

11W-3028-448 (OKSD)
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Contract No. 200700001

AGREEMENT FOR SERVICES

RECEIVED

This agreement is entered into between the Puget Sound Clean Air Agency, (hereinafter referred to as the "Agency"), a municipal corporation of the laws of the State of Washington, and Washington State University, (hereinafter referred to as the "Consultant") Office of Research and Grant Development, P.O. Box 3140, Pullman, WA 99164.

MAY 16 2007

WASHINGTON STATE UNIVERSITY
PUGET SOUND CLEAN AIR AGENCY

WITNESSETH

WHEREAS, the Agency has been awarded a grant from the U.S. Department of Energy (DOE) to perform a two year scientific study to determine appropriate fuel specifications and fuel handling procedures for using biodiesel blended fuels in Washington State Ferries (WSF) operations; and

WHEREAS, the results are expected to be directly transferable to other marine applications and will also be beneficial to land-based end-users; and

WHEREAS, the first year of the study will focus on information gathering and developing a work plan and the second year will be devoted to testing the knowledge gained in year one by conducting biodiesel blended fuel tests on select WSF vessels; and

WHEREAS, the Board of Directors of the Puget Sound Clean Air Agency deems it desirable to utilize the services of the Consultant to perform the tasks identified in this Agreement for the Agency; and

WHEREAS, the Consultant represents and warrants that it is available, experienced, and qualified to perform said services; and

NOW, THEREFORE, the Agency and the Consultant mutually agree as follows;

1. Services

The purpose of the project is to demonstrate that biodiesel blended fuels can be successfully used in marine applications in the Pacific Northwest. The project consists of two phases: (1) an introductory research and evaluation phase, and (2) a fuel trial demonstration phase on select WSF vessels. Each of these phases consists of two tasks. The final task, Task V, addresses reporting required throughout the project including a final report at the conclusion of the project.

In the first phase (Tasks I, II and V), the Consultant will evaluate successes and set-backs encountered during similar biodiesel applications, fuel quality specifications, environmental parameters and possible fuel system incompatibilities which may cause fuel purifier and fuel filters to clog on WSF vessels. The Consultant will recommend fuel quality specifications, fuel blending/handling guidelines and testing protocols designed to alleviate clogging problems.

In the second phase (Tasks III, IV and V), the Consultant will design a twelve month fuel trial work plan to field test the Consultant's recommendations on select WSF vessels during normally scheduled operations. The Consultant shall implement the approved work plan, monitor the fuel test results and provide technical assistance and trouble shooting of problems should they develop during the fuel trial.

The Agency will conduct a solicitation process to select a marine consultant who will begin working with the Consultant near the conclusion of Task I. The marine consultant will provide more practical experience in marine applications. The marine consultant will be responsible for performing most on-vessel work including: an evaluation of the WSF fuel systems, data collection, sample gathering, on-site troubleshooting as well as functioning as a liaison between the WSF personnel and the Consultant. The Agency will enter into a separate agreement with the marine consultant.

The tasks required under this Agreement are based on the Consultant's proposal dated October 2, 2006, herein incorporated by reference as Attachment 1. The Consultant is responsible for all work performed under and required by this Agreement, including work that may be performed by the University of Idaho and Imperium Renewables, Inc. as described in Attachment 1. The due dates for deliverables in this Agreement supersede and replace the due dates listed in Attachment 1. The compensation requirements in Section 3 of this Agreement are based on a revised project budget received by the Agency on February 6, 2007 that supersedes and replaces the budget listed in Tables 1, 2 and 3 of Attachment 1 and is incorporated by reference as Attachment 2.

Task I. Review scientific studies and technical papers.

The Consultant shall develop a bibliography identifying scientific studies and technical documents that may provide insight into why the fuel purifiers and fuel filters clogged during the 2004 WSF Biodiesel Fuel Test. The Consultant shall submit a draft bibliography to the Project Manager recommending technical documents for further review.

