Vehicle Acquisition and Disposal

POLICY This policy sets forth University requirements regarding the acquisition of vehicles. This policy also establishes responsibilities and procedures for inventory tracking, maintenance, and disposal of University vehicles.

Cost/Benefit Analysis Each department should consider performing a cost/benefit analysis before deciding whether or not to purchase or lease a vehicle. There are a number of options available, including monthly or annual vehicle rental from the Motor Pool. The cost/benefit analysis assists the department with determining which option is the most cost effective.

A Cost/Benefit Analysis form is available in PDF format on the Procedures, Records, and Forms (PR&F) website at: policies.wsu.edu/prf/index/forms/

The department may contact Motor Pool and Purchasing Services to assist with this analysis. (See a Cost/Benefit Analysis form example in Fig. 1.)

Acquisition The acquisition of all University vehicles is processed through Purchasing Services (see Definitions). All vehicles with an expected cost over the direct buy limit are bid according to University policy or purchased on state contracts. See BPPM 70.10 and 70.13.

License and Title WSU departments are responsible for obtaining applicable licenses and titles for vehicles, as required by the Washington State Department of Licensing. See Farm Equipment and Heavy Machinery regarding license and title exceptions for farm equipment and heavy machinery.

WSU departments should refer to SPPM 7.10 concerning vehicle insurance.

Definitions

University Vehicle For the purposes of this policy, a University vehicle is any vehicle owned by the University or leased by duly-authorized University employees or departments. A University vehicle is used for official University business to transport people or property on roads, highways, waterways, or University property. See the following definitions and SPPM 7.10.
Vehicle Acquisition and Disposal

COST/BENEFIT ANALYSIS

COMPARISON OF VEHICLE PURCHASE VERSUS
LONG-TERM LEASE THROUGH MOTOR POOL

Contact the Motor Pool or Purchasing Services for assistance with completing this cost/benefit analysis. See also 70.40.

INSTRUCTIONS

Department-Owned Vehicle

If the vehicle is purchased by the department, the department is responsible for all of the associated costs: purchase price, interest if acquired through financing, license, sales tax, insurance, routine maintenance (including tires), major repairs, and fuel. When calculating operating costs, include the cost of insurance. Contact Risk Management Services for current insurance rates. If financing the purchase, include the amount of interest paid annually.

Motor Pool Long-Term Lease Vehicle

If the vehicle is acquired through long-term lease from the Motor Pool, the department pays a flat amount that includes all costs except fuel. The cost of long-term lease vehicles is available on the Motor Pool website at: http://facilities.wsu.edu/motor-pool-rates/

Use the fields and tables below to compare the annual costs of purchasing a departmentally-owned vehicle versus obtaining a vehicle through the Motor Pool’s long-term lease program.

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>Purchase Price</th>
<th>Estimated Miles Per Gallon</th>
<th>Estimated Miles Driven Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full size sedan</td>
<td>$25,000.00</td>
<td>25</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Use the current year average cost of fuel to calculate the annual fuel costs.

NOTE: Contact Motor Pool for the current average cost per gallon based on average prices in the state of Washington; telephone 509-335-9085.

<table>
<thead>
<tr>
<th>Estimated Miles Driven Per Year</th>
<th>Estimated Total Gallons Used Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,000</td>
<td>800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated Miles Per Gallon</th>
<th>Current Average Cost Per Gallon of Fuel</th>
<th>Estimated Annual Fuel Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>$2.88</td>
<td>$2,304.00</td>
</tr>
</tbody>
</table>

Cost of a Departmentally-Owned Vehicle

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total Costs Per Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,000</td>
</tr>
<tr>
<td>Interest</td>
<td>1,039</td>
<td>917</td>
<td>680</td>
<td>431</td>
<td>171</td>
<td>3,238</td>
</tr>
<tr>
<td>License plates/tabs</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>36</td>
</tr>
<tr>
<td>Insurance</td>
<td>171</td>
<td>171</td>
<td>171</td>
<td>171</td>
<td>171</td>
<td>855</td>
</tr>
<tr>
<td>Maintenance</td>
<td>240</td>
<td>650</td>
<td>1,240</td>
<td>350</td>
<td>650</td>
<td>3,130</td>
</tr>
<tr>
<td>Repairs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Fuel</td>
<td>2,304</td>
<td>2,304</td>
<td>2,304</td>
<td>2,304</td>
<td>2,304</td>
<td>11,520</td>
</tr>
<tr>
<td>Total Costs Per Year</td>
<td>28,743</td>
<td>4,867</td>
<td>4,384</td>
<td>3,245</td>
<td>4,285</td>
<td>44,779</td>
</tr>
</tbody>
</table>

