary.
  - c. Updates AWP FY Budget Requests document
  - d. Places reviewed AWP Budget Building forms along with a scanned copy of the 1<sup>st</sup> round review document into SharePoint folder for the next level of review
6. DSPN RF Director and Field Services – Manager conducts second round of reviews
  - a. Completes check-off list for each budget submission
  - b. Works directly with Service Providers in resolving all issues and obtaining revised AWP Budget Building requests if necessary.
  - c. Forwards each AWP Budget Building request along with a scanned copy of the 2<sup>nd</sup> round review documents to AWP Financial Manager
  - d. AWP Financial manager updates AWP FY Budget Requests document
  - e. AWP Financial Manager places final AWP Budget Building requests along with a scanned copy of the 2<sup>nd</sup> round review document into SharePoint folder

7. DSPN RF Director, Field Services – Manager and AWP Financial Manager present final FY Annual Work Program Budget Request to WisDOT' (*Note: The SWEFM and RF Operating Budgets are also part of the FY Annual Work Program Budget Request*)
  - a. Obtain budget request deadline date from WisDOT
  - b. Send meeting invite to WisDOT BHM Roadside Facilities team, BHM Director, DSPN RF Director, Field Services – Manager, and AWP Financial Manager – to present, discuss and seek approval of the FY Annual Work Program budget request
  - c. Develop talking points that address all 10% or greater variances
  - d. Facilitate meeting – obtain budgetary approval
8. Once the FY Annual Work Program Budget Request has been approved
  - a. AWP Financial Manager works with WisDOT BHM Roadside Facilities to assure all purchase requisitions and purchase orders are processed in time to email the POs and updated contract renews to service providers by the middle of June
  - b. WisDOT processing all purchase orders, emails the signed version directly to service providers and copies to DSPN RF
  - c. AWP Financial Manager updates and prepares all FY Annual Work Program contract addendums. (**Note:** *Once a full vetting is completed and a contract between WisDOT and a Service Provider for RAM services is executed, contract addendums are used for each subsequent fiscal year. This is assuming the need for services still exists and past performance has met all contractual requirements and established standards.*)
  - d. AWP Financial Manager emails to service providers each FY Annual Work Program contract addendum
9. Once the entire AWP budget building process is completed and the new fiscal year begins, we then follow the next Section 11.04 Annual Work Program Invoicing Process

## 11.04 Annual Work Program Invoicing Process

### General Information:

These guidelines cover the invoicing process and workflow used by service providers to be reimbursed for each month's RAM program costs. The RAM program includes custodial care, landscape and maintenance (CCLM).

The RAM Program reimburses service provider costs using the "Cost Plus" model. This means all expense is initially realized by service providers and then reimbursed for the exact amount of the cost. The "Plus" portion means each approved budget includes a line-item category called Contractor Services Cost. This line-item is evenly distributed and then invoiced throughout the twelve months of the fiscal year.

Refer to Circular A-122: Cost Principles for Non-Profit Organizations

### Invoicing Forms Information:

Service Provider's monthly invoices and all supporting documents are emailed to DSPN Roadside Facilities (RF) at [smccann@dspn.org](mailto:smccann@dspn.org) for review, resolution of issues if necessary and approval.

Each month's invoices and all supporting documents are due to DSPN RF within 20 days after the end of the invoiced month. Upon a complete review and resolution of issues, DSPN RF forwards each approved invoice to WisDOT Expenditure Accounting for payment.

If a service provider does not receive a check within 30 days of submitting an invoice, inform DSPN RF immediately so the matter can be resolved. Likewise, if a service provider receives a check for a wrong amount, inform DSPN RF immediate so the matter can be resolved.

Each Month's Invoicing Submission Includes the Following:

- An invoice must be included:
  - You may use your own invoice or use the one provided on the first tab of the Invoicing Forms Workbook located in Chapter 12 of the RAM Program Manual. [Link Here](#)
  - If you use your own invoice, it must include the following:
    - Service Provider's name, address, telephone number and email address.
    - Invoice Number
    - Date of Invoice

- Time Period Covered
  - WisDOT Purchase Order Number (*located on purchase order*)
  - Property Name(s)
  - WisDOT's Address:
    - WisDOT: DTSD Bureau of Highway Maintenance
    - C/O Susan McCann, DSPN RF Work Program Financial Mgr.
    - PO Box 7986
    - Madison WI 53707-7986
  - Summary of what is being invoiced. (EX: Custodial Care, Landscaping and Maintenance)
  - Total cost for the month being invoiced.
- All Invoice Supporting Documentation must be included. They are located on multiple tabs of the Invoicing Forms Workbook located in Chapter 12 of the RAM Program Manual.
    - 2<sup>nd</sup> Tab Invoice Supporting Documentation Summary Forms
    - 3<sup>rd</sup> Tab Materials & Supplies Invoicing Detail Form
    - 4<sup>th</sup> Tab Salaries Detail Form
    - 5<sup>th</sup> Tab Equipment & Vehicle Invoicing Detail Form
    - 6<sup>th</sup> Tab Extra Work Identification Form
    - 7<sup>th</sup> Tab Extra Work Identification Form
    - 8<sup>th</sup> Tab Extra Work Identification Form
    - 9<sup>th</sup> Tab Extra Work Identification Form
    - 10<sup>th</sup> Tab Equipment & Vehicle Record Form
    - 11<sup>th</sup> Tab Equipment & Vehicle Record Form
    - 12<sup>th</sup> Tab Equipment & Vehicle Record Form
    - 13<sup>th</sup> Tab Equipment & Vehicle Record Form
  - Refer to the invoicing section of each line-item category. These pages immediately follow this section of Chapter 11 of the RAM Program Manual