The draft bibliography shall include, but not be limited to, papers addressing the following topics:

- Existing fuel quality specification and test methods used to determine biodiesel and biodiesel blended fuel quality,
- Recent and on-going research evaluating fuel chemistry and the benefits of additional or alternate test methods to the existing American Society of Testing and Materials Standard Specification D6751,
- Biodiesel and biodiesel blended fuels used in marine and land-based applications documenting fuel quality challenges and solutions,
- Effects of environmental conditions on fuel quality,
- Biodiesel and biodiesel blended fuels handling guidelines, including transport, storage, blending, and fueling practices.

The Consultant shall work with the Project Manager to incorporate comments and suggested revisions to the draft bibliography. The Consultant shall review the documents listed in the final

bibliography and submit a final literature review report summarizing the findings and recommendations for papers listed in the final bibliography.

Deliverables:

- Draft bibliography listing the documents proposed to be reviewed due by May 18, 2007.
- Final bibliography due by May 25, 2007.
- Literature report due by June 22, 2007.

Task II. Conduct a review of the 2004 WSF Biodiesel Fuel Test, evaluate WSF vessel fuel systems and perform experimental laboratory research.

The Consultant and the marine consultant shall meet with the Project Manager prior to proceeding to conduct Tasks II A, B and C to define roles and responsibilities for each party during each Task.

Task II A. 2004 WSF Biodiesel Fuel Test Review

The Consultant and the marine consultant shall prepare a draft report reviewing the 2004 WSF Biodiesel Fuel Test. The Consultant and the marine consultant shall interview WSF officials, WSF vessel engineers, WSF fuel distributors and other involved parties. The Consultant shall review measures taken to prepare the vessels for the fuel test and fuel testing methods used to determine biodiesel and biodiesel blended fuel quality and sample tracking during the fuel test. In addition, the Consultant shall review the methods and procedures used by the WSF fuel distributor to transport, store and blend biodiesel. The Consultant shall also review the methods and procedures used to transport and fuel WSF vessels with biodiesel blended fuels.

The Consultant shall submit a draft report summarizing its review of the 2004 WSF Biodiesel Fuel Test to the Project Manager with a synopsis of problems encountered and lessons learned.

The Consultant shall work with the Project Manager to incorporate comments and suggested revisions to the 2004 WSF Biodiesel Fuel Test report. A final 2004 WSF Biodiesel Fuel Test report shall be prepared and submitted to the Project Manager.

Deliverables:

- Draft 2004 WSF Biodiesel Fuel Test Report due by August 6, 2007.
- Final 2004 WSF Biodiesel Fuel Test report due by August 17, 2007.

Task II B. WSF Fuel System Environmental Parameters and Compatibility Evaluation

The Consultant and the marine consultant shall prepare a draft report identifying environmental conditions inside the WSF test vessel fuel systems and an evaluation of fuel system equipment compatibility for use with biodiesel blended fuels.

The Consultant shall work with the marine consultant to design test procedures to evaluate the environmental conditions inside WSF vessel fuel tanks such as fuel temperature, moisture levels and other relevant parameters that may affect fuel quality. The marine consultant shall implement the tests specified by the Consultant and report findings to the Consultant.

It is expected that the marine consultant will perform an assessment of the fuel systems compatibility of operating on biodiesel and biodiesel blended fuels. The marine consultant will submit a report documenting the findings of the tests and equipment assessment to the Consultant and the Project Manager. The Consultant shall incorporate the findings and any recommendations made by the marine consultant into a draft WSF test vessel evaluation report. The Consultant shall submit a draft report identifying WSF fuel system environmental parameters and evaluating WSF fuel system compatibility with biodiesel blended fuels to the Project Manager.

The Consultant shall work with the Project Manager to address and incorporate comments and suggestions into the final WSF fuel system environmental parameters and compatibility report. A final WSF fuel system environmental parameters and compatibility report shall be prepared and submitted to the Project Manager.

Deliverables:

- Draft WSF fuel system environmental parameters and compatibility report due by August 24, 2007.
- Final WSF fuel system environmental parameters and compatibility report due by September 10, 2007.

Task II C, Laboratory Research

The Consultant shall prepare a draft laboratory research work plan to test fuel specifications, the effect of environmental parameters on biodiesel fuel quality, and other information based on the findings in Task I, Task II A and B.

