New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE

VEHICLE DISPOSITION PROCEDURES

April 2023

NMDOT may approve the disposition of any vehicle, regardless of funding source, if it is to be replaced with Federal Transit Administration (FTA) funds.

The NMDOT will remain the lien holder on the title to any vehicles purchased with FTA funds until its final disposition. Under normal circumstances, NMDOT will only consider disposition of a vehicle in any category that has met the minimum useful life benchmark in either years or miles (which ever happens first) according to the following schedule and if vehicles are no longer in a state of good repair or can no longer be maintained to a state of good repair within reasonable measures:

Category	Typical Characteristics		Minimum Life	
	Approx. GVW	Average Cost	Years	Miles
Heavy-Duty Large Bus	33,000 to 40,000	$325,000 to over $600,000	15	625,000
Heavy-Duty Small Bus	26,000 to 33,000	$200,000 to $325,000	13	455,000
Medium-Duty and Purpose-Built Bus	16,000 to 26,000	$75,000 to $175,000	10	285,000
Light-Duty Mid-Sized Bus	10,000 to 16,000	$50,000 to $65,000	8	240,000
Light-Duty Small Bus, Cutaways, and Modified Van	6,000 to 14,000	$30,000 to $40,000	7	175,000

Subrecipients may replace a non-FTA-funded vehicle with an FTA-funded vehicle. As with FTA-funded vehicles, the vehicle(s) to be replaced must have met the useful life benchmark in either years or miles.

NMDOT may also approve the disposition of a vehicle before the end of useful life if a subrecipient demonstrates that continuing to operate and maintain the vehicle is not cost effective, the vehicle is unsafe, or the insurance company has totaled the vehicle as a result of an accident.

Subrecipients use BlackCat to request disposition of any vehicle listed in the BlackCat asset inventory, even those not funded with FTA funds.

FTA-funded Vehicles/Non-FTA-funded Vehicles that will be replaced with FTA Funds

1. Before submitting a disposition request in BlackCat, the subrecipient updates the **Condition Information** in BlackCat:

   • Status (Active, Inactive, Back-Up, Spare)

   • Current condition, condition rating, and valid as of date (Refer to the TAM plan for an explanation of the condition ratings.)

     0.0-1.0 = poor
     1.1-2.0 = marginal
     2.1-3.0 = adequate
     4.0-4.9 = good
     5 = excellent

   • Current mileage and as of date

   Once the **Condition Information** has been updated, the subrecipient selects **Dispose** which takes the subrecipient to the **Disposition Request** page.

2. The subrecipient completes the following **Disposition Request** fields:

   • *Disposal Justification* from the menu

   • *Disposal Method* from the menu

   • *Fair-Market Value*

   • *Fair Market Value Source*

   • justification explanation in the comment field

   Select **Save** which places the vehicle in **Disposal Ready** status and takes the user to the **Pending Disposition** page.

   Select **View** for the vehicle to be disposed. BlackCat opens the **Disposition Request** page which opens the **Disposition Documents** upload capability.

3. For vehicles that have met useful life benchmark criteria, the subrecipient uploads:

   • fair market value estimate documentation

   • supporting documentation regarding the vehicle's condition (i.e., preventative maintenance records, etc.).

4. For vehicles that have or have not met useful life benchmark criteria but have major maintenance or safety issues, the subrecipient uploads:

   • fair market value estimate documentation

   • price quotes for any major repairs that may be needed on the vehicle

   • other supporting documentation regarding the vehicle's condition (i.e., additional maintenance history, safety issues, preventative maintenance, etc.).

Once the documents are uploaded, the subrecipient selects **Submit** which places the vehicle in **Disposal Submitted** status.

5. For vehicles that have been totaled in an accident, the subrecipient must notify the Capital Asset Program Manager before submitting the disposition. The subrecipient then uploads:

   - accident report(s)

   - photos

   - information from the insurance company

   - a signed title release if the subrecipient holds title

   - any other supporting documentation regarding the vehicle's condition.

   Once the documents are uploaded, the subrecipient selects **Submit** which places the vehicle in **Disposal Submitted** status.

6. The Capital Asset Program Manager reviews the disposition request and supporting documentation. If the vehicle record is incomplete or additional information is needed, the Capital Asset Program Manager notes the needed information in the comments field and selects **Reject** which returns the request to the subrecipient. The information request appears in the **History Log**.