**Insurance Claim Reimbursement Information:**

Following is the insurance claim reimbursement process:

- After first receiving approval from DSPN or WisDOT, service providers initially pay for incident-related expense out of their existing budget authority.
- Incident work orders are shared with WisDOT Risk Management for insurance claims. (Incident work orders are also shared with DSPN's insurance carrier and the service provider's insurance carrier – in case a claim is filed.)
- Insurance claim expense reimbursement checks are received by WisDOT then forwarded to Melanie in BHM.
- Melanie in BHM fills out a refund form.
- The form needs to include information that identifies which PO (including line-item number) the expense was taken from.
- The form is forwarded by Melanie to Purchasing.
- A PO change order is processed, which returns the money to the rightful account.
- A copy of the change order is sent to DSPN RF and the service provider.

## 11.05 Information About Specific Line-Item Categories

### Line-Item Category: SALARIES

#### General Information:

**The SALARIES Line-Item Category Includes:** Hours/wages paid for direct labor at a roadside facilities property. This can include program managers, supervisory, lead workers and client workers, both regular and overtime hours. If the time being budgeted for and/or invoiced for did not occur at a roadside facilities property, then it is not included in this line-item category.

#### Budgeting:

Hours of service are defined in the work specification documents. When building Annual Work Program budgets, service provider financial staff must work with site staff when determining staffing needs that allows for compliance with contractual requirements, work specifications, hours of service and standards in the RAM Program Manual. Actual and/or projected actual hourly rates must be used when developing future salary budgets.

Monthly Hours Affidavit Table - For an X Hour Shift: Fill in a row for each person who will work at the RAM site(s). Fill in the start/end times for each day for each person. Fill in the weekly total number of hours for each person. The monthly total number of hours fields are automatically populated using formulas that calculate each weekly total X 4.33. Fill in the total number of hours for each shift. (NOTE: Starting FY23, you will be required to include names.)

Refer to the Hours Affidavit example of shifts form that is included with the Annual Work Program Budget Building roll out emails.

Monthly Hours and Total Wages Table: As you fill in each monthly hours affidavit, the titles and hours per week fields in each month's Hours and Total Wages table contain formulas meaning they are automatically populated from what you enter into each hours affidavit table. Like the previous table, the monthly total number of hours fields are automatically populated using formulas that calculate each weekly total x 4.33. Enter the actual or projected actual hour wage for each person. The total wages per month fields are automatically populated using formulas that calculate each hours per month x hourly wages. The total monthly amounts and hours are automatically forwarded to the front summary page. (NOTE: Starting FY23, you will be required to include names.)

## **Invoicing:**

Fill in all salary detail into the 4<sup>th</sup> tab of the Invoicing Forms Workbook. List name, title, number of hours, and hourly rate for each employee paid for direct labor at roadside facilities site(s). This includes management, supervisory, lead and worker wages for hours worked at the RAM site(s).

NOTE: Effective July 1, 2021 we encourage you to use the provided “Salary Details” form located on the 4<sup>th</sup> tab of the Invoicing Forms Workbook. If you do not use our form, you must enter the total hours and salary cost under #1 Salaries on the 2<sup>nd</sup> tab of the Invoicing Forms Workbook. Effective July 1, 2021, if using your own salary details document, it must include the name and title (manager or supervisor or lead or worker) for each entry.

## **Line-Item Category: FRINGE BENEFITS**

### **General Information:**

**The FRINGE BENEFITS Line-Item Category Includes:** FICA, worker's compensation insurance, unemployment insurance, health insurance, dental insurance, life insurance, supplemental pay insurance, retirement funds (401K, pension), FUTA, disability insurance, retirement, sick leave vacation, employee recognition, HRA, health savings account, wellness/mental health programs, club memberships, long and short term care insurance, vision insurance, jury duty pay, military leave, Medicare taxes, adoption expenses, pet insurance, education allowance, maternity leave.

### **Budgeting:**

Each item included in your fringe calculations for your budget requests must be paid to or for an employee in order to be budgeted for and invoiced for as a fringe benefit line-item.

Enter fringe benefit budget request amounts directly into the front summary page of the Annual Work Program Budget Building document.

### **Invoicing:**

Enter the total fringe benefits cost, including FICA, into #2. Fringe Benefits section located on the 2<sup>nd</sup> tab of the Invoicing Forms Workbook. In order to be invoiced as a fringe benefit, each benefit must be paid to an employee.

## **Line-Item Category: MATERIALS AND SUPPLIES**

### **General Information:**

**The MATERIALS AND SUPPLIES Line-Item Category Includes:** Actual costs for materials and supplies necessary for the RAM program.

Do not send receipts unless there is an unusual item which needs additional supporting documentation. You are required to retain original receipts in your files.

