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.

1. 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.

*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 proceed exceeding $5,000 must be submitted to MoDOT. These funds will either be allocated to the subrecipient or designated program.

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 bencmark, 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.