



U.S. Department  
of Transportation

Federal Highway  
Administration

# Memorandum

Subject: **INFORMATION:** Equipment Purchases for Construction Engineering Use--Cellular Telephones Date JUN 28 1995

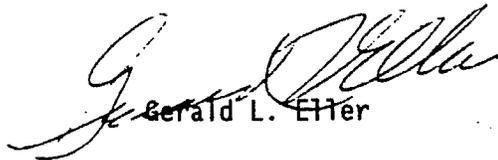
From: Chief, Construction and Maintenance Division Reply to Attn of HNG-22

To: Regional Federal Highway Administrators

Several memorandums have been written in the past relative to equipment purchased on Federal-aid projects to meet the construction engineering needs of the project. The September 11, 1986, memorandum signed by Mr. Leathers, the October 17, 1986, memorandum signed by Mr. Myers and the May 5, 1993, memorandum signed by Mr. Willett pertain to this subject. Recently there have been several specific questions regarding the furnishing of cellular telephones on Federal-aid projects. This memorandum together with the May 5, 1993, memorandum signed by Mr. Willett supersede both of the 1986 memorandums.

Consistent with the policy outlined in Mr. Willett's May 5, 1993, memorandum and also the Federal-Aid Policy Guide at NS 23 CFR 140B paragraph 1, equipment is defined as tangible, nonexpendable, personal property having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit. The May 5, 1993, memorandum states "It is not acceptable to use Federal-aid funds to participate in the purchase of such equipment. Rather, the equipment's cost should be amortized over the equipment's useful life. Federal-aid funds will then participate only in that portion of the amortized cost attributable to the time the equipment is used on a specific Federal-aid project(s). Participation will, of course, be accounted for as a construction engineering cost."

If an item such as a cellular telephone is necessary to meet the construction engineering needs of a Federal-aid project, but does not meet the above definition of equipment, the State's written procedures relative to purchase of such items will govern. There are likely other items, in addition to cellular telephones, which can be treated in the same manner.

  
Gerald L. Etter

*Reuby 7/5*  
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