**B = Building Repairs and Maintenance Includes:** All materials and supplies associated with building repairs and maintenance that is performed by the on-site crew. This includes paint, painting supplies, nuts, bolts, washers, valves, toilets, mirrors, faucets, partitions, light bulbs, etc.

**C = Cleaning Supplies Includes:** All products associated with the performance of janitorial duties including but not limited to: cleaning chemicals, deodorizers, disinfectants, scrub brushes, mops, brooms, mop buckets, janitor carts, spray bottles, rubber gloves, wet floor signs, etc.

**G = Grounds Repairs and Maintenance Includes:** All materials and supplies associated with grounds repairs, and maintenance that is performed by the on-site crew. This includes paint, stain, paint supplies, grass seed, fertilizer, rakes, shovels, hoses, flowers, mulch, topsoil, landscape timbers, etc. Does not include material and supply costs that could be applied to the Equipment line-item category such as: gas, oil, parts and accessories.

**M = Miscellaneous Includes:** Flags and any other legitimate material and supply costs that do not fit into any of the other sub-categories listed in this section.

**P = Paper and Other Consumable Supplies Includes:** All non-cleaning products that are consumed by daily operation of the roadside facility. This includes toilet paper, paper towels, seat covers, sanitary liners, trash bags, hand soap, vault additives, gloves, PPE, etc.

**T = Power & Hand Tools Includes:** Small power and hand tools that are not considered in the 'equipment' line-item category. Tools that are purchased for the roadside facilities site and are to be used for the repair and maintenance operations. Includes saws, drills, grinders, wrenches, hammers, screwdrivers, pliers, torches, mechanical drain cleaners, etc.

**U = Uniforms Includes:** Shirts, pants, hats, and coats that conform to the established uniform guidelines found in the RAM Program Manual. Includes cost of shipping and affixing of emblems.

## **Budgeting:**

When budgeting for materials and supplies, break your request down by the sub-category codes outlined in the General Information section above.

Each monthly total will automatically be carried forward to the summary page.

## **Invoicing:**

Enter materials and supplies detail on the 3<sup>rd</sup> tab of the Invoicing Forms Workbook. Each item listed must be coded with the appropriate sub-category letter. The sub-category letters and a description of what is included is outlined above. Formulas automatically total each sub-category based on the letter entered.

Include copies of receipts if the item was needed for and is identified on an Extra Work form. Otherwise, do not include copies of receipts unless there is an unusual item that needs additional supporting documentation.

You are required to retain original receipts in your files.

## **Line-Item Category: EQUIPMENT**

### **General Information:**

**The EQUIPMENT Line-Item Category Includes:** Equipment (valued over \$500 per piece) such as lawn mowers, spreaders, trimmers, plows, trailers, etc. Includes equipment replacement parts such as blades, belts, filters, spark plugs, etc. Includes gas, oil, maintenance, repairs, depreciation payments, unique insurance, and OSHA training for equipment.

Equipment that fits into this category must be devoted to the roadside facilities program.

Prior to FY22 this line-item category included equipment worth more than \$100. Effective FY22, we no longer individually budget for equipment worth less than \$500.

The life expectancy of equipment is delineated by name and classification in Section 11.06 of this Chapter.

**Care, Life and Inventory of Equipment:** It is the service providers responsibility to conduct all necessary preventive maintenance to equipment and maintain thorough records of all preventive maintenance activities. Preventive maintenance should meet or exceed manufacturer's recommendations.

WisDOT retains no interest in equipment after the end of its scheduled life expectancy, which is delineated by name and classification in Section 11.06 of this Chapter. Once a piece of equipment exceeds its scheduled life expectancy, the service provider may dispose of the equipment, retain it for roadside facilities program backup needs, or use the equipment for purposes other than the roadside facilities program. If there is a need to replace a piece of equipment prior to its established life expectancy, approval must first be obtained from DSPN RF.

DSPN Roadside Facilities is required to conduct an annual inventory of equipment in the RAM program with a value greater than \$500. Each annual inventory cycle includes locating each item, assessing its condition, review of its condition in relation to the established life expectancy schedule, and reviewing the preventive maintenance records maintained by the service provider. All inventory details are kept up-to-date in FAMIS.

### **REIMBURSEMENT OF COST:**

- The cost of equipment necessary for the roadside facilities program is a reimbursement cost:

- Any acquisition under \$5,000 is to be fully invoiced at the time of purchase.
- Any acquisition exceeding \$5,000 and less than \$30,000 shall be considered a capital purchase and reimbursed over a 3-year period. *(Calculate what the monthly amount will be over a 3-year period of time and then enter into your budget request accordingly.)*
- Any acquisition exceeding \$30,000 shall be considered a capital purchase and reimbursed over a 6-year period. *(Calculate what the monthly amount will be over a 3-year period of time and then enter into your budget request accordingly.)*
- Actual costs shall include depreciation (at straight line with three – or six-year life and no salvage value) of the equipment or vehicle costing over \$5,000, the purchase price of the equipment purchase and not depreciated and operating costs.
- If the purchase has been financed, the interest is an allowable expense under the Contractor Service Cost line-item category.
- Upon termination or expiration of this agreement, any remaining costs in excess of deficit shall be settled with the Department.
- Premature failure of equipment or vehicle short of the life expectancy schedule shall be settled with the Department.

