

Consultant Advisory

2012-6

August 9, 2012

Requirements for Costs Associated with Vehicle Leasing or Renting for use on MDOT Projects

MDOT, together with ACEC have been discussing the allowability of costs associated with the leasing or renting of vehicles to perform work on MDOT projects. Based on these discussions, review of other state DOT's procedures, and allowability under the FAR, the following requirements were developed regarding the costs associated with the renting or leasing of vehicles:

1. For construction oversight work, testing, inspection, etc., the leasing or renting of vehicles will be allowable and will be reimbursed on an actual cost basis. The MDOT Project Manager will work with the consultant to determine the appropriate number of vehicles to include in the derivation, based on the scope of work.
2. For Preliminary Engineering or Design work, the proposal to lease or rent vehicles must be justified/substantiated and approved by the MDOT Project Manager, Contract Services Division, and the Office of Commission Audits, if the project meets the audit parameters. The premise behind this is that preliminary engineering work or design work may not require the use of a vehicle. Again, if justified and approved, the costs will be reimbursed based on the actual cost of the leasing or renting of the vehicle.

Mileage logs must be maintained for all vehicles used on MDOT projects, regardless of whether the vehicle is leased, rented, personal, or company owned.

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Consultant Advisory
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