

DEPARTMENT OF ADMINISTRATION Enterprise Policy

DCAMM – FLEET VEHICLE REQUIRED DISPOSAL CRITERIA – 2025 Division of Capital Asset Management & Maintenance Fleet Vehicle Disposal Criteria Policy

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1. Purpose

The purpose of this policy is to establish criteria for vehicle disposal or redistribution, along with the surplus process through the State's Surplus Property Program.

Aging vehicles become increasingly costly, unsafe, and inefficient to maintain. As vehicles age, repair frequency and downtime rise, leading to higher maintenance expenses and reduced reliability. Older vehicles are also more likely to fail safety inspections, lack modern safety technology, and contribute to higher liability risks in the event of an accident. In addition, outdated vehicles typically consume more fuel and produce greater emissions, which undermines environmental and cost-efficiency goals. By strategically retiring older vehicles or reassigning underutilized vehicles, the State can reduce long-term operating costs, improve safety, enhance performance, and ensure compliance with environmental and regulatory standards.

2. Applicability

This policy applies to all state-owned motor vehicles whose titles are held by the State of Rhode Island and controlled by State Fleet Operations (SFO). This policy is issued pursuant to R.I. Gen. Laws Ch. 42-11 which allow the Director of Administration to centralize state fleet operations for vehicle management. As a result, SFO will be responsible for implementing this policy. The exceptions are the Department of Public Safety, the Department of Transportation, the Legislature, the Judiciary, and the offices of statewide elected officials (e.g., Office of the Governor, Lieutenant Governor, Attorney General, etc.), yet these parties maintain the option to opt into SFO's central vehicle management.

3. Definitions

- a) "Fair Market Value" refers to the overall vehicle worth determined by the price it will sell at on the open market.
- b) "High Value Vehicle" refers to a vehicle whose original purchase price or current fair market value exceeds \$100,000.
- c) "Lot" shall refer to a predefined quantity of materials, sold together for purposes of

distribution.

- d) "Low Mileage" refers to vehicles that record a cost per mile that exceeds the federal reimbursement rate of the current year.
- e) "Scrap" refers to vehicles or remnants of vehicles and equipment that through use, time, or accident are so damaged, used, missing parts, or consumed that they are not usable for the purpose for which they were originally intended.
- f) "Specialty Use Vehicle" refers to a vehicle that fulfills a unique operational role requiring it to be available for a specific function, which may result in infrequent use or low annual mileage. Examples could be a bomb disposal truck, fire truck, snowplow truck, bridge cleaning tanker truck, etc.
- g) "State Fleet Operations" (SFO) is a discrete unit of DCAMM within the Department of Administration designated by the Director of Administration to be responsible for implementing this policy.
- h) "Covered Agency" means department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, including, the council on postsecondary education and council on elementary and secondary education or other establishment of the executive, legislative or judicial branch of the state, directly influenced by this policy
- i) "State Fleet" refers to all motor vehicles owned by the State of Rhode Island that have been allocated to state agencies and are under the control of SFO.
- j) "State-Owned Motor Vehicle" refers solely to a covered agency's passenger vehicles and motorized equipment, fleet, and attachments, where applicable, irrespective of the source of funds utilized to acquire the vehicle.
- k) "Surplus Property" means property that exceeds a covered agency's needs and is not required by the agency in the foreseeable future. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

4. Disposal and Redistribution Criteria for State-owned Vehicles

To ensure responsible stewardship of state resources, the disposal and redistribution of stateowned vehicles will be guided by the principle that the benefits of retaining a vehicle must outweigh its operational and financial costs, with the ultimate goal of optimizing fleet efficiency and minimizing expense.