**Note:** Reimbursing over a period of time has always been the Department’s policy. However, the Department can choose to pay for capital items all at once.

**Budgeting:**

Enter each piece of equipment name and price into the Equipment Table. Enter your budget values according to how you plan to invoice for it. *(Refer to the above Reimbursement of Cost section.)* Be sure to provide additional details on the Equipment Purchase Request Form for each item you are including in your budget request.

Budget for equipment fuel and equipment operation needs on the separate lines included in the Equipment Table.

Budget for a combination of all equipment needs valued less than \$500 on the separate line included in the Equipment Table.

Each monthly total will automatically be carried forward to the summary page.

**Purchasing:**

Planned equipment acquisitions valued greater than \$500 that were planned for and included in the approved FY Annual Work Program Budget may be purchased. Receipts will be required for all purchases at the time it is invoiced for reimbursement of cost.

Un-Planned equipment acquisitions greater than \$500 that were not planned for and not included in the approved FY Annual Work Program Budget must be reviewed and approved by DSPN RF prior to purchasing. Fill out an “Unplanned Equipment Purchasing Request” [Link](#) form, email it to the Field Services – Manager who will return it once a signature authorizing the purchase is added to the form.

Equipment acquisitions less than \$500 can be purchased at any time and without additional forms, as long as there are adequate funds in the budget.

Purchasing Guidelines:

**Up to \$5,000:**

Purchase from the vendor judged best able to supply you with the item.

**\$5,000 – On Up:**

Obtain three (or more) bids from different vendors. Written bids are preferred. Bids obtained over the phone must be fully documented in writing by the person obtaining the bid. Making contact with a vendor and their refusal to participate in the bidding process counts toward the three or more required bids. However, continued effort to obtain three quotes is the best course of action. All bids must be based on the exact same piece of equipment. If the lowest bid is not selected, then a thorough explanation must be supplied to support the choice.

**Invoicing:**

Enter new equipment and existing equipment cost detail on the 5th tab of the Invoice Forms Workbook.

If the purchased piece of equipment was budgeted for, an “Equipment & Vehicle Replacement” form must be completed and included for each newly purchased equipment valued over \$500.

If the purchased piece of equipment was NOT budget for, you must also include an approved/signed “Unplanned Equipment Purchasing Request” form. [Link](#)

The cost of equipment necessary to the RAM Program is a reimbursement cost:

- ~ Any acquisition under \$5,000 is to be invoiced/reimbursed in full the month of the invoicing cycle.
- ~ Any acquisition exceeding \$5,000 shall be considered a capital purchase and invoiced/reimbursed over the following period of time:
  - o Any equipment acquisition exceeding \$5,000 and less than \$30,000 is considered a capital purchase that is reimbursed over a three-year period.

- Any equipment acquisition exceeding \$30,000 is considered a capital purchase that is reimbursed over a six-year period.
- ~ WisDOT and/or DSPN can make exceptions to this rule and allow immediate full reimbursement.

Allowable Costs:

Allowable equipment costs include: the invoiced unit price as well as the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it useful for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight and installations shall be included in or excluded from acquisition cost in accordance with the organization's regular written accounting practices.

Equipment Fuel: The actual monthly fuel costs for equipment.

Equipment Operating: The actual monthly operating costs for equipment.

Equipment Other Major Repairs: The actual repairs to equipment.

NOTE: Effective July 1, 2021, we encourage you to use the provided "Equipment & Vehicle Invoicing Detail" form located on the 5<sup>th</sup> tab of the Invoicing Forms Workbook. If you do not use our form, you must enter the equipment cost under #4 Equipment on the 2<sup>nd</sup> tab of the Invoicing Forms Workbook.

## **Line-Item Category: VEHICLES**

### **General Information:**

**The VEHICLES Line-Item Category Includes:** Actual cost of vehicle, depreciation of vehicle, maintenance, repairs, gas, fluids, insurance, vehicle registration and fees, inspections as required, windshield replacement plow attachment, tires, car wash, rental vehicle cost, and supplies such as floor mats, trailer hitch, lights, etc. Vehicles that fit into this category must be devoted to the RAM program.

Care, Life and Inventory of Vehicles: It is the service providers responsibility to conduct all necessary preventive maintenance to vehicles and maintain thorough records of all preventive maintenance activities. Preventive maintenance should meet or exceed manufacturer's recommendations.

Once the life expectancy of a vehicle is surpassed, WisDOT retains salvage value of vehicles at 15% of original cost or trade in value used to purchase replacement vehicles. The life years are delineated by name and classification in Section 11.06 of this Chapter. Once a vehicle exceeds its scheduled life expectancy, the service provider may:

- Purchase the vehicle - its value would be 15% of the original purchase cost
- Trade in the vehicle and use proceeds toward purchase of new vehicle
- Sell vehicle at a public auction with proceeds credited to WisDOT

If there is a need to replace a vehicle prior to its established life expectancy, approval must first be obtained from DSPN RF.

DSPN Roadside Facilities is required to conduct an annual inventory of vehicles in the RAM program. Each annual inventory cycle includes locating each item, assessing its condition, recording annual mileage use, review of its condition in relation to the established life expectancy schedule, and reviewing the preventive maintenance records maintained by the service provider. All inventory details are kept up-to-date in FAMIS.