The Consultant shall recommend specific focus areas for laboratory fuel testing. The Consultant shall develop a hypothesis and test potential remedies that may alleviate fuel purifiers and fuel filters clogging on WSF vessels. The Consultant shall develop and submit a draft laboratory research work plan to the Project Manager identifying each hypothesis, the justification for the hypothesis and the specific procedures necessary to test the hypothesis. The draft laboratory research work plan shall also include:

- An analysis/identification of chemical and physical processes, and environmental parameters that may lead to fuel purifier and fuel filter clogging;
- An evaluation of potential changes in fuel parameters from the biodiesel point of sale to blended biodiesel products used by the end-user, such as free and total glycerin content, water and sediment, acid number, and cloud point;

- An evaluation of the impacts of fuel tank cleanliness, fuel tank environmental conditions, cold weather and fuel feedstock on fuel quality; and
- Any other issues that may have influenced the problems identified in Tasks II A and B.

The Consultant shall work with the Project Manager to incorporate comments and suggested revisions to the final laboratory research work plan and final report. The Consultant may recommend changes to the laboratory research work plan based on additional findings while conducting Tasks II A and B. The Consultant shall submit written requests to the Project Manager for approval of any changes requested in the laboratory research work plan, and the Project Manager must approve any changes in writing.

The Consultant shall implement the final approved laboratory research work plan and submit a final report to the Project Manager.

Deliverables:

- Draft laboratory research work plan due by August 9, 2007.
- Final laboratory research work plan due by August 22, 2007.
- Final laboratory research report due by November 9, 2007.

Task III. Develop 2008 fuel test work plan

Based upon the findings from Tasks I and II, the Consultant shall work with the marine consultant to prepare and submit a 2008 Draft Fuel Test Work Plan for review and approval by the Project Manager. The Agency anticipates that WSF will provide up to three vessels for testing biodiesel and biodiesel blends and as such, the 2008 fuel test plan should be designed with a sufficient variety of test options so as to make the work most beneficial.

The draft 2008 fuel test work plan shall include, but not be limited to, the following:

- A detailed work schedule for completing the fuel test;
- Roles and responsibilities of the Consultant and marine consultant during the fuel test;
- Fuel specifications for WSF biodiesel and biodiesel blends, including percent of biodiesel that should be blended with diesel fuel during each phase of the test;
- Location in the fuel distribution network where fuel quality tests should be performed;
- Sampling protocols to use when testing biodiesel and biodiesel blended products and testing intervals;
- Sample tracking system for biodiesel and biodiesel blended fuels to use during the fuel test;
- Fuel blending and handling guidelines for biodiesel and biodiesel blended fuels;
- An evaluation of the benefits and applicability of using field test kits to quickly determine biodiesel and biodiesel blended fuel quality and recommend locations and intervals for these tests;
- Procedures to use to clean WSF vessel fuel tanks, if different from procedures used in WSF 2004 Fuel Test Project;

- Vessel modifications necessary to conduct fuel sampling and monitor fuel conditions during fuel tests, if any;
- Types of biodiesel feedstock to use during the fuel test;
- Fuel and vessel parameters to monitor during the fuel tests. If additional equipment or vessel modifications are recommended, a written proposal must be sent to the Project Manager by October 29, 2007. WSF is responsible for evaluating and approving or disapproving recommended modifications, preparing plans, obtaining necessary regulatory approvals, and scheduling work;
- A corrective action plan that identifies who is to be contacted and what procedures to follow if operational problems occur during the fuel test, including 24 hour contact information for essential personnel during the test; and
- Peer review of the Fuel Test Work Plan by 4 to 6 biodiesel experts identified in Attachment I.

The Consultant and the marine consultant shall work with the Project Manager to incorporate comments and suggested revisions to the final work plan. A final work plan shall be prepared and submitted to the Project Manager.

Deliverables:

- Draft 2008 Fuel Test Work Plan, including peer review comments, due by October 15, 2007.
- Final 2008 Fuel Test Work Plan due by December 3, 2007.

