

November 16, 2010

TO: Members of the MAG Management Committee

FROM: Dean Giles, Air Quality Planning Program Specialist

SUBJECT: ADOT POLICIES AND PROCEDURES THAT APPLY TO THE USE AND DISPOSAL OF PM-10 CERTIFIED STREET SWEEPERS PURCHASED WITH FEDERAL CMAQ FUNDING

On October 20, 2010, the Arizona Department of Transportation (ADOT) forwarded to the Maricopa Association of Governments (MAG) the Policies and Procedures for Federal Property Management Standards, effective October 18, 2010. These Policies and Procedures supersede the January 28, 2010 version of the Federal Property Management Standards and MAG memorandum distributed to members of the MAG Management Committee on March 16, 2010.

These policies and procedures establish uniform standards that govern the use and disposition of property acquired, in whole or part, with Federal Highway Administration (FHWA) funds or whose cost was charged to a project supported by a FHWA grant and apply to PM-10 Certified Street Sweepers funded through MAG. It is important that the member agencies comply with the ADOT Federal Property Management Standards for PM-10 certified street sweepers purchased with Congestion Mitigation and Air Quality Improvement (CMAQ) Funding. A summary of the key requirements from the ADOT Federal Property Management Standards is provided below.

#### Flow of Communication

The flow of communication has been clarified by ADOT in these Policies and Procedures. Sections 8.04(E) and 8.07(D) describe the flow of communication and that any required documentation be made in writing from the member agency to MAG. MAG will then communicate in writing to the ADOT Fixed Assets Manager. For example, member agencies will make a request to dispose of a street sweeper in writing to MAG, MAG will forward the written request to ADOT, and upon receiving notification from ADOT, MAG will forward the response to the member agency.

#### Property Management Requirements

Section 8.04(G)(1) through (G)(5) provides for property management requirements that includes Maintain Property Records, Annual Physical Inventory, Control System to Prevent Loss, Damage, or Theft, Adequate Maintenance Procedures, and Sales Procedures. The data collected under this section will assist MAG in the annual inventory required under Section 8.06.

### ADOT Approval, Disposal, and Proceeds from Disposed Street Sweepers

Sections 8.04(H), 8.04(I)(1), and 8.07(E) require member agencies to comply with the procedures for the disposal of federally-funded property. Member agencies must notify MAG in writing using the flow of communication described above to receive federal awarding agency and ADOT approval prior to the disposal of a grant-funded street sweeper. It is important to note that the federal awarding agency is entitled to a share of the proceeds from the disposal of a grant-funded street sweeper.

When a street sweeper is traded-in or sold with the intent of obtaining a replacement sweeper, no purchase order should be placed for replacement equipment without affirmative approval of the ADOT Fixed Assets Manager. The proceeds entitled to the federal awarding agency will be applied toward the replacement street sweeper based on the percentage of original federal participation. In addition, the percentage of original local participation, plus the pro-rated amount from any attachments not eligible for federal participation, will be used to reduce the amount of local cash match on the replacement street sweeper.

When a street sweeper is traded-in or sold without intending to obtain a replacement in the next funding cycle, the forwarding of the share due the federal awarding agency is administered using either of two methods: (1) forward the share of the proceeds entitled to the federal awarding agency to MAG, or (2) the member agency and MAG will both track the share of the proceeds entitled to the federal awarding agency that will be applied toward a replacement street sweeper at some future date.

### Annual Inventory

Section 8.06 requires that MAG submit an annual street sweeper inventory to ADOT by October 31 that includes all information listed in 8.04(G)(1) reconciled to the financial statements as of the end of the entity's fiscal year (generally June 30).

If you have any questions, please call me at (602) 254-6300.

cc: MAG Intergovernmental Representatives  
Joel Konopken, ADOT Fixed Assets