

INTEROFFICE MEMORANDUM

DATE: November 9, 1985

TO: MR. J. E. MCCARTHY, CHIEF, FISCAL SERVICES

SUBJECT: SALVAGE CREDIT FOR MATERIALS OBTAINED ON FEDERAL-AID PROJECTS

We have recently held discussions with the FHWA relative to salvage credit on Federal-aid Projects.

FHWA believes that salvage credit should be given on items of significant value, provided that they are salvaged in a condition which would leave them complying with standard specifications and reusable in their salvage state.

Examples of items requiring salvage credit would be: (1) quantities of guard rail or structural steel exceeding \$1,000 salvage value which meet the current specifications, (2) quantities of main lane asphalt millings exceeding \$1,000 salvage value which would be subject to reuse through the recycling process.

Examples of items not requiring salvage credit would be: (1) guard rail or structural steel of any salvage value which does not meet current specifications, (2) asphalt millings which are not suitable for recycling, (3) gravel of any type, as normally the salvage of this material cannot be accomplished without contamination, thereby requiring further costs in reprocessing to get it in compliance with the Standard Specifications.

Therefore, it is considered reasonable and appropriate to handle salvage credit as outlined above with the credit value being that which the Department takes the material into stock.

Our Standard Specifications cover the items which are to generally remain the property of the State. Cases where the State specifically desires to keep certain salvaged items will be handled on a per case basis in the plans or special provisions.

Dan Flowers
Assistant Chief Engineer
Operations

c: Chief Engineer
Asst. Director-Admin.
Asst. Chief Engineers
State Construction Engineer
State Maintenance Engineer
FHWA