Cost of a Motor Pool Long-Term Lease

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total Costs Per Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease Payment</td>
<td>5,019</td>
<td>5,019</td>
<td>5,019</td>
<td>5,019</td>
<td>5,019</td>
<td>25,095</td>
</tr>
<tr>
<td>Fuel</td>
<td>2,304</td>
<td>2,304</td>
<td>2,304</td>
<td>2,304</td>
<td>2,304</td>
<td>11,520</td>
</tr>
<tr>
<td>Total Costs Per Year</td>
<td>7,323</td>
<td>7,323</td>
<td>7,323</td>
<td>7,323</td>
<td>7,323</td>
<td>36,615</td>
</tr>
</tbody>
</table>

Total Cost of Departmentally-Owned Vehicle = 44,779
Total Cost of Motor Pool Long-Term Lease = 36,615

Departmental savings by using Motor Pool Lease Vehicle = 8,164
Vehicle Acquisition and Disposal

Motor Vehicles
Motor vehicles include any vehicle used on public highways, e.g., automobiles, trucks, vans, motorcycles.

Vessels
Vessels include vehicles used on waterways, e.g., houseboats, motor boats, sailboats, jet skis, racing/rowing sculls.

Trailers
Trailers include unpowered vehicles used for transporting vehicles, boats, equipment, or other items.

Aircraft
Aircraft include flying vehicles, e.g., small planes, small jets, helicopters.

Farm Equipment and Heavy Machinery
Farm equipment and heavy machinery include vehicles used in farm or construction operations, e.g., combines, tractors, hay bailers, cranes, backhoes.

NOTE: These vehicles may be used on open roads within 25 miles of the point of departure. If these vehicles travel more than 25 miles on the open road, departments must purchase a Farm Exempt decal with the vehicle license from the Department of Licensing.

The state of Washington does not require titles or licenses for many types of farm equipment and heavy machinery. However, if the acquisition cost is more than $5000, Property Inventory or departments must add the equipment and/or machinery item into the University's Property Inventory system. See BPPM 20.50 and Property Inventory.

VEHICLE ACQUISITION
Vehicles may be acquired through purchase, state or federal surplus, lease, or donation. Purchasing Services orders vehicles and establishes contracts for leased vehicles. The department sends an approved Departmental Requisition and the requested vehicle specifications to Purchasing Services.

Departments may not use purchasing cards or Department Orders to acquire vehicles.

New and Used Vehicles
A state contract offering a wide range of new vehicles is available. To view the state contract, see the Department of Enterprise Services Current Contracts website at:

des.wa.gov/services/contracting-purchasing/current-contracts
Vehicle Acquisition and Disposal

New and Used Vehicles (cont.) If the cost of a new vehicle is to be reduced by trade-in of a University-owned vehicle, the department must include the following information on the Departmental Requisition:

- Make
- Model
- Year
- Vehicle identification number (VIN) of the trade-in vehicle
- WSU inventory number of the trade-in vehicle

WSU Surplus Stores must approve all proposed vehicle and equipment trade-ins to ensure adequate trade-in value. See also BPPM 70.12 regarding trade-ins.

Surplus Vehicles Federal and state surplus inventories may offer low-cost vehicles suitable for some departmental requirements. The department must send the approved Departmental Requisition or an e-mail from the authorized expenditure authority to Surplus Stores, which works with the department to acquire surplus vehicles.

The department must notify Property Inventory by e-mail or campus mail when acquiring a federal or state surplus vehicle. The department must include the following information in the written notice to Property Inventory:

- Make
- Model
- Year
- Vehicle identification number (VIN) of the surplus vehicle
- Value of the surplus vehicle

Donated Vehicles To acquire a donated vehicle, the department must complete a Noncash Gift Transmittal and Acknowledgement to report an in-kind gift. The department must obtain verification of the value of the vehicle from a car dealership or other appropriate valuation source.

The department routes copies of the Noncash Gift Transmittal form and the vehicle value verification to the Gift Accounting division of the WSU Foundation and the Property Inventory Section of the Controller's Office. See BPPM 30.70 for gift transmittal form instructions.
Vehicle Acquisition and Disposal

University Property Inventory

All licensed vehicles must be added into the University's Property Inventory system and affixed with an inventory number tag, regardless of cost. All vehicles, farm equipment, and heavy machinery with an acquisition cost that exceeds $5000 must be inventoried and tagged. See BPPM 20.50 and Property Inventory.