Task IV: Implement Final 2008 Fuel Test Work Plan

The Consultant shall implement the Final 2008 Work Plan, upon approval by the Project Manager. The Agency anticipates that the WSF fuel test will begin in January 2008 and run for twelve consecutive months. The Consultant shall work with the marine consultant to monitor the fuel test and provide technical assistance, troubleshooting and problem solving during the fuel test. In the event that the fuel test work plan requires changes or amendments, the Consultant shall notify the Project Manager in writing and request approval to modify or amend the fuel test work plan. Any such requests must be approved in writing by the Project Manager before being implemented by the Consultant.

It is expected that the marine consultant will provide personnel to monitor and obtain data during the fuel test and relay information to the Consultant.

It is also expected that the marine consultant will be responsible for collecting, labeling, packaging and shipping samples collected to a sample storage center or laboratories designated by the Consultant. The Agency will provide sample containers and packaging materials. At the Agency's discretion, the Agency will either reimburse the Consultant for the cost of shipping and sample analysis or arrange to pay the costs directly.

The Consultant shall submit fuel test status updates in accordance with the monthly status reports and quarterly progress reports required in Task V and attend monthly meetings. Attending the monthly meetings via conference call is acceptable.

Task V: Provide progress and final reports

The Consultant will email quarterly progress reports, special status reports and final project reports and conference papers/proceedings to the Project Manager in accordance with the Federal Assistance Reporting Checklist, following the instructions included as Attachment 3. The Consultant will submit a monthly status reports to the Project Manger via e-mail. In addition, the Consultant and the marine consultant shall conduct monthly conference calls with the Project Manager documenting the activities of the previous month, progress toward current deliverables, and project goals for the following month.

The Consultant shall submit a draft project report to the Project Manager documenting the findings, recommendations and conclusions based on work performed in Tasks I through Task V. In addition, the report shall include an executive summary and final conclusions and recommendations.

The Project Manager shall review the draft final report and provide written comments via email to the Consultant. The Consultant shall work with the marine consultant to review and respond in writing to the Project Manager's comments. The Consultant shall prepare a final report, and email and send a hard copy of the final report to the Project Manager.

Deliverables:

- Monthly status reports submitted throughout the term of the Agreement, due by the 15th day of the month, except for months when a quarterly progress report is due.
- Quarterly progress reports submitted throughout the term of the Agreement, due by the 30th day of March, June, September and December through the term of the Agreement.
- Draft project report due by February 16, 2009.
- Final project report due by April 15, 2009.

Agency Project Manager:

Thomas J. Hudson
1904 3rd Ave., Ste 105
Seattle, WA 98101
(206) 689-4025
tomh@pscleanair.org

2. Performance Evaluation Criteria

One measure of the Consultant's performance is the ability to both provide and respond to feedback regarding the Consultant's performance of this Agreement.

The Consultant understands that Puget Sound Clean Air Agency staff members have been encouraged to communicate any concerns about the performance of the Contractor directly and respectfully to both the Consultant and the Agency Project Manager. Similarly, if the Consultant has a concern about an interaction with an Agency staff member, the Consultant agrees to communicate that concern directly and respectfully to both the staff member and the Project Manager.

The communication should be two-way, such that each party is open to hearing and understanding the concerns of the other. As part of the communication, the concerned staff member, the Consultant and the Project Manager shall develop a shared understanding of the concern and a plan of action (including an appropriate timeline) to resolve the concern. The Consultant agrees that the Project Manager will serve as a facilitator, if necessary, during the communication. If the plan of action requires an amendment to the Agreement, the Project Manager will be responsible for amending the Agreement.

3. **Compensation**

The total amount paid by the Agency under this Agreement shall not exceed \$230,416.00. The funding for this Agreement is provided by the U.S. Department of Energy Grant DE-FG36-06GO86032 and is part of the Agency ports and marine work plan for Fiscal Year 2007.

The Consultant shall submit invoices monthly, in accordance with the rates, charges and budget in Attachment 2. Invoices shall include an Excel spread sheet that shows time and material information. Charges shall be broken down by task number and include description of the task and/or subtask performed, name of the subcontractor and person who performed the work, cost per hour and specific number of hours spent within a given billing period. Invoices should also show expenditures against the budget for each task and the total project budget as stated in Attachment 2.

