

## **Transit Vehicle Disposition Replacement Policy**

The Transit Vehicle Disposition Replacement Policy is intended to provide Transit Agencies with the latest guidance regarding FTA and ALDOT procedures for vehicle disposition. This revised policy will go into effect on September 1, 2025, and will remain active until further notice. This policy applies to vehicles approved for disposal on or after September 1, 2025. Any approvals for vehicle disposal granted prior to this date will be governed by the previous policy.

1. Official request to dispose of vehicle/s
  - a. The provider shall submit a formal written vehicle disposal request on provider's letterhead to ALDOT through their respective regional manager. At a minimum, the request will include the following information:
    - Vehicle Identification Number (VIN)
    - Make and Model
    - In Service Date (date used to calculate ULBA)
    - Mileage
    - Is the vehicle to be replaced
    - Condition of vehicle
    - Federal Program that provided funding for the vehicle and funding ratio (80/20)
    - Has the vehicle exceeded the following useful life benchmark for age (ULBA)

ALDOT has designated the following useful life standards for rolling stock purchases:

Type	Vehicle	FTA Defined Useful Life
Bus	30' Heavy duty transit bus (includes Body on Chassis)	10 Years or 350,000 Miles
Cutaway	25' - 35' Light duty (Cutaway Chassis)	5 Years or 150,000 Miles
	30' - 35' Medium duty (Cutaway Chassis)	7 Years or 200,000 Miles
Van	Modified Van, High Roof Van (Transit Van)	5 Years or 150,000 Miles
Minivan	Minivans	5 Years or 150,000 Miles

- b. ALDOT will review the providers' request and transmit a letter approving or declining the vehicle disposition request through the respective regional manager
- c. If approved, the provider may dispose of the transit vehicle(s) after determining fair market value. Fair market value may be established by any of the three methods noted below:
  - The first method is by obtaining three bids, with the highest bid establishing fair market value;
  - The second method is by advertising in a newspaper of local circulation or other local media outlets requesting bids, with the highest bid establishing fair market value;
  - The third method is by public auction, with the highest bid establishing fair market value.

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2. After determining fair market value of the transit vehicle by one of the methods noted in 1.c.
  - a. Vehicles valued at \$10,000 or less and past the ULBA as determined by ALDOT and FTA guidelines, may be disposed. All proceeds from the disposition may remain with the agency and should be used to reduce the costs associated with the purchase of new transit vehicles, or other operating expenses, as determined to be in the best interest of the transit provider.
  - b. Vehicles valued at more than \$10,000 and past the ULBA as determined by ALDOT and FTA guidelines, may be disposed following the guidance below:
    - Recipients retain an amount equal to the sum of \$5,000; and, of the remaining proceeds, a percentage of the amount equal to the non-Federal share (local match) expended by the recipient in making the original purchase; recipients may not deduct selling and handling expenses from the reimbursement for the Federal share of sales proceeds; and
    - Any amount remaining after application of Paragraph 2.b. shall be returned to ALDOT and ALDOT will return the amount to FTA via pay.gov.

**In the example below:** A provider has a vehicle beyond the ULBA and approved for disposition. Using one of the methods noted in 1.c. above to determine the fair market value, the value of the vehicle has been established at \$10,500, the local match percentage of the original purchase was 20%. The calculations below determine the amount retained by the provider and amount returned to ALDOT for submittal to FTA.

\$10,500	-	\$5,000	=	\$5,500	Overage Amount
\$5,500	x	0.2	=	\$1,100	Additional Amount Retained by Provider
\$5,000	+	\$1,100	=	\$6,100	Total Amount Retained by Provider
\$5,500	-	\$1,100	=	\$4,400	Total Amount Returned to ALDOT

- c. Agencies with excess vehicles of any value within the ULBA, as determined by ALDOT and FTA guidelines, shall be returned to ALDOT for the facilitation of reassignment to other transit agencies. Upon agreement for reassignment, ALDOT will solicit valuations for the specific vehicle from bus manufactures and assign the fair market value based upon the highest quote received. Both agencies will meet in Montgomery to execute the transfer of the vehicle.
    - The receiving transit provider shall reimburse the disposing transit provider an amount of the fair market value; using the percentage of the local match expended by the recipient in making the original purchase to calculate the reimbursement amount times the fair market value (local match % X fair market value = reimbursement amount); and is responsible for any work related to retitling the vehicle.
3. All Transit markings are to be removed from the vehicle prior to the completion of the sale.
4. All Vehicle Maintenance Work Orders and Vehicle Data must be entered into ALDOT's TMS reporting system prior to the completion of the sale.

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5. Required forms to be completed by the provider upon disposal of vehicle and returned to ALDOT within 45 days of the date of the vehicle disposition approval letter;
  - a. Vehicle Bid/Quote Sheet Form
  - b. Disposition of Project Equipment Form
  - c. A copy of the title that shows the "Assignment of Title by Registered Owner. This will serve as ALDOT's assurance that the vehicle has been removed from public transportation service.
  - d. Provider Check (if applicable) for balance of funds to be returned to FTA
  - e. All disposition documents must be sent in advance via email to the appropriate regional manager. Additionally, Jeffery McInerney, Robert Echols and Austin Gilmore should be included in the CC field for each distribution.

The intent of this revised policy is to adhere to the latest guidance in FTA C 5010.1F and to allow transit providers to retain maximum allowable proceeds from the sale of applicable transit vehicles to offset future vehicle procurement expenses or operating expenses and hopefully allow the continued and/or expansion of public transportation services to the citizens of Alabama, while complying with all applicable FTA and ALDOT requirements. If you have any questions, please contact Robert Echols at (334) 242-6780.

# ALABAMA DEPARTMENT OF TRANSPORTATION

## VEHICLE BID/QUOTE SHEET

### AGENCY INFORMATION

LEGAL NAME OF CURRENT VEHICLE OWNER: \_\_\_\_\_

NAME OF AGENCY REPRESENTATIVE: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

### VEHICLE INFORMATION

MANUFACTURER OF VEHICLE BODY: \_\_\_\_\_

MODEL YEAR: \_\_\_\_\_ DESIGNED SEATING CAPACITY: \_\_\_\_\_

ADA ACCESSIBILITY FEATURES: YES        NO        CURRENT MILEAGE: \_\_\_\_\_

COMPLETE VEHICLE ID NUMBER: \_\_\_\_\_

### BID OR QUOTE

NAME OF PERSON OR AGENCY: \_\_\_\_\_  
(Type or Print)

AMOUNT OF BID/QUOTE: \$ \_\_\_\_\_

\_\_\_\_\_  
Signature of Person Submitting Bid/Quote

\_\_\_\_\_  
Date

# ALABAMA DEPARTMENT OF TRANSPORTATION LOCAL TRANSPORTATION BUREAU

# DISPOSITION OF PROJECT EQUIPMENT FORM

**AGENCY:** \_\_\_\_\_

**DATE OF DISPOSAL REQUEST:** \_\_\_\_\_

**AUTHORIZATION DATE:** \_\_\_\_\_

**COMPLETION DATE:** \_\_\_\_\_

**ATTENTION:** Prior to submitting this form, please ensure that all Maintenance Work Orders and Vehicle Data for the vehicles listed above have been accurately entered into the ALDOT's TMS reporting system.

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**Signature of Person Completing Form**

Date