Titling and Exempt Licensing

As a state agency, the University is exempt from paying annual licensing fees on most vehicles. Contact Risk Management Services for exceptions. Most license plates issued to the University indicate exempt status. The license fee and any related charges are one-time costs for exempt plates.

APPLYING FOR TITLE

The department must apply for the title and license, if required by the Washington State Department of Licensing (DOL), as soon as a vehicle is received. The department obtains the license and registration from DOL. DOL accepts the purchasing card as a form of payment for title and license fees. To apply for vehicle titles, departments must complete and submit the required documentation to DOL. Table 1 summarizes the documentation required for each type of vehicle. Further detailed information regarding the application process is provided below the table.

Table 1. Vehicle Required Documentation

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Required Documentation</th>
</tr>
</thead>
</table>
| All Vehicles                        | • Vehicle Title Application  
• Manufacturer's Statement of Origin (MSO)  
• Current odometer reading certification  
• Copy of an invoice or purchase order indicating that sales/compensatory tax has been paid on the vehicle, if tax is required.  
• Weight certification (for trucks and trailers only) |
| Used Out-of-State Vehicles          | May require an inspection or emissions test. Departments should consult with the local Department of Licensing. |
| Surplus Vehicles                    | May include a Declaration of Use Tax form. |
| Federal Excess Property Vehicles    | May include a Declaration of Use Tax form. |
| Donated Vehicles                    | Department must obtain documentation verifying the value of the vehicle and complete the gift transmittal documentation. |
Vehicle Acquisition and Disposal

All Vehicles

Vehicle Title Application

The department must complete a Vehicle Title Application. The vendor usually provides the title application. If not, the department may obtain a blank application from the DOL website at:

dol.wa.gov/forms.html

If the University owns the vehicle, enter WA State Univ Risk / Department in the Name field under Registered owner. ("Department" is the name of the department that purchases and includes the vehicle on the departmental property inventory list.) Enter the University's UBI number (385000328) under Owner's Washington driver license, ID card, or UBI number. In the Name field under New legal owner or lienholder, place the words "SAME AS ABOVE." (See a sample Title Application in Fig. 2.)

Review the title application prepared by the vendor to ensure that it lists the required information correctly, including the purchasing department name.

Other Documents

The following additional documents are provided to DOL with the title application:

- Manufacturer’s Statement of Origin (MSO)
- Current odometer reading certification;
- Copy of an invoice or purchase order indicating that sales/compensatory tax has been paid on the vehicle, if tax is required.
- Weight certification (for trucks and trailers only)

NOTE: The MSO, the odometer certification, a vendor's invoice, and the title application usually come with the vehicle.

Used Out-of-State Vehicle

In addition to the required documentation described under Applying for Title, a used out-of-state vehicle purchase may require an inspection or emissions test in order to complete the title application process. The department is advised to consult the local DOL to confirm inspection requirements. NOTE: New vehicles do not need to be inspected.

The department pays any required inspection fee directly to DOL.
Vehicle Acquisition and Disposal

**Figure 2: Sample Title Application**
### Vehicle Acquisition and Disposal

#### Surplus Vehicles

<table>
<thead>
<tr>
<th>State Surplus Property Documents</th>
<th>To title State Surplus Property acquired through Surplus Stores, the department completes and provides to DOL all documents received from Surplus Stores.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration of Use Tax</td>
<td>Departments may be required to obtain a Declaration of Use Tax form from the Department of Revenue to request exemption from the requirement to pay state sales/use tax. If required, the department completes the form and submits it to the Department of Revenue. Risk Management Services may provide assistance with this process.</td>
</tr>
</tbody>
</table>

#### Federal Excess Property

<table>
<thead>
<tr>
<th>Surplus Stores Documents</th>
<th>To title Federal Excess Property acquired through Surplus Stores, the department completes and provides to DOL all documents received from Surplus Stores.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration of Use Tax</td>
<td>To request exemption from the requirement to pay state sales/use tax, the department must submit a copy of an invoice from State Surplus indicating a state-to-state transaction to the state Department of Revenue. Risk Management Services may provide assistance with this process. The Department of Revenue completes a Declaration of Use Tax form.</td>
</tr>
<tr>
<td>Federal Agency Issue Document</td>
<td>The department submits the issue document received from the federal agency to Risk Management Services. (See BPPM 20.78 for more about federal excess property.)</td>
</tr>
<tr>
<td>Title Application</td>
<td>On the Vehicle Title Application enter:</td>
</tr>
<tr>
<td></td>
<td>- WA State Univ Risk / Department in the <strong>Name</strong> field under <strong>Registered owner</strong>.</td>
</tr>
<tr>
<td></td>
<td>&quot;Department&quot; is the name of the department that purchases and includes the vehicle on the departmental property inventory list.</td>
</tr>
<tr>
<td></td>
<td>- Risk Management Services' address in the <strong>Primary Address</strong> field, as indicated in <strong>Fig. 2</strong>.</td>
</tr>
<tr>
<td></td>
<td>- The <strong>federal agency</strong> in the <strong>Name</strong> field under <strong>New legal owner or lienholder</strong>.</td>
</tr>
</tbody>
</table>
Vehicle Acquisition and Disposal