The Consultant shall submit invoices to the Agency's Manager of Finance and Purchasing and shall be paid within thirty (30) days after review and approval by the Project Manager. The final invoice must be submitted no later than ten (10) working days after the termination date.

The termination date of this Agreement is April 30, 2009.

4. **Additional Requirements.**

In addition to the tasks and services to be performed as described in this Agreement, the Consultant shall comply with the DOE requirements listed in this section.

A. **Approvals.** The Consultant and subcontractors to the Consultant with total project costs, including cost share, greater than or equal to \$100,000, or greater than or equal to 50% of the total project costs, including cost share (whichever is less), must provide (i) a Statement of Work, (ii) Application for Federal Assistance (SF424) and Budget Information-Non-Construction Program (SF424A), (iii) Budget Explanation and Other Requirements for Financial Assistance Awards to State and Local Governments: GO-PF20 or equivalent, (iiii) a Disclosure of Lobbying Activities and (iiiii) Financial Assistance Certifications and Assurances (See Attachment 4.). The Consultant and

subcontractors to the Consultant with total estimated costs beneath the threshold cited above do not submit aforementioned cost detail.

No funds shall be expended on the project described in this Agreement unless DOE approval is provided. DOE does not guarantee or assume any obligation to reimburse costs incurred by the Agency or the Consultant and subcontractors to the Consultant for the tasks described in this Agreement, until the Agency executes a contract with the selected Consultant and DOE approval is provided in writing by the DOE Contracting Officer.

B. Site visits. DOE authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Consultant must provide reasonable access to facilities and assistance for the safety and convenience of DOE and agency representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

C. Dissemination of scientific/technical reports. Scientific/technical reports submitted under this Agreement will be disseminated on the Internet via the DOE Information Bridge (www.osti.gov/bridge), unless the report contains patentable material, protected data or SBIR/STTR data. In addition, these reports must not contain any limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release. Citations for journal articles produced under the award will appear on the DOE Energy Citations Database (www.osti.gov/energycitations).

D. Publications. Under the grant award, the Agency is encouraged to publish or otherwise make publicly available the results of the work conducted under the award. An acknowledgment of Federal support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

Acknowledgment: "This material is based upon work supported by the Department of Energy [add name(s) of other agencies, if applicable] under Award Number(s) [enter the award number(s)]."

Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

E. Intellectual property. The Consultant must comply with the intellectual property provisions applicable to this grant award and that are attached as Attachment 5.

F. National security – classifiable results originating under an award.

i. The grant award is intended for unclassified, publicly releasable research. The Consultant will not be granted access to classified information. DOE does not expect that the results of this project will involve classified information. Under certain circumstances, however, a classification review of information originated under the grant award may be required. DOE may review research work generated under this award at any time to determine if it requires classification.

ii. Executive Order 12958 (60 Fed. Reg. 19,825 (1995)) states that basic scientific research information not clearly related to the national security shall not be classified. Nevertheless, some information concerning (among other things) scientific, technological, or economic matters relating to national security or cryptology may require classification. If the Consultant originates information during the course of this award that the agency or the Consultant believes requires classification under this Executive order, the agency must promptly:

1. Notify the DOE Project Officer identified in Block 11 and the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award.
2. Submit the information by registered mail directly to the Director, Office of Classification and Information Control, SO-10.2; U.S. Department of Energy; P.O. Box A; Germantown, MD 20875-0963, for classification review.
3. Restrict access to the information to the maximum extent possible until the agency is informed that the information is not classified, but no longer than 30 days after receipt by the Director, Office of Classification and Information Control.

iii. If the Consultant originates information concerning the production or utilization of special nuclear material (i.e., plutonium, uranium enriched in the isotope 233 or 235, and any other material so determined under section 51 of the Atomic Energy Act) or nuclear energy, the agency must:

1. Notify the DOE Project Officer identified in Block 11 and the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award.
2. Submit the information by registered mail directly to the Director, Office of Classification and Information Control, SO-10.2; U.S. Department of Energy; P. O. Box A; Germantown, MD 20875-0963 for classification review within 180 days of

the date the agency first discovers or first has reason to believe that the information is useful in such production or utilization.

