

**INTERLOCAL SUB-RECIPIENT AGREEMENT BETWEEN
THE PUGET SOUND CLEAN AIR AGENCY AND
THE TACOMA RAILROAD UTILITY
FOR REPOWER OR REPLACEMENT OF LOCOMOTIVES
AT TACOMA RAIL FACILITIES IN TACOMA, WASHINGTON**

This Interlocal Agreement ("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 **City of Tacoma Department of Public Utilities, Beltline Division, Tacoma Rail**, a railroad utility owned by the City of Tacoma (hereinafter referred to as "Tacoma Rail"), 2601 SR 509 North Frontage Road Tacoma, WA 98421-3134.

WHEREAS, the Puget Sound Clean Air Agency has established the Diesel Solutions program to reduce emissions from diesel engine exhaust by retrofitting or replacing existing diesel vehicles, vessels, and equipment used in public and private fleets; and

WHEREAS, the Puget Sound Maritime Air Emissions Inventory has identified reduction of diesel exhaust from Northwest marine and port activities as an opportunity to reduce air contaminant emissions; and

WHEREAS, the Agency has identified reductions of diesel emissions from port activities, such as cargo-handling equipment, and rail and trucks that operate in port areas, as a priority in the region; and

WHEREAS, the United States Environmental Protection Agency (EPA) National Clean Diesel Funding Assistance Program issues competitive grants to reduce diesel emissions through the use of retrofit equipment; and

WHEREAS, the Agency was awarded Grant No. 96094801 by the U.S. EPA on July 24, 2009, under the National Clean Diesel Funding Assistance Program (66.039) of the American Recovery and Reinvestment Act of 2009 (ARRA), that provides partial funds to repower or replace three locomotive switcher engines owned and operated by Tacoma Rail; and

WHEREAS, Grant No. 96094801 provides funding for Tacoma Rail to deploy onboard lubrication on the three locomotives scheduled for repower or replacement as well as five additional switcher locomotives owned and operated by Tacoma Rail; and

WHEREAS, the locomotive repowers and/or replacements will reduce approximately 60% of nitrogen oxide, 90% of carbon monoxide and hydrocarbon, and 75% of particulate matter emissions compared to the existing locomotives and will also reduce greenhouse gas emissions; and

WHEREAS, the onboard lubrication technology will result in additional emission reductions due to the decrease in track resistance; and

WHEREAS, the Board of Directors of the Agency deems it desirable to enter into an Agreement with Tacoma Rail as a sub-recipient of such federal grant funds to repower and/or replace three locomotive switcher engines and deploy onboard lubrication technology using the grant award funds and Tacoma Rail funds; and

WHEREAS, Tacoma Rail agrees to retain the benefits of the air pollution emission reductions from the three repowered or replaced locomotives and the locomotives on which lubrication technology is installed within the Agency's jurisdiction; and

WHEREAS, Tacoma Rail represents and warrants that it is available, experienced, and qualified to perform the services described in this Agreement; and

WHEREAS, the parties enter into this Agreement pursuant to RCW 39.34 et. seq.; and

NOW, THEREFORE, the Agency and Tacoma Rail mutually agree as follows:

1. **Purpose and Scope of this Agreement.** The purpose of this project is to repower and/or replace three switcher locomotives owned and operated by Tacoma Rail to reduce air pollutant emissions in the Puget Sound region. The existing engines are 2000 horsepower EMD (Electro Motive Diesel) GP-20 models that were manufactured and installed between 1956 and 1960. The existing engines will be replaced with diesel engines that meet or exceed EPA Tier 2 emission standards, which will significantly reduce air pollutant emissions and fuel consumption. An additional purpose of this project is for Tacoma Rail to deploy onboard lubrication technology on the three locomotives scheduled for repower and/or replacement as well as five additional switcher locomotives owned and operated by Tacoma Rail.

The purpose of this Agreement is to reimburse Tacoma Rail for a portion of the cost to repower and/or replace three locomotives and deploy the onboard lubrication system. In addition, this Agreement describes the information that Tacoma Rail will need to provide to the Agency to meet the terms and conditions of EPA Grant No. 96094801. An additional purpose of this Agreement is to require Tacoma Rail to operate the repowered locomotives and the locomotives equipped with onboard lubrication technology within the Puget Sound region for a period of ten years following the completion of the project.

A copy of Grant Agreement No. 96094801, including the first two amendments to the original grant award, is attached as Attachment A and is hereby incorporated by reference. As a sub-recipient of this grant, Tacoma Rail agrees to comply with the requirements contained in Attachment A except as modified by this Agreement. The following reporting requirements, which are contained in Programmatic Conditions of Grant Agreement No. 96094801, do not apply to Tacoma Rail:

- No. 2, Quarterly Reporting and Environmental Results
- No. 3, Final Report

Instead of complying with these Programmatic reporting requirements, Tacoma Rail must meet Task 4 requirements described in this section.

