

# MoDOT Transit Equipment / Vehicle Dispositions Guidelines

Due to the Federal Transit Administration's (FTA), updates to 2CFR Part 200 and 49 U.S.C. 5334(h)(4)(B) effective October 1, 2024, the disposition requirements for rolling stock, equipment and aggregate supplies have changed. (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. MoDOT staff will review all disposition requests 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:

<b>Rolling Stock/Vehicles Use and Dispositions (all programs)</b>	<b>Useful Life</b>
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) the Official Used Car Guide, JD Powers or the Bus Blue Book Guide, approved by MoDOT.

Divisions of proceeds are as follows:

1. If a vehicle is sold outright to a third party (advertised bids, auto auction, etc.), and is sold for \$10,000 (gross sale) or less, the recipient may retain the full proceeds from the disposition, documentation from the sale of the vehicle must be submitted to MoDOT for clarification of the sale price within 15 days of the sale.

## MoDOT Transit Equipment / Vehicle Dispositions Guidelines

2. If the sale (gross amount) is greater than \$10,000, the recipient may retain \$5,000 plus the local share of the remaining balance (normally 20%). The balance must be paid to MoDOT – Transit within 15 days after the sale of the vehicle.
3. If a recipient chooses the buyback option, depending on the Fair Market Value (FMV), the division of proceeds will be determined in #1 or #2 above.
4. Insurance proceeds: If the recipient receives insurance proceeds when federally assisted property has been lost or damaged by fire, casualty, or natural disaster, the federal interest due to MoDOT is based on the Actual Cash Value (ACV) or Fair Market Value (FMV) with 80 percent of the ACV/FMV due to MoDOT. The ACV or FMV is assessed by the insurance company, or it may be determined by MoDOT Transit staff.

Recipient **must submit** documentation for **all sales** to determine the federal interest due (if any) to MoDOT and to close the file.

### 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 \$10,000 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. If the equipment is sold, the recipient must submit documentation to determine if funds are due to MoDOT.