### **REIMBURSEMENT OF COST:**

- The cost of vehicles necessary for the roadside facilities program is a reimbursement cost:
- Any acquisition under \$5,000 is to be fully invoiced at the time of purchase.
- Any acquisition exceeding \$5,000 and less than \$30,000 shall be considered a capital purchase and reimbursed over a 3-year period. *(Calculate what the monthly amount will be over a 3-year period of time and then enter into your budget request accordingly.)*

- Any acquisition exceeding \$30,000 shall be considered a capital purchase and reimbursed over a 6-year period. *(Calculate what the monthly amount will be over a 3-year period of time and then enter into your budget request accordingly.)*
- Actual costs shall include depreciation (at straight line with three – or six-year life and no salvage value) of the equipment or vehicle costing over \$5,000, the purchase price of the equipment purchase and not depreciated and operating costs.
- If the purchase has been financed, the interest is an allowable expense under the Contractor Service Cost line-item category.
- Upon termination or expiration of this agreement, any remaining costs in excess of deficit shall be settled with the Department.
- Premature failure of equipment or vehicle short of the life expectancy schedule shall be settled with the Department.

**Note:** Reimbursing over a period of time has always been the Department’s policy. However, the Department can choose to pay for capital items all at once.

### **Budgeting:**

Enter each vehicle name and price into the Vehicle Table. Enter your budget values according to how you plan to invoice for it. *(Refer to the above Reimbursement of Cost section.)* Be sure to provide additional details on the Vehicle Purchase Request Form for each item you are including in your budget request.

Budget for vehicle fuel, vehicle operation needs, and vehicle insurance needs on the separate lines included in the Vehicle Table.

Each monthly total will automatically be carried forward to the summary page.

### **Purchasing:**

Planned vehicle acquisitions that were planned for and included in the approved FY Annual Work Program Budget may be purchased. Receipts will be required for all purchases at the time it is invoiced for reimbursement of cost.

Un-Planned vehicle acquisitions that were not planned for and not included in the approved FY Annual Work Program Budget must be reviewed and approved by DSPN RF prior to purchasing. Fill out an Equipment Request form, email it to the Field Services – Manager who will return it once a signature authorizing the purchase is added to the form.

Per language in each Service Provider's contract, the Department retains salvage value of vehicles at 15% of original cost OR Trade in Value used to purchase replacement vehicles to the RAM Program.

Trading in existing vehicles on the purchase of the new is the method chosen by most service providers. Rather, you can choose to purchase the outgoing vehicle at 15% of the original cost if you would like.

If you choose to purchase, just include a copy of the original sales agreement as supporting documentation, computing 15% of original purchase and show that amount as a credit on your invoice under the Vehicle category.

In an attempt to control costs, WisDOT will only approve:

- Two-wheel drive vehicles (with tow package) – if used exclusively at seasonal sites
- Four-wheel drive vehicles are allowed with tow package – if used at year-round and seasonal sites. (*Exceptions to this would be considered if the loaded trailer tow weight generally exceeds the manufacturer's tow weight limit.*)
- Heavy duty four-wheel vehicles needed for regular snow plowing must be reviewed and approved by WisDOT

#### Purchasing Guidelines:

##### **Up to \$5,000:**

Purchase from the vendor judged best able to supply you with the item.

##### **\$5,000 – On Up:**

Obtain three (or more) bids from different vendors. Written bids are preferred. Bids obtained over the phone must be fully documented in writing by the person obtaining the bid. Making contact with a vendor and their refusal to participate in the bidding process counts toward the three or more required bids. However, continued effort to obtain three quotes is the best course of action. All bids must be based on the exact same type of vehicle. If the lowest bid is not selected, then a thorough explanation must be supplied to support the choice.

#### Invoicing:

Enter new vehicle and existing vehicle cost detail on the 5th tab of the Invoice Forms Workbook. If the purchased was planned and budgeted for, an "Equipment & Vehicle Replacement" form must be completed and included for each newly purchased vehicle.

If the purchased piece of equipment was NOT budget for, you must also include an approved/signed “Unplanned Equipment Purchasing Request” form. [Link](#)

The cost of vehicles necessary to the RAM Program is a reimbursement cost. Any acquisition under \$5,000 is to be invoiced/reimbursed in full each month of the invoicing cycle. Any acquisition exceeding \$5,000 shall be considered a capital purchase and invoiced/reimbursed over the following period of time:

- ~ Any equipment acquisition exceeding \$5,000 and less than \$30,000 is considered a capital purchase that is reimbursed over a three-year period.
- ~ Any equipment acquisition exceeding \$30,000 is considered a capital purchase that is reimbursed over a six-year period.
- ~ WisDOT and/or DSPN can make exceptions to this rule and allow immediate full reimbursement.

Note of Change Effective FY22:

- WisDOT roadside facilities owned vehicles will be reimbursed using the actual cost method only.
- Service Provider owned vehicles or personally owned vehicles used for RAM Program work can be reimbursed using the cost per mile rate. The cost per mile rate cannot be higher than the current federal cost per mile rate.