In addition, Tacoma Rail agrees to perform the following services:

Task 1: Repower and/or Replace three locomotives. Tacoma Rail will use a third-party contractor to repower or replace three locomotives in accordance with the work plan titled "Project Narrative Locomotive Repower Project for Puget Sound," Revised December 8, 2010. A copy of this document is attached as Attachment B and is hereby incorporated by reference. The work plan dated July 8, 2009, which is identified in Programmatic Condition 10 of Attachment A, is no longer applicable. If any conflict arises between this Agreement and Attachment B, this Agreement shall govern.

A. Tacoma Rail will use an open, competitive bid process to select the contractor to either repower or replace three Tacoma Rail locomotives with engines certified by the EPA as Tier 2 or better. The repowered engines or replacements shall include or result in the use of emission reduction technology on the locomotives that meets or exceeds current emission standards for new locomotives.

Deliverables: Tacoma Rail shall provide a copy of the contract with the third-party contractor hired to procure and install the replacement engines and emission reduction systems or to replace the current locomotives with new locomotives in which Tier 2 or better engines have already been installed to the Agency Project Manager by April 29, 2011. Upon request by the Agency, Tacoma Rail shall make available documentation demonstrating that an open, competitive process was used, including copies of solicitations for proposals, evidence of where the solicitations were advertised, technical specifications for the replacement engines and emission reduction systems, number of bids received, and the method used for selecting the successful bidder, including price and other factors, such as technical specifications and experience.

B. Tacoma Rail will require the third-party contractor to repower the locomotives with engines certified by the EPA as Tier 2 or better. The replacement locomotives and/or new engines must include emission reduction technology to meet or exceed current emission standards for new locomotives, such as computer-controlled fuel systems, microprocessor-controlled locomotive ancillary systems and idle reduction technology such as automatic engine start-stop functions. Tacoma Rail will require the third-party contractor to complete the repowers and/or replacements by November 16, 2011.

Deliverables:

- i. Tacoma Rail will record on Attachment C the specific locomotives, engines and emission reduction technologies installed by the third-party contractor and provide Attachment C to the Agency Project Manager by November 23, 2011. Attachment C is hereby incorporated by reference.
- ii. Tacoma Rail will submit invoices to the Agency Project Manager showing time and material information and copies of invoices from third-party contractors paid by Tacoma Rail.
- iii. Tacoma Rail shall remove the uncertified engines from the three locomotives scheduled for repower or replacement and scrap the engines within 90 days of their removal. For purposes herein, scrap means permanently disable the engine so that it is no longer suitable for use. Tacoma Rail shall add any income from the scrapping of the uncertified engines to the funds from EPA Grant Agreement No. 96094801 and use such income to carry out project activities under this Agreement. Tacoma Rail shall provide evidence of the scrapping of the removed engines, and documentation of any income from the scrapped engines, to the Agency Project Manager by December 30, 2011. Evidence of scrapping shall include the engine serial number, and may include proof of sale to a scrap processor, or notarized photographs showing how the engine was rendered inoperable, such as a hole drilled in the block. Documentation of scrap value proceeds is not evidence of scrapping in and of itself.

Task 2: Install Locomotive Onboard Lubrication Technology

- A. Tacoma Rail will install onboard lubrication hardware to reduce railroad track resistance and decrease fuel consumption on a total of eight switcher locomotives. Three of the locomotives will be those scheduled for repower or replacement under Task 1 of this Agreement; five will be additional switcher locomotives owned by Tacoma Rail. All eight locomotives must operate exclusively in the Tide Flats Division at the Port of Tacoma in accordance with Attachment B. Tacoma rail shall purchase a ten-year supply of graphite sticks used as part of the onboard lubrication system.

Deliverables: Tacoma Rail will complete the installation of the lubrication stick technology on the eight locomotives on or before November 16, 2011. Tacoma Rail will record the specific locomotives, engines and lubrication technologies installed by Tacoma Rail on Attachment C and provide it to the Agency Project Manager by November 23, 2011. Tacoma Rail shall submit invoices showing time and material information for the cost incurred in purchasing and installing the lubrication system hardware and the cost of the ten-year supply of graphite sticks.

Task 3: Retain repowered and lubrication technology equipped locomotives in King, Pierce, Kitsap and Snohomish Counties

A. Repowered Locomotives

Tacoma Rail will operate and retain the repowered or replaced locomotives in King, Pierce, Kitsap and Snohomish Counties until at least December 31, 2021, subject to the following conditions:

- i. Tacoma Rail may relocate the repowered or replaced locomotive(s) outside King, Pierce, Kitsap and Snohomish Counties for up to six months during the period of the MOA for maintenance and repairs that Tacoma Rail determines are best performed at a facility outside these four counties.
- ii. Tacoma Rail may sell or relocate the repowered or replaced locomotives outside King, Pierce, Kitsap, or Snohomish Counties prior to December 31, 2021, provided one of the following conditions is met:
 - a. Tacoma Rail substitutes another locomotive that is powered by an EPA Tier 2 or better engine that produces emissions equal to or less than the emissions of the locomotive being sold or relocated and the substitute locomotive shall be equipped with onboard lubrication technology; or
 - b. Tacoma Rail determines that the repowered or replaced locomotive is not needed to maintain efficient rail switch yard operations in King, Pierce, Snohomish and Kitsap counties and operates with one less switcher locomotive in the region.
- iii. The engines and associated emission reduction technologies installed as part of this agreement shall remain on the locomotive unless they are replaced with engines that meet or exceed EPA emission standards in place at the time of engine replacement.