Donated Vehicles
To title a donated vehicle, provide documentation to DOL from a car dealership or other appropriate valuation source verifying the value of the vehicle.

NOTE: The department must complete gift transmittal documentation as indicated under Vehicle Acquisition--Donated Vehicles for each donated vehicle.

Other Modes of Transportation
Contact Risk Management Services for additional instructions on titling and licensing aircraft or other modes of transportation not addressed under Policy.

OBTAIN TITLE, TAGS, AND REGISTRATION

Documentation
The departmental representative delivers the following items to DOL in person:

- Completed title application,
- Odometer reading, and
- Manufacturer’s Statement of Origin (MSO).

The departmental representative pays the required fees with a purchasing card (see BPPM 70.08).

If applicable, the departmental representative also takes the inspection slip and/or the Declaration of Use Tax form. See Surplus Vehicles--Declaration of Use Tax and Federal Excess Property--Declaration of Use Tax.

Department of Licensing

Whitman County
In Whitman County, DOL offices are located at:

- Department of Licensing Office
  1195 SE Bishop Blvd. #3, Pullman, WA

- Whitman County Auditor’s Office
  County Courthouse, Colfax, WA

Outside Whitman County
Departments located outside Whitman County contact the local DOL office.
Vehicle Acquisition and Disposal

**Plates/Registration**

DOL provides the departmental representative with the vehicle license plates and the vehicle registration.

- Securely attach the license plates to the vehicle. **NOTE:** Do not move plates from one vehicle to another.

- Submit a copy of DOL's Registration Certificate to Risk Management Services.

- Place the original or a certified copy of the DOL Registration Certificate inside the vehicle glove compartment, along with the vehicle accident forms. See *SPPM 7.10* for items required in vehicle glove compartments.

**Title**

DOL sends the vehicle title to the legal owner (WSU Risk Management Services, federal agency, or other) for filing.

- Risk Management Services maintains the titles for all University vehicles.

**PROPERTY INVENTORY**

The Property Inventory Section of the Controller's Office updates the University's AIS Property Inventory Application when it receives notification of acquisition or transfer of a vehicle. Property Inventory receives such notifications through daily expense reports and contacts from departments by e-mail and/or campus mail. See *BPPM 20.50* for property inventory procedures.

All licensed University vehicles, regardless of cost, and all farm equipment and heavy machinery with an acquisition cost that exceeds $5000 must be tagged and inventoried.

**Vehicle Inventory System**

Once Property Inventory updates the Property Inventory Application, the information appears in the Vehicle Information System.

- Risk Management Services maintains the Vehicle Information System database.

**Inventory Tags**

Property Inventory issues the department a Property Inventory Card and inventory tag after entering the information into the system.

- Departmental personnel are to secure the tag to the inside of the driver's door post and notify Risk Management Services of the inventory tag number.
Vehicle Acquisition and Disposal

| Questions | Contact Risk Management Services with questions regarding the titling of University vehicles. |
| INSURING VEHICLES | Contact Risk Management Services to determine if insurance is required on the vehicle. See SPPM 7.10. |

DISPOSING OF VEHICLES
Before selling, transferring, trading in, dismantling for parts, or otherwise disposing of a vehicle, the department must notify Surplus Stores and complete the required documents. See BPPM 20.76 for proper disposal procedures. When a vehicle is sold, transferred, or disposed of, Surplus Stores notifies Property Inventory.

The department notifies Motor Pool when a vehicle is sold, transferred, or disposed of, and Motor Pool removes the vehicle from the preventive maintenance schedule. Surplus Stores notifies Risk Management Services of sold vehicles. Purchasing Services notifies Risk Management Services of trade-ins.

See BPPM 20.76 for procedures and required documentation to dispose of a motor vehicle.

See BPPM 20.80 for procedures and required documentation to sell a motor vehicle to another WSU department.

See BPPM 70.12 regarding trading in a vehicle.

See BPPM 20.50 for additional procedures for handling University property.