#### Allowable Costs:

Allowable vehicle costs include: the unit price as well as the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it useful for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight and installations shall be included in or excluded from acquisition cost in accordance with the organization’s regular written accounting practices.

Vehicle Fuel: The actual monthly fuel costs for the RAM-owned vehicles.

Vehicle Operating: The actual monthly operating costs for RAM-owned vehicles.

Vehicle Other Major Repairs: The actual repair cost for the month for RAM-owned vehicles.

Vehicle Insurance: The actual insurance cost for the month for RAM-owned vehicles.

Vehicle Mileage: The calculated cost per mile can be used for non-RAM vehicles only (employee or company owned) if used for RAM Program work and is not to exceed the Federal cost per mile reimbursement rate.

NOTE: Effective July 1, 2021, we encourage you to use the provided “Equipment & Vehicle Invoicing Detail” form located on the 5<sup>th</sup> tab of the Invoicing Forms Workbook. If you do not use our form, you must enter the vehicle cost under #5 Vehicle on the 2<sup>nd</sup> tab of the Invoicing Forms Workbook.

## **Line-Item Category: CONTRACTOR SERVICE COSTS (CSC)**

### **General Information:**

**The CONTRACTOR SERVICE COSTS Line-Item Category Includes:** The direct and indirect administrative overhead costs related to the roadside facilities program. It is the service provider's responsibility to keep detailed written documentation of each fiscal year's calculations and be able to produce them, when requested.

**Personnel Overhead Cost Includes:** A percent of time the following type of positions spend in support of the RAM program: executive director, chief financial officer, program manager, accounts payable, accounts receivable, payroll, human resources business manager, consulting fees, auditor services and hiring orientation training. (Note: when calculating the percent do not include any hours worked at a RAM program site.)

**Other Overhead Cost Includes:** A percent of each of the following items that supports the RAM program: office space, utility costs, snow removal, housekeeping, lawn maintenance, parking lot maintenance, window cleaning, roof repair, septic/sewage maintenance, office supplies (pens, paper, staplers, folders, stamps, printer toner, etc.), equipment insurance, DSPN membership fees, internet service, legal fees, and depreciation on building. If the purchase of a piece of equipment or a vehicle has been financed, the interest is an allowable expense under the Contractor Service Cost line-item category.

### **Budgeting:**

Enter contractor service cost budget request amounts directly into the front summary page of the Annual Work Program Budget Building document. Budget for equal amounts each month based on the number of months in the contract's billing cycle.

A reminder that all items are billed monthly at actual cost except for CSC. Be sure to budget enough dollars to cover your contractor service costs. The contractor service cost total cannot be more than 20% of the overall budget.

### **Invoicing:**

Enter each month's contractor service cost into the 2<sup>nd</sup> tab of the Invoice Forms Workbook.

Budget and invoice for equal amounts each month based on the number of months in the contract's billing cycle.

## **Line-Item Category: SPECIAL VENDOR SERVICES**

### **General Information:**

**The SPECIAL VENDOR SERVICES Line-Item Category Include:** Services performed by an outside vendor. There are two types – those previously planned and budgeted for and those not previously planned and budgeted for.

Planned and Budgeted For Special Vendor Services: Includes services performed by an outside vendor for services such as HVAC, plumbing, electrical, well, septic, portable toilets, fire extinguishers and preventive maintenance.

Not Planned and Not Budgeted For Special Vendor Services = Extra Work: There are times when the work crew and/or a hired contractor is requested by WisDOT or DSPN RF to perform unplanned work. If the services were not budgeted for, it is called extra work and is invoiced differently, and the 'Extra Work Identification Sheet' must be completed and sent to DSPN RF along with the monthly invoice for reimbursement of costs.

Extra work requiring additional funding beyond the special vendor services line-item category in the current approved FY AWP budget will need to be reviewed by WisDOT and DSPN RF as it may require an infusion of dollars and/or addendum to the contract.

### **Examples of Extra Work:**

- Activity was not planned nor budgeted for in the current fiscal year
- Activity requires additional hours beyond daily work schedules
- Activity was caused by an unexpected event (failures of HVAC, other mechanical, electrical, plumbing, wastewater systems, weather, vandalism, etc.)
- Major equipment or building repair
- Short-term increase needs in site coverage due to unanticipated factors such as: increased traffic, major conventions or events in area, pandemics, etc.
- Extra work requested by Department of Tourism and/or CVB personnel (Must be reviewed and approved by DSPN RF or WisDOT first.)

### **Not Considered Extra Work:**

- Minor repairs under \$200 per occurrence
- Periodic preventive maintenance to facilities, equipment, or vehicles
- Sealing concrete trash containers
- Touch-up painting/staining
- Picnic table painting/staining
- Painting metal trash containers

Improvement Project Work Includes: Improvement projects that improve or enhance the facilities. Examples of projects include installing new windows, upgrading water or septic systems, constructing a garage, installing rest room partitions, installing improved lighting, etc.

WisDOT and/or DSPN RF coordinate the development and implementation of improvement projects. Service Providers, County Highway Departments, and other professional vendors may be involved in accomplishing the improvement project.

Improvement project costs range from \$400 to \$25,000. DSPN RF maintains an updated list of projects and follows up on each project's progress and cost. Project work orders are created and maintained in FAMIS. Project work tracking reports are generated from FAMIS.