Custody and control of all motor vehicles exceeding a covered agency's operational requirements, as determined by SFO, shall be transferred to SFO, which shall then reallocate these vehicles or mark them for disposal. A vehicle that exceeds operational requirements will

meet one or more of the following criteria, and may be marked for redistribution or disposal by the State Fleet Administrator:

- a) A state fleet vehicle that accrues low mileage or no miles within a calendar year (note: this excludes newly purchased vehicles within calendar year);
- b) A state fleet vehicle with over 100,000 miles;
- c) A state fleet vehicle that is 10 years old or older;
- d) A state fleet vehicle that exceeds its fair market value in maintenance and repair costs during a given calendar year;
- e) SFO, on behalf of the DOA and the director of the DOA, has the authority, in consultation with covered agencies, to determine when an agency requires a replacement or whether disposal of the vehicle is sufficient;
- f) Vehicles designated as "specialty use" or "high value" may be exempted from the criteria listed above for disposal or redistribution, as determined by the State Fleet Administrator in consultation with the department or agency using the vehicle; and
- g) For vehicles procured with federal funds or via the federal government, SFO will ensure compliance with both state and federal disposal or redistribution requirements, as federal funding or support may carry additional conditions governing use.

5. SFO Review and Notification

- a) As frequently as necessary, but not less than once per year, SFO will analyze the state fleet vehicle operating data to determine which vehicles are in compliance with these operating standards. SFO may also examine the data to determine if there are any other red flags or anomalies that may give rise to further inquiry.
- b) Agencies will be notified regarding which vehicles in their possession are not in compliance and will be prompted to begin discussing the redistribution or disposal of the relevant vehicles. Agencies that disagree with this determination have the opportunity to file an appeal.

6. Disposal Criteria Appeal Process

a) The affected department or agency may appeal the State Fleet Administrator's decision to surplus a vehicle, within 30 days of notification of their decision. This appeal must be made in writing to the Director of the Division of Capital Asset Management &

Maintenance. The Director of Administration (or designee) has the ultimate authority to determine the outcome of the appeal.

b) Appeals may be made on any basis but should generally aim to explain why the benefits of continuing to own the vehicle, despite its current condition, outweigh the total costs to the State. (note: the Agency Disposition Appeal Form can be accessed via the State Fleet page)

7. Process for Vehicle Surplus

- a) Vehicles that are designated as surplus and will not be replaced by another vehicle must have the corresponding plates turned into SFO.
 - i. State fleet vehicles designated as surplus or disposal and that require a replacement shall adhere to all relevant policies and executive orders pertaining to replacement of a State vehicle.
- b) An agency must report property that is no longer needed to DCAMM by initiating a "request for disposal" task within Workday, formerly initiated by filing the FA-70 Report of Fixed Asset Form to receive authorization for disposition and/or disposal.
- c) Vehicles that can be operated safely, will be transported to the State Surplus lot.
- d) Inoperable vehicles may remain at agency locations as deemed necessary by the State Fleet Administrator, to control transportation costs.
- e) Vehicles/vehicle parts deemed to be "scrap" by SFO may be sold as such, either as individual pieces or as a "lot" to interested parties via public auction.
 - The State Fleet Administrator retains the right to dispose of surplus vehicles and scrap via trade, following policies and regulations established by the Division of Purchases.
- f) Surplus vehicles marked as disposal or scrap may be offered to state agencies and municipalities via sealed bid or public auction, before they are recommended for trade-in. (note: for more detailed procedural information, please review the state surplus policy via the <u>State Fleet page</u>)
- g) For designated surplus vehicles that are marked for redistribution, SFO will consult with agencies to assess needs and determine priority placement.
 (note: for more detailed procedural information, please review the state surplus policy via the State Fleet page)
 - i. Through the annual assessment of state fleet operating data, SFO will identify agencies with the most critical needs and conduct an additional qualitative review (e.g., interviews) to determine final vehicle placement.

Required Forms and Instructions

For copies of all forms and more detailed procedural information, visit the <u>State Fleet page</u> on the DCAMM website.

Signature.		
Director Department of Administration	Date	