7. The subrecipient adds the requested information and selects **Submit**.

8. The Capital Asset Program Manager evaluates complete requests and recommends one of the following courses of action to the Rural Transit Program Supervisor:

   - Approval of the disposition

   - Transfer of the vehicle (FTA-funded vehicles only)

   - Rejection of the disposition request

Approval

9. The Rural Transit Program Supervisor approves the request in BlackCat.

10. If NMDOT holds a lien on the vehicle:

   - The Capital Asset Program Manager pulls the agency's file. If the file does not contain the title, the Capital Asset Program Manager notifies the subrecipient, the subrecipient requests a duplicate title from MVD, and MVD mails the title to NMDOT.

   - The Capital Asset Program Manager:

     Has the Rural Transit Program Supervisor sign the lien release on the title

     Scans and uploads a copy of the title release to the vehicle disposition record in BlackCat

     Provides the address of the subrecipient, the signed lien, and the Rural Transit Program Supervisor's business card to the Office Clerk who mails the information to the subrecipient or insurance company by certified mail.

   - The Office Clerk emails the tracking information to the Capital Asset Program Manager who forwards the email to the subrecipient.

11. For vehicles that are sold/auctioned, the subrecipient uploads to the **Disposition Documents** copies of the bill of sale and receipt, title with the buyer's signature, and, if separate from the title, an odometer disclosure statement.

Disposition Proceeds (FTA-funded vehicles only)

12. If the disposition proceeds (does not include insurance proceeds) exceed $5,000, the subrecipient submits a check to NMDOT Transit and Rail Division for the federal share of the amount that exceeds $5,000. For example, if the insurance proceeds are $10,000, the subrecipients retains $6,000 ($5,000 plus 20 percent of $5,000).

13. The Division Finance Supervisor returns the federal share of the proceeds exceeding $5,000 to FTA using pay.gov.

Insurance Proceeds (FTA-funded vehicles only)

14. Insurance proceeds received from the final disposition of a vehicle are to be remitted to NMDOT after settlement with the insurance company occurs. NMDOT retains 80 percent of the total proceeds and the remaining 20 percent (prorata local share) are refunded to the subrecipient who incurred the loss. NMDOT places the insurance proceeds into a fund account, to be drawn against as subrecipients replace vehicles.

Rejection

15. The Capital Asset Program Manager enters the reason for the rejection which is returned with comments to the subrecipient in BlackCat. The reason appears in the **History Log**.

Transfer

16. The Capital Asset Program Manager rejects the disposal request in BlackCat and states in the comments that the vehicle will be transferred to another subrecipient. The comment appears in the **History Log**.

17. The Capital Asset Program Manager transfers the vehicle in BlackCat. The Capital Asset Program Manager selects the reason for the transfer and the receiving subrecipient. The Capital Asset Program Manager works with the two subrecipients to determine if any payments are due to the subrecipient releasing the vehicle.

18. If NMDOT holds a lien on the vehicle:

- The Capital Asset Program Manager pulls the agency's file. If the file does not contain the title, the Capital Asset Program Manager notifies the subrecipient, the subrecipient requests a duplicate title from MVD, and MVD mails the title to NMDOT.

- The Capital Asset Program Manager:

    Has the Rural Transit Program Supervisor sign the lien release on the title

    Scans and uploads a copy of the title release to the vehicle transfer record in BlackCat

    Provides the address of the subrecipient, the signed lien, and the Rural Transit Program Supervisor's business card to the Office Clerk who mails the information to the subrecipient by certified mail.

- The Office Clerk emails the tracking information to the Capital Asset Program Manager who forwards the email to the subrecipient.

19. The "selling" subrecipient (seller) completes the seller portion of the title. If no money is exchanged, the selling subrecipient also completes an affidavit of gift. The selling subrecipient mails the documents by certified mail to the receiving subrecipient and shares the tracking information with the Capital Asset Program Manager and the receiving subrecipient.

20. The receiving subrecipient uploads copies of the bill of sale or affidavit of gift to the vehicle record in BlackCat.

21. The receiving subrecipient registers the vehicle(s) with Motor Vehicle Division (MVD), listing NMDOT Transit and Rail Division as lien holder as follows:

    NMDOT Transit and Rail Division
    PO Box 1149
    Santa Fe, NM 87504-1149

22. MVD mails the title to Division.

23. The Capital Asset Program manager scans and uploads a copy of the new title to the vehicle record and files the hardcopy title.

Non-FTA-funded Vehicles that will not be replaced with FTA Funds

1. Select **Dispose** which opens the **Disposition Request** page.

2. State in the comment field that the vehicle will not be replaced with an FTA-funded vehicle.

3. Select **Save** which places the vehicle in **Disposal Ready** status and opens the **Pending Disposition** page.

4. Select **View** for the vehicle to be disposed.

5. Select **Submit** which places the vehicle in **Disposal Submitted** status.