Improvement Project Steps:

- 1) WisDOT, DSPN RF or service provider identifies improvement project need
- 2) WisDOT approve the improvement project, infuses money and amends contract if necessary
- 3) Written specifications for the project must be obtained and approved
- 4) WisDOT and DSPN RF review and determine who is going to do the work
- 5) Purchasing guidelines below are followed
- 6) WisDOT reviews and give final approval
- 7) If needed, WisDOT infuses budget, processes an amendment to the contract, assigns a new project ID, and/or requests a purchase requisition and purchase order
- 8) If the service provider is the purchasing entity, the 'Extra Work' process outlined above is followed
- 9) Work commences and DSPN RF monitors the project and provides WisDOT with project updates.
- 10) All improvement projects are documented and tracked in detail by creating a project work order in FAMIS and then keeping it up-to-date through the end of the project

### **Budgeting:**

When budgeting for Special Vendor Services, break your request down by the sub-category rows provided in the Special Vendor Services Table.

Each monthly total will automatically be carried forward to the summary page.

## **Purchasing:**

### **Up to \$5,000:**

Purchase from the vendor judged best able to supply you with the item.

### **\$5,000 – On Up:**

Obtain three (or more) bids from different vendors. Written bids are preferred. Bids obtained over the phone must be fully documented in writing by the person obtaining the bid. Making contact with a vendor and their refusal to participate in the bidding process counts toward the three or more required bids. However, continued effort to obtain three quotes is the best course of action. All bids must be based on the exact same item/service. If the lowest bid is not selected, then a thorough explanation must be supplied to support the choice.

All purchasing-related documentation such as bids, written records of telephone conversations, published price lists, emails, etc. must be maintained. If the purchase is made for maintenance work at a roadside facilities site, all records must be uploaded into the corresponding work order(s) in FAMIS.

## **Invoicing:**

Enter each special vendor service cost on the 2<sup>nd</sup> tab of the Invoice Forms Workbook.

If costs are a result of extra work requested by and authorized by WisDOT, fill out and submit an Extra Work form (located on tabs 6-9) for each extra work event. Include receipts for all invoiced extra work.

## **Line-Item Category: MISCELLANEOUS**

### **General Information:**

**The MISCELLANEOUS Line-Item Category Includes:** Quarterly training seminar expense (including travel expense), staff luncheon meeting costs, site personnel training costs, telephone service, storage fees, storage, safety cones, first aid supplies and training, bug/bee spray, drug testing, postage/shipping, water sample testing expenses, background checks, all other training travel expense.

Actual cost for site liability insurance is included in the Miscellaneous category.

### **Budgeting:**

When budgeting for Miscellaneous items, break your request down by the sub-category rows provided in the Miscellaneous Table.

Each monthly total will automatically be carried forward to the summary page.

### **Invoicing:**

Enter miscellaneous costs on the 2<sup>nd</sup> tab of the Invoice Forms Workbook.

