

# Disposing of Used Public Transit Vehicles

## Process, Tips, What to Avoid, Resources

### Process For Disposal

1. Public Transit vehicles to be disposed of are typically those being replaced through a federal or state grant agreement from ODOT Public Transit Division (PTD), and have been identified by VIN number for replacement through a grant application. You may only replace a vehicle through a PTD grant agreement once – even if you transfer the used vehicle into standby status and continue to use it that way for several more years before final disposal.
2. The vehicle being replaced and disposed must meet or have met useful life standards in age or mileage at the time you are actually disposing of it. (You may include vehicles that have not yet, but are soon about to meet minimum useful life standards in a prospective grant application, but the vehicle must have reached that milestone by the time you actually dispose it.)
3. Any exceptions to meeting the minimum useful life standard before disposal must be approved in advance by ODOT PTD's Capital Program Coordinator. This is infrequent, and is normally only granted for vehicles with continuing and well-documented major maintenance issues. Vehicles damaged beyond useful repair in an accident should be replaced through an agency's insurance policy.
4. There are several ways to dispose of a vehicle: sale at public auction; sale or transfer to another public transit agency in your region; or in extreme cases, sale directly to a wrecking yard which removes a wrecked vehicle from its location. Sale by public auction is by far the most common disposal method, and meets Federal Transit Agency requirements for a competitive disposal process to ensure the highest possible price.
5. If you wish to directly sell or transfer a vehicle to another agency providing public transit service in your regional area, you should collaborate with your PTD Regional Transit Coordinator to help identify and document the best and highest use opportunity for the vehicle.
6. Proceeds from the sale of a public transit vehicle should be accounted for separately in a special account, such as a Vehicle Reserve Fund, and may be used as match for purchase of future public transit vehicles.
7. Before proceeding with disposal, you must first request release of the vehicle title from ODOT PTD, through a letter or email. In the communication, please identify the vehicle's make and model; VIN number; License plate number; date of purchase; current mileage reading; how and when you intend to dispose of it. If it is being replaced through a PTD grant agreement, please also identify the grant agreement number.
8. If selling or transferring to another public transit agency, you need to coordinate with that agency to ensure the title is properly transferred with the Oregon DMV. (ODOT does not need to be on the title as first security interest holder if the vehicle has met useful life standards and is no longer being used for public transportation services.) The receiving agency will need to continue reporting to PTD on that vehicle if it is being used for public transportation. Please see instructions for Agency Periodic Reporting on the ODOT PTD website, or contact your Regional Transit Coordinator.
9. Once you have successfully disposed of the vehicle, you must advise ODOT PTD of the date of disposal, and amount of proceeds from the sale if applicable. Otherwise, you will continue to have a reporting requirement for the vehicle.

10. A nonprofit agency may request a local public agency (such as a City, County, or Transit District) for assistance to sell a vehicle by public auction, such as on eBay (typically called “surplus property sales or auction”).
11. Alternatively, a nonprofit may be able to use the Oregon DAS State Surplus process to dispose of the vehicle. (Can be done on E-Bay, without having to transport vehicle to Salem.) Please check the DAS Procurement website for more information on this option. A fee is charged by DAS for this service, which is deducted from the gross sale proceeds.

## **Tips For Agencies**

1. If in doubt, ask first: check with your Regional Transit Coordinator or the ODOT PTD Capital Program Coordinator.
2. Check the regulations – refer to the ODOT PTD State Management Plan and the Asset Management section of the Transit Provider Handbook for transit agency responsibilities.
3. Check the Kelley Blue Book or Truck Trader websites to determine estimates for a current fair market value, and for determining whether the vehicle is a capital asset (\$5,000 or higher), or not. Regardless, the selling price at auction determines this question.

## **What to Avoid ?**

- Planning to sell a vehicle before it has reached minimum useful life standards of age and/or mileage
- Selling a vehicle to a non-public transit agency without the proper public competitive offer (auction or bidding) process
- Selling or transferring a vehicle to another public transit agency without first coordinating with your Regional Transit Coordinator to determine the highest and best use of the vehicle
- Not ensuring that the DMV title to a vehicle has been properly signed off by ODOT, buyer or transferee agency – it is illegal in Oregon to sell a vehicle without free and clear title.

## **Resources**

- Oregon DAS State Surplus can help sell your vehicle(s) at a reasonable fee
- Experienced staff at your or other transit agencies
- Your PTD Regional Transit Coordinator
- ODOT PTD’s Capital Program Coordinator
- You may use Public Transit vehicle vendors to help determine fair market value. Be sure to inform them that you are seeking a value for selling at auction or to another agency, not as a trade-in (trade-in value is typically less.)

## **Web Site Links**

- Use the Kelley Blue Book to determine fair market value on vans & minivans:  
<http://www.kbb.com/used-van-minivan/?intent=buy-used&r=82919958445742350>
- Use Truck Trader online to determine fair market value on small buses:  
<http://www.commercialtrucktrader.com/Bus-For-Sale/search-results?category=Bus|2000551>
- DAS State Surplus Web site and information on selling equipment via E-Bay:  
<http://www.oregon.gov/DAS/EAM/SURPLS/pages/index.aspx>