3. Restrict access to the information to the maximum extent possible until the agency is informed that the information is not classified, but no longer than 90 days after receipt by the Director, Office of Classification and Information Control.

iv. If DOE determines any of the information requires classification, the Consultant agrees that the Government may terminate the award by mutual agreement in accordance with 10 CFR 600.25(d). All material deemed to be classified must be forwarded to the DOE, in a manner specified by DOE.

G. Lobbying restrictions. None of the funds obligated on the grant award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

H. Notice regarding the purchase of American-made equipment and products – Sense of Congress (October 2004). It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.

I. Federal assistance reporting. The Consultant must provide all information requested by the Agency needed to comply with the reporting requirements of the grant award, including management reporting, scientific/technical reports, financial reporting, closeout reports, and project management plan.

J. Federal, State and Municipal requirements. The Consultant must obtain any required permits and comply with applicable federal, state and municipal laws, codes and regulations for work performed under this Agreement.

5. Changes. The agency may, from time to time, require changes in the scope of services performed under this Agreement. The parties shall mutually agree to the changes by written amendment to the Agreement.

6. Termination. Either party may terminate this Agreement at any time with or without cause by giving a thirty day (30) written notice to the other party of such termination and by specifying the effective date of the termination; provided, that the termination shall be preceded by a face-to-face meeting between the Consultant and the Agency. Upon termination of this Agreement, the Agency, in addition to any other rights provided in this Agreement, may require the Consultant to deliver to the Agency any property specifically produced or acquired for the performance of such part of this Agreement as has been terminated.

The Agency shall pay to the Consultant the amount agreed upon by the Consultant and the Agency for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services which are accepted by the Agency, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agency shall determine the extent of the liability of the Agency. The Agency may withhold from any amounts due the Consultant such sums as the Agency determines to be necessary to protect the Agency against potential loss or liability.

7. **Agency Access to Data.** The Consultant shall provide the Agency, at no additional charge, access to all data generated under this Agreement. "Data" includes all information that supports the findings, conclusions and recommendations of the Consultant's reports, including computer models and the methodology for those models.

8. **Copyright Provisions.** The Consultant and Agency agree that data/material that result from this Agreement shall be jointly owned by each party and can be used in each parties normal operations without restriction.

9. **Consultant Not An Employee of the Agency.** The Consultant and his or her employees or agents, shall at all times be an independent contractor and not an employee of the agency and shall not be entitled to compensation or benefits of any kind other than as specifically provided herein. The Consultant will not hold himself/herself out as nor claim to be an officer or an employee of the agency or of the State of Washington by reason hereof, nor will the Consultant make any claim of right, privilege or benefit which would accrue to an employee under Chapter 41.06 RCW.

10. **Indemnification.** To the extent legally permitted, each party shall indemnify and hold harmless the other party from and against any and all claims, actions, damages, liability, and expense, including, without limitation, reasonable attorney's fees, incurred as a result of such party's actions under this Agreement; provided that, if such claims actions, damages, liability, or expense arise from concurrent negligence of two or more of the parties, including instances where this Agreement is subject to the provisions of RCW 4.24.115, then the obligation to indemnify under this Agreement shall be effective only to the extent of each party's own negligence. No party shall be required under this section to indemnify another for its sole negligence.

11. **Subcontracting.** Neither the Consultant nor a subcontractor of the Consultant shall enter into subcontracts for any of the services or work contemplated under this contract, except as provided in Attachment 1, without obtaining prior written approval of the Project Manager.

12. **Payroll and Taxes.** The Consultant assumes full responsibility for the payment of all wages, payroll taxes, use, sales, income or other form of taxes, fees and licenses.

13. **Licensing, Accreditation, and Registration.** The Consultant shall comply with all applicable local, state, and federal licensing, accreditation, and registration requirements/standards, necessary for the performance of this contract.

14. **Limitation of Authority.** Only the agency's Project Manager shall have the express, implied or apparent authority to alter, amend, modify or waive any clause or condition of this contract except for clauses or conditions required by law. Furthermore, any alteration, amendment, modification or waiver of any clause or condition of the contract is not effective or binding unless made in writing and signed by the agency's Project Manager.

