Vehicle Costs

Policy

Grants and Agreements, Subtitle A (Office of Management and Budget Guidance for Grants and Agreements), Chapter II, Part 200, Subpart E, General Provisions for Selected Items of Cost:
2 CFR Part 200.439 (b)(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $10,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.

Authority

Grants and Agreements Federal Regulations: 2 CFR Part 200.439 (b)(2)

Procedures
Allowable vehicle costs include transportation of staff and equipment to clinics and travel for vendor monitoring, outreach, training and other program purposes. These costs may be met by:

- Reimbursing employees for use of their own vehicles
- Leasing a vehicle
- Purchasing a vehicle
- A combination of all three.

The Department allows contract agencies to purchase vehicles with grant funds if the following conditions are met:

1. The Contactor must submit three written purchase request quote/bid proposals to the State Agency for approval. The Vehicle Purchase Justification Worksheet must be part of the proposal.
2. The proposal should contain a detailed financial analysis of all options being considered by the Contractor.
3. The proposal's estimated annual mileage should be consistent with the Contractor's WIC Service Delivery Table and Calendar.
4. The proposal should also address other costs involved with the vehicle like insurance,

maintenance, registration, gas, and repairs.

5. The proposal must provide assurance that the vehicle is being purchased primarily for WIC only. Vehicle(s) acquired with WIC funds should not be used for non-WIC functions or business.

Note: Passenger vehicles and light duty trucks may be replaced at a minimum of 120,000 miles, 10 years of age, or when repairs exceed 50% of the NADA clean trade-in value. (Department of Administrative Services – Fleet Services, Fleet Policies and Procedures, "Your Roadmap to DAS Fleet Services").

Once the proposal is completed, the proposal will then be forwarded through the following steps for approval.

1. The Contractor will send the proposal to the State Agency for approval.
2. Once the State Agency approves the proposal, it would then be forwarded to the Regional Office for final approval.
3. Once the proposal is approved by the Regional Office, the State Agency will be notified and in turn notify the Contractor.

Administrative Review
All contracts, leases, and cost allocation plans for transportation is reviewed as part of the administrative review process.

Mileage Reimbursement
Mileage reimbursement for use of privately-owned vehicles may not exceed the current state government rate established by the Iowa Department of Administrative Services.

Lease Agreements
Lease agreements may extend past the end of the fiscal year; however, they must have an escape provision allowing cancellation in the event of a loss in federal funds.

Special Conditions of the General WIC Contract
Section 4 of the General Conditions is not applicable to the purchase of vehicles with contract funds. With respect to the Contractor's purchase of vehicles with Department funds, the following shall apply:

1. The contractors may purchase vehicle(s) with Department funds for the purpose of WIC business.
2. The Contractor shall obtain and retain the title to any vehicle(s) purchased with Department funds during the contract period and after termination of the contract, for the life of the vehicle.
3. The contractor agrees to purchase all insurance, fees, title, and registration, as required by the state of Iowa for the life of the vehicle.
4. The Contractor agrees that it's indemnification obligations pursuant to the HHS Service Contract Terms and Conditions include the duty to indemnify and hold harmless the state of Iowa, the Department, and its officers, employees, agents, and volunteers from any liabilities, damages, settlements, judgments, costs, and expenses related to or arising out of any claims for damages to person or property or life arising out of the use of any vehicle purchased pursuant to this section.

If the WIC contract is terminated, the Contractor will transfer title of the vehicle to the Contractor that assumes WIC service in that particular area or to another Contractor at the discretion of the State Agency.