

# MoDOT Transit Equipment / Vehicle Dispositions Guidelines

Due to the Bipartisan Infrastructure Law, effective November 15, 2021 the disposition requirements for rolling stock, equipment and aggregate supplies that have met their minimum useful life and were (1) purchased with federal assistance (2) with a fair market value or the net proceeds of more than \$5,000, the recipient may retain a portion of the funds, plus the percentage of its local share in the original award. Any remaining amount must be returned to the Federal Transit Administration (FTA). (*See Division of Proceeds below*).

## Minimum Useful Life

Vehicles will be eligible to be considered for replacement or disposal when the **minimum** useful life has been met. If a vehicle is requested to be disposed before the end of useful life, MoDOT staff will review on a case by case basis.

## Equipment (Rolling Stock) Minimum Requirements for Dispositions/Replacements

Vehicles will be eligible to be considered for replacement or disposal when the following **minimum** useful life has been met:

Rolling Stock/Vehicles Use and Dispositions (all programs)	Useful Life
Vans - straight, modified, sedans, lowered floor and other vehicles-minivans	4 years or 100,000 miles
25' - 35' Light duty transit buses, cutaways (bodies on chassis)	5 years or 150,000 miles
30' Medium duty transit bus	7 years or 200,000 miles
30' Heavy duty transit bus	10 years or 350,000 miles
35' - 40' Heavy duty bus and transit buses	12 years or 500,000 miles
Ferry Boats	25 years

Recipients are required to submit a written request for disposal of a vehicle(s) or equipment they wish to dispose. The recipient must receive written authorization from MoDOT before disposing of federally funded equipment, including vehicles. The recipient has 90 days to process and close the disposition request from the date of the approved authorization.

## Disposition Procedures:

A recipient may dispose of a vehicle in either of two ways:

1. A vehicle may be sold outright to a third party through a variety of approved processes. These include advertised sealed bids, auto auction or the average of three competitive appraisals.
2. A recipient may choose to purchase the federal interest in a vehicle(s), the buyback option. In this case, the implicit price will be the average fair market value (FMV) of the vehicle as specified in the most recent National Automobile Dealers Association (NADA) Official Used Car Guide or the Bus Blue Book Guide, approved by MoDOT.

# MoDOT Transit Equipment / Vehicle Dispositions Guidelines

## Divisions of proceeds are as follows:

1. If a vehicle is sold outright to a third party (advertised bids, auto auction, etc.), the recipient may retain up to \$5,000, plus the local share (normally 20%) exceeding the net proceeds. The balance must be paid to MoDOT – Transit within 30 days after the sale of the vehicle.
2. If a recipient chooses the buyback option, the recipient may retain up to \$5,000, plus the local share (normally 20%) exceeding the average FMV as describe in #2 above to MoDOT within 30 days.
3. Insurance proceeds: The federal interest due to MoDOT is based on the Actual Cash Value (ACV) exceeding \$5,000 with 80% of the ACV due to MoDOT.

Recipient **must submit** documentation for **all sales** to determine the federal interest due to MoDOT and to close the file. Forms will be provided for documentation.

## Expected Life Cycle

When a vehicle reaches the Transit Asset Management (TAM) useful life benchmark, MoDOT Transit may determine the FMV. If the FMV is \$5,000 or less, the title and lien release may be mailed to the recipient. The recipient may dispose of the vehicle and keep the sale proceeds or continue to use the vehicle within the program until no longer needed. Once the federally funded vehicle has been removed from the active inventory, the vehicle is no longer considered a federally funded vehicle through MoDOT and will **no-longer** be considered as a replacement vehicle through a grant application.

Dispositions (all programs)	TAM Plan-Benchmark Useful Life
Vans - straight, modified, sedans, lowered floor and other vehicles-minivans	8 years
25' - 35' Light duty transit buses, cutaways (bodies on chassis)	10 years
30' Medium duty transit bus	14 years
30' Heavy duty transit bus	20 years
35' - 40' Heavy duty bus and transit buses	25 years
Ferry Boats	42 years

## Equipment (non vehicle)

Useful service life for equipment (non-vehicle) is **five** years on non-related computer equipment and **three** years on computer related equipment. Service life begins when equipment is received. Recipients are required to submit a written request to remove the federal interest once the useful life has been met on (non-vehicle) equipment.