15. **Governing Law.** This contract shall be governed by the laws of the state of Washington. The Consultant, by execution of the contract, acknowledges the jurisdiction of the courts of the state of Washington in this matter.

16. **Severability.** The provisions of this contract are severable. If any provision is illegal or invalid for any reason whatsoever, that illegality or invalidity shall not affect the validity of the rest of the contract.

17. **Nondiscrimination.** During the performance of this contract, the Consultant shall comply with all federal and state nondiscrimination laws, regulations and policies.

18. **Noncompliance with Nondiscrimination Laws.** In the event of the Consultant's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Consultant may be declared ineligible for further contracts with the agency. The Consultant shall, however, be given a reasonable time in which to remedy this noncompliance.

19. **Utilization of Minority and Women-Owned Business Enterprises (MWBE).** To the extent practicable, when performing the services agreed to under this contract, the Consultant should utilize MWBEs certified by the Office of Minority and Women's Business Enterprises under the state of Washington certification program.

20. **Assignment.** The work provided under this agreement, and any claim arising thereunder, is not assignable or delegable by either party, in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

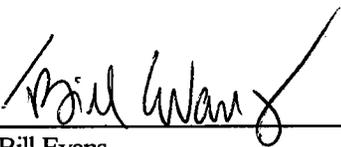
21. Attorneys' Fees. In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorneys' fees and costs.

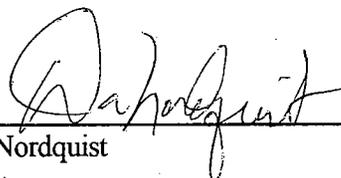
22. Content and Understanding. This contract contains a complete and integrated understanding and agreement between the parties.

IN WITNESS HEREOF, the Agency and the Consultant have executed this Agreement.

PUGET SOUND CLEAN AIR AGENCY

CONSULTANT
WASHINGTON STATE
UNIVERSITY

By: 
Bill Evans
Board of Directors, Chair

By: ¹⁸
Dan Nordquist
Director

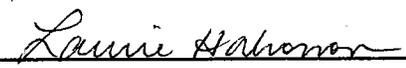
Date: 5/19/07

Date: 5/18/07

Attest:

By: 
Dennis J. McLerran
Executive Director
Date: 5/14/07

Approved as to Form:

By: 
Laurie Halvorson
General Counsel
Date: 5/16/07

EPA Project Control Number

U.S. Environmental Protection Agency
Washington, D.C. 20460

**Certification Regarding
Debarment, Suspension and Other Responsibility Matters**

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Dan Nordquist
Director, Authorized Inst. Official
Office of Grant and
Research Development

Typed Name & Title of Authorized Representative

Dan Nordquist

Signature of Authorized Representative

5/28/07

Date

I am unable to certify to the above statements. My explanation is attached.

Instructions

Under Executive Order 12549, an individual or organization debarred or excluded from participation in Federal assistance or benefit programs may not receive any assistance award under a Federal program, or a subagreement thereunder for \$25,000 or more.

Accordingly, each prospective recipient of an EPA grant, loan, or cooperative agreement and any contract or subagreement participant thereunder must complete the attached certification or provide an explanation why they cannot. For further details, see 40 CFR 32.510, Participants' responsibilities, in the regulation.

Where to Submit

The prospective EPA grant, loan, or cooperative agreement recipient must return the signed certification or explanation with its application to the appropriate EPA Headquarters or Regional office, as required in the application instructions.

A prospective prime contractor must submit a completed certification or explanation to the individual or organization awarding the contract.

Each prospective subcontractor must submit a completed certification or explanation to the prime contractor for the project.

How to Obtain Forms:

EPA includes the certification form, instructions, and a copy of its implementing regulation * (40 CFR Part 32) in each application kit. Applicants may reproduce these materials as needed and provide them to their prospective prime contractor, who, in turn, may reproduce and provide them to prospective subcontractors.

Additional copies/assistance may be requested from:

Office of Grants and Debarment
Suspension and Debarment Division
U.S. Environmental Protection Agency
401 M. Street, S.W.
Washington, D.C. 20460
(Telephone: 202-260-8025)