# 11.06 Useful Life Expectancy Schedules

Useful Life Expectancy Schedules - BY CLASSIFICATION			Useful Life Expectancy Schedules - BY NAME		
	<i>Last Updated: May--2021</i>			<i>Last Updated: May--2021</i>	
Classification	Name	Life Expectancy Years	Classification	Name	Life Expectancy Years
Appliance EQ	Clothes Dryer	7	Lift/Ladder EQ	Aerial Lift	15
Appliance EQ	Clothes Washer	7	Janitorial EQ	Auto Scrubber	5
Appliance EQ	Dehumidifier	5	Landscaping EQ	Blower Four Cycle	5
Janitorial EQ	Auto Scrubber	5	Landscaping EQ	Blower Two Cycle	3
Janitorial EQ	Carpet Extractor	5	Landscaping EQ	Brush Chipper	10
Janitorial EQ	Dilution Control System	5	Storage EQ	Cabinet	15
Janitorial EQ	Electrostatic Sprayer Battery	5	Vehicle	Car - year/manufacturer/model	10
Janitorial EQ	Electrostatic Sprayer A/C	10	Janitorial EQ	Carpet Extractor	5
Janitorial EQ	Floor Dryer	5	Landscaping EQ	Chain Saw	5
Janitorial EQ	Scrubber Square, Orbital, Cylindrical	10	Power Tool EQ	Charger	10
Janitorial EQ	Touchless Cleaning System	10	Power Tool EQ	Circular Saw	10
Janitorial EQ	Vacuum	3	Appliance EQ	Clothes Dryer	7
Landscaping EQ	Blower Four Cycle	5	Appliance EQ	Clothes Washer	7
Landscaping EQ	Blower Two Cycle	3	Power Tool EQ	Compressor	10
Landscaping EQ	Brush Chipper	10	Power Tool EQ	Cordless Drill	10
Landscaping EQ	Chain Saw	5	Appliance EQ	Dehumidifier	5
Landscaping EQ	Lawn Sprayer	10	Office/IT EQ	Desktop Computer & Monitor	5
Landscaping EQ	Lawn Spreader Push/Pull	5	Janitorial EQ	Dilution Control System	5
Landscaping EQ	Lawn Tractor Class A \$0 - 4,999	6	Power Tool EQ	Dremel Tool Kit	10
Landscaping EQ	Lawn Tractor Class B \$5,000 - 14,999	7	Power Tool EQ	Drill	10
Landscaping EQ	Lawn Tractor Class C \$15,000 - Up	10	Janitorial EQ	Electrostatic Sprayer A/C	10
Landscaping EQ	Lawn/Parking lot Sweeper	5	Janitorial EQ	Electrostatic Sprayer Battery	5
Landscaping EQ	Mower Push	3	Janitorial EQ	Floor Dryer	5
Landscaping EQ	Mower Rough Cut	7	Lift/Ladder EQ	Floor Jack	10
Landscaping EQ	Mower Stand On 1	7	Power Tool EQ	Generator	10
Landscaping EQ	Mower Walk Behind	7	Office/IT EQ	iPad/Tablet	5
Landscaping EQ	Mower ZTR	7	Lift/Ladder EQ	Ladder	15
Landscaping EQ	Rotary Broom Walk Behind	5	Office/IT EQ	Laptop	5
Landscaping EQ	Salt Spreader Push/Pull	5	Landscaping EQ	Lawn Sprayer	10
Landscaping EQ	Salt Spreader Truck Mount	10	Landscaping EQ	Lawn Spreader Push/Pull	5
Landscaping EQ	Sidewalk Edger	5	Landscaping EQ	Lawn Tractor Class A \$0 - 4,999	6
Landscaping EQ	Skid Loader	10	Landscaping EQ	Lawn Tractor Class B \$5,000 - 14,999	7
Landscaping EQ	Snow Blower Walk Behind	5	Landscaping EQ	Lawn Tractor Class C \$15,000 - Up	10
Landscaping EQ	Snow Shovel Power	3	Landscaping EQ	Lawn/Parking lot Sweeper	5
Landscaping EQ	Tiller	5	Power Tool EQ	Line Striper/Paint Sprayer	10
Landscaping EQ	Torch	5	Landscaping EQ	Mower Push	3
Landscaping EQ	Trimmer Hedge	3	Landscaping EQ	Mower Rough Cut	7
Landscaping EQ	Trimmer Line	3	Landscaping EQ	Mower Stand On 1	7
Landscaping EQ	Utility Vehicle	10	Landscaping EQ	Mower Walk Behind	7
Landscaping EQ	Water Tanks/Pumps	10	Landscaping EQ	Mower ZTR	7
Lift/Ladder EQ	Aerial Lift	15	Power Tool EQ	Pressure Washer	5
Lift/Ladder EQ	Floor Jack	10	Office/IT EQ	Printer/Scanner	5
Lift/Ladder EQ	Ladder	15	Landscaping EQ	Rotary Broom Walk Behind	5
Lift/Ladder EQ	Table Lift	15	Landscaping EQ	Salt Spreader Push/Pull	5
Office/IT EQ	Desktop Computer & Monitor	5	Landscaping EQ	Salt Spreader Truck Mount	10
Office/IT EQ	iPad/Tablet	5	Janitorial EQ	Scrubber Square, Orbital, Cylindrical	10
Office/IT EQ	Laptop	5	Power Tool EQ	Sewer Auger	10
Office/IT EQ	Printer/Scanner	5	Power Tool EQ	Sewing Machine	10
Power Tool EQ	Charger	10	Landscaping EQ	Sidewalk Edger	5
Power Tool EQ	Circular Saw	10	Landscaping EQ	Skid Loader	10
Power Tool EQ	Compressor	10	Landscaping EQ	Snow Blower Walk Behind	5
Power Tool EQ	Cordless Drill	10	Landscaping EQ	Snow Shovel Power	3
Power Tool EQ	Dremel Tool Kit	10	Vehicle	SUV - year/manufacturer/model	10
Power Tool EQ	Drill	10	Lift/Ladder EQ	Table Lift	15
Power Tool EQ	Generator	10	Landscaping EQ	Tiller	5
Power Tool EQ	Line Striper/Paint Sprayer	10	Storage EQ	Toolbox	15
Power Tool EQ	Pressure Washer	5	Landscaping EQ	Torch	5
Power Tool EQ	Sewer Auger	10	Janitorial EQ	Touchless Cleaning System	10
Power Tool EQ	Sewing Machine	10	Trailer EQ	Trailer lawn Utility	10
Power Tool EQ	Welder	10	Trailer EQ	Trailer Road Enclosed	10
Storage EQ	Cabinet	15	Trailer EQ	Trailer Road Flatbed	10
Storage EQ	Toolbox	15	Landscaping EQ	Trimmer Hedge	3
Trailer EQ	Trailer Lawn Utility	10	Landscaping EQ	Trimmer Line	3
Trailer EQ	Trailer Road Enclosed	10	Vehicle	Truck - year/manufacturer/model	10
Trailer EQ	Trailer Road Flatbed	10	Landscaping EQ	Utility Vehicle	10
Vehicle	Car - year/manufacturer/model	10	Janitorial EQ	Vacuum	3
Vehicle	SUV - year/manufacturer/model	10	Vehicle	Van - year/manufacturer/model	10
Vehicle	Truck - year/manufacturer/model	10	Landscaping EQ	Water Tanks/Pumps	10
Vehicle	Van - year/manufacturer/model	10	Power Tool EQ	Welder	10