

Chapter 3 Guidelines for Capital (Vehicle and Equipment) Projects

This chapter contains guidelines associated with vehicle (rolling stock) and other equipment procurements, as well as the management of vehicles and equipment purchased with state RMG funds.

Eligible Use of Vehicles and Equipment

All vehicles and equipment purchased with grant funds must be used to support the passenger transportation services described in the grant agreement. At a minimum, the services provided with the vehicles must be eligible for the funding sources awarded for the project. Additionally, it is WSDOT's policy that grant funds shall not be used to replace "spare" vehicles.

Importance of Making Progress with Purchase(s)

RMG vehicles and equipment-acquisition projects for the 2015-2017 biennium must, at a minimum, place orders and set an anticipated acceptance date before June 30, 2017.

While it is important that grantees communicate and work with the assigned community liaison throughout the development, implementation and completion of a project, it is critical that the community liaison is notified as soon as problems arise associated with the capital project. This is especially important with problems or complications that delay project startup or vehicle/equipment orders. WSDOT Public Transportation staff will assist grantees to ensure successful implementation of the capital project. It is crucial that grantees initiate the purchase of grant-funded vehicles and equipment in a timely manner.

RMG grantees must complete and sign the "Bus Purchase Self-Certification" (located in [Appendix H](#)) prior to submitting a request for reimbursement.

Vehicle Procurement Records and Retention

Grantees must file and maintain all pertinent procurement records in the procurement file for all grant-funded procurements. Grantee shall maintain the complete procurement file for six years beyond the useful life of the vehicle(s) regardless of the process used to purchase the vehicles. The minimum useful life of a vehicle is shown in [Appendix H](#).

Title of Vehicles

When obtaining the vehicle titles with state funds administered by WSDOT, your organization must be shown as the registered owner and WSDOT must be shown as the legal owner. The following information must appear on the title:

Legal Owner

Washington State Department of Transportation
Public Transportation Division
PO Box 47387
Olympia, WA 98504-7387

Title Retention

The length of time WSDOT retains title to vehicles purchased for the project will depend on the size and type of vehicle purchased. The vehicle disposition schedule ([Appendix H](#)) identifies the retention schedule for vehicles, also known as the *minimum useful life* of the vehicle.

WSDOT will release legal ownership of all vehicles based on the vehicle acceptance date and identified minimum useful life (based on its age or mileage, whichever comes first).

Note: After WSDOT releases the vehicle title, grantees must complete the transfer of legal ownership of the vehicle with the Washington State Department of Licensing (DOL) within 15 calendar days. Failure to do so may result in penalties imposed on the grantee by DOL.

Managing Vehicles and Equipment

Grantees are expected to ensure that vehicles and equipment are properly maintained and used for the services described in the grant agreement. The information below provides guidance on how to properly manage grant-funded equipment and vehicles.

Allowable Uses

All vehicles and equipment purchased with grant funds must be used throughout their minimum useful life to support the passenger transportation services described in the grant agreement and be consistent with grant funding requirements. The service parameters include but are not limited to:

- Service area.
- Service mode (demand response, fixed route, vanpool, etc.).
- Population to be served (general public, special needs, etc.).
- Type of service (job access, complementary paratransit, etc.).

Minimum Service Thresholds for Vehicles

Vehicles must be used to provide the service described in the grant agreement.

Failure to use the vehicle as described in the grant agreement may jeopardize your organization's ability to remain in compliance with WSDOT's In Good Standing policy.

Maintenance of Vehicles and Equipment

Grantees are required to maintain all vehicles and equipment purchased with grant funds according to the manufacturer's recommendations and transit asset management plan (TAMP), or other transportation organizations' vehicle maintenance plan (VMP). The maintenance plan typically consists of a graduated preventive maintenance program. Refer to the owner's manuals received from the vehicle and equipment manufacturers and any installed components (such as wheelchair lift, bicycle rack, air conditioning unit) in order to

establish a preventive maintenance program. Samples of maintenance plans and preventive maintenance inspection forms are available from WSDOT upon request.

Asset Management Plan (Transit Agencies Only)

Moving Ahead for Progress in the 21st Century (MAP-21) and [RCW 81.112.086](#) require transit agencies and grantees receiving FTA and state funds for public transportation capital projects to develop and implement a TAMP or VMP. Transit agencies and grantees must submit TAMP/VMP recertification and/or an update of their plan to WSDOT on or before Feb. 15, 2017. TAMP/VMP recertification is due every other year on an odd-year basis.

MAP-21 and state AMP requirements consist of several important elements:

- Capital-asset inventory.
- Condition assessments and reporting.
- Maintenance plans for vehicles, equipment and facilities.
- Capital-investment prioritization for bringing public transit systems into a state of good repair.

Newly formed transit agencies can find guidance on developing an AMP at www.wsdot.wa.gov/transit/library. For more information about AMPs and VMPs, contact a WSDOT vehicle and equipment procurement staff member.

