Good afternoon:

In this time of unprecedented vehicle procurement and supply chain challenges, the Federal Transit Administration (FTA) has taken action and issued a <u>special 24-month waiver</u> regarding the rebuild of light-duty transit buses. This wavier will shorten the useful life extension for light-duty transit vehicle rebuilds from four (4) years to two (2) years, or 50,000 miles. This special waiver is being granted in response to an inability to procure new light-duty transit buses within a reasonable timeframe as a result of ongoing supply chain issues. To take advantage of this waiver, a vehicle rebuild must be initiated between November 1, 2022 and October 31, 2024. Additionally, the waiver only applies to medium size, light-duty transit vehicles ("cutaways") or smaller public transportation vehicles having an original minimum useful life of five (5) or fewer years (or 150,000 or fewer miles).

While vehicles of this type may not be typically rebuilt, this special waiver option does allow rebuilds to serve as an alternative to the purchase of replacement vehicles until existing procurement disruptions are resolved. In the FTA <u>Award Management (5010.1E) Circular</u>, rebuilds are defined as "a capital activity associated with rolling stock that occurs at, or near, the end of a unit of rolling stock's useful life, and that results in an extended useful life for the unit of rolling stock consistent with the extent of the rebuilding." Rebuilds may involve the replacement or rehabilitation of a variety of vehicle systems or other elements, including, but not limited to, engines and propulsion systems, suspension and steering systems and vehicle electrical systems. Vehicle rebuilds normally result in a useful life extension of four (4) years. This waiver will shorten that useful life extension to two (2) years or 50,000 miles. It should be noted that this special wavier does not apply to medium-or heavy-duty transit buses with an original minimum useful life of greater than five (5) years. Rebuilds for medium- or heavy-duty transit buses will extend the useful life of these types and sizes of vehicles by a minimum of four (4) years.

IMD is seeking input from your transit agency regarding this special waiver from FTA. Please see the link below for a survey initiated by IMD regarding potential benefits to your transit agency from this waiver. This survey asks if your transit agency will utilize this waiver for rebuilds in your transit fleet, including the potential number of rebuilds. Please respond to the survey by January 13th even if your transit agency does not envision taking advantage of this waiver.

https://app.smartsheet.com/b/form/e9f281f4dc2f48a78449b2ca4b767ffb

Feel free to reach out to Jennifer Hibbert (cc'd) for any questions regarding this email or the survey.

Thank you for your partnership in providing high quality transit service across the state of North Carolina. IMD looks forward to our continued partnership as we seek innovative solutions to challenges with the current procurement environment.

Thank you, Mary

Mary Schuler

Deputy Director for Finance and Administration, Integrated Mobility Division N.C. Department of Transportation

919-707-2605 (office) mgschuler@ncdot.gov

1 S Wilmington Street 1501 Mail Service Center Street Raleigh, NC 27699-1501



Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

Email correspondence to and from this sender is subject to the N.C. Public Records Law and may be disclosed to third parties.