Required Elements for an AMP

Transit agencies and grantees must develop an AMP including:

- Inventory report system
- Lowest life-cycle cost (LLCC) methodologies
- Preventive maintenance program
- Maintenance recordkeeping system
- State of good repair
- Performance-based planning progress

Annual Transit Asset Inventory

Transit agency AMPs must include an inventory of all transit assets. Asset inventories are due every Jan. 31. For more information about annual asset inventories, contact a WSDOT asset management staff member.

Note: As a condition of receiving state funds, public transit agencies must have an AMP certified by WSDOT. WSDOT considers the preventive maintenance requirements described in the transit AMP to be best practices for all grant recipients.

Insurance Requirements

Vehicles purchased with grant funds must be insured to be in compliance with state law. Grantees must provide a certificate of insurance documenting liability, comprehensive and collision insurance for all grant-funded vehicles of which WSDOT retains legal ownership, with WSDOT listed as the loss payee. Self-insured organizations must provide WSDOT with a declaration of self-insurance including a description of how the self-insurance pool is funded. For specific insurance requirements, refer to the “Loss or Damage of Project Equipment” section of the capital grant agreement.

Damages and Repairs

Grantees are responsible for reporting and repairing any damage to grant-funded vehicles of which WSDOT retains legal ownership. WSDOT must be notified in writing within five business days if the vehicle sustains disabling damage (e.g., vehicle is removed from service for ten or more operating days or is totaled) or the circumstances of the incident trigger an FTA drug-and-alcohol test. The following information must be submitted to WSDOT:

- The nature of the incident.
- The level of damage to the vehicle.
- The grantee’s intentions regarding replacement of the vehicle if the damage resulted in a total loss of the vehicle.
- The incident report on file with local law officials.
- The investigation summary conducted by your organization.
- A copy of witness statement/comments.
- If grant funds were used for the purchase, an explanation of whether your organization’s decision to conduct post-accident drug-and-alcohol tests were conducted or, if not, why they were not conducted.

WSDOT does not need to be notified if the damage does not require removal from service. However, any damage should be repaired as quickly as possible.

Vehicle Total Loss

If the vehicle is deemed a total loss by the insurance carrier, the insurance proceeds shall be paid directly to WSDOT. Grantees that do not intend to replace a vehicle deemed a total loss will be forwarded the proportionate local share of the insurance proceeds received by WSDOT, provided that the grantee is in compliance with the grant agreement.

Grantees that intend to replace a vehicle deemed a total loss must replace it with a new or similar vehicle (value at the time of the incident, capacity, wheelchair accessibility, etc.). Once the replacement vehicle is received, a copy of the vendor invoice and the registration showing WSDOT as legal owner must be submitted to WSDOT. WSDOT shall reimburse the grantee up to the insurance proceeds paid. Any replacement costs in excess of the insurance proceeds must be assumed by the grantee.

If the grantee orders a replacement vehicle within 60 days of the incident and before the insurance proceeds have been processed, WSDOT may waive the requirement for the proceeds to be received directly by WSDOT, and may in writing allow the insurance to be paid directly to the grantee to expedite the replacement.

Change of Use

Written notification to and the approval of your community liaison is required if any grant-funded vehicle or equipment is no longer needed for the services described in the grant agreement. In either case, here is an overview of the options that may be available:

- Grantees providing other passenger transportation services in the same service area may request to use the vehicles or equipment for those services.
- Grantees not providing any other passenger-transportation services or reducing the scope of service may return the vehicles or equipment to WSDOT. Upon written notification, WSDOT will:
 - Initiate a fair-market valuation by an independent appraiser.
 - Identify other service providers who are willing and able to accept the vehicle(s) or equipment. If possible, WSDOT will transfer the vehicle or equipment to a provider within the same service area.
 - Initiate the transfer, once another service provider is identified and the fair-market valuation is completed. If local funds contributed to the purchase of the vehicle or equipment, grantees may be reimbursed for the proportionate local share as long as they are in compliance with the grant agreement. Once the transfer is complete, grantees will be released from the terms and conditions of the grant agreement.

Buyout of the Grant Share of a Vehicle and Other Equipment

Grantees may purchase the grant funded vehicles or equipment at any point during the grant agreement. If you elect to buy out the interest in the vehicles or equipment less than 12 months from the time of the receipt of grant funds, the amount to be returned to the state will be 100 percent of the grant. If the request to buy out the vehicle or equipment is received more than 12 months after the payment of the grant funds, WSDOT will initiate a fair-market valuation of the vehicles or equipment. Grantees will be required to pay the proportionate grant share of the current market value to WSDOT. After payment is received for a vehicle, WSDOT will send the grantee the original certificates of title for the vehicles and release them from any responsibilities under the grant agreement.