B. Onboard Lubrication Technology

Tacoma Rail will operate and retain the eight locomotives equipped with onboard lubrication technology under this agreement in King, Pierce, Kitsap and Snohomish Counties until at least December 31, 2021.

- i. Tacoma Rail may sell or relocate any or all of the five non-repowered or replaced locomotives equipped with lubrication technology installed under this agreement prior to December 31, 2021, provided Tacoma Rail meets one of the following conditions:
 - a. Tacoma Rail installs a similar lubrication technology system on another locomotive operated by Tacoma Rail; or

- b. Tacoma Rail determines that the locomotive on which the lubrication technology has been installed is not needed to maintain efficient rail switch yard operations in King, Pierce, Snohomish and Kitsap counties and operate with one less switcher locomotive in the region.

Task 4: Reporting Requirements. To assist the Agency in meeting the requirements of Grant No. 96094801, Tacoma Rail shall submit the following periodic reports to the Agency Project Manager:

- A. Status reports. From the date of the signing of this Agreement through December 31, 2011, Tacoma Rail shall submit status reports to the Agency Project Manager by e-mail twice monthly. These reports shall be due on the 15th and the last day of each month, with the first status report due on the 15th day of the month the contract is signed if it is signed before the 15th. If the contract is signed after the 15th of the month, the first status report shall be due on the last day of the month the contract is signed. The status reports shall include a summary of all work done toward completing the subtasks in Tasks 1 and 2, difficulties encountered and remedial actions taken, in the preceding two-week reporting period.
- B. Quarterly Progress reports. From the date of the signing of this Agreement through April 30, 2012, Tacoma Rail shall submit quarterly progress reports to the Agency Project Manager using the reporting template included here as Attachment D. Attachment D is hereby incorporated by reference. The quarterly reports shall include activities performed and progress made on the tasks contained in this Agreement, difficulties encountered, and remedial actions taken. In addition, the quarterly report shall include changes in key personnel involved with the project, jobs created or preserved as a result of the project, budget spent compared with budget authorized, a comparison of actual outcomes with outcomes specified in the work plan in Attachment B, and the reason why anticipated outcomes were not met or delays were encountered. The term covered by the reports and the date each report is due by e-mail to the Agency Project Manager, are as follows:
 - FY11 2nd Quarter: October 1-December 31, 2010; due by January 14, 2011
 - FY11 3rd Quarter: January 1-March 31, 2011; due by April 15, 2011
 - FY11 4th Quarter: April 1-June 30, 2011; due by July 15, 2011
 - FY12 1st Quarter: July 1-September 30, 2011; due by October 14, 2011
 - FY12 2st Quarter: October 1-December 30, 2011; due by January 14, 2012
 - FY12 3st Quarter: January 1- March 31, 2012; due by April 14, 2012
- C. Quarterly ARRA reports. From the date of the signing of this Agreement through April 30, 2012, Tacoma Rail shall submit quarterly ARRA reports to the Agency Project Manager using the reporting template included here as Attachment E. The term covered by the reports and the date each report is due by e-mail to the Agency Project Manager, are as follows:
 - FY11 2nd Quarter: October 1-December 31, 2010; due by January 5, 2011

- FY11 3rd Quarter: January 1-March 31, 2011; due by April 5, 2011
- FY11 4th Quarter: April 1-June 30, 2011; due by July 5, 2011
- FY12 1st Quarter: July 1- September 30, 2011; due by October 5, 2011
- FY12 2nd Quarter: October 1- December 30, 2011; due by January 5, 2012
- FY 12 3rd Quarter: January 1-March 31, 2012; due by April 5, 2012

D. Disadvantaged Business Enterprise Requirement reports. Tacoma Rail shall comply with Administrative Condition 31 of EPA Grant No. 96094801 and shall submit the required information to the Agency Project Manager using the reporting template included as Attachment F. Attachment F is hereby incorporated by reference. The date each report is due by e-mail to the Agency Project Manager, is as follows:

- April 22, 2011
- October 21, 2011
- April 22, 2012

E. Final Report. Tacoma Rail shall prepare a Final Report that includes a summary of the project, actual results (outputs and outcomes) and costs, the successes and lessons learned for the entire project, total jobs created/retained as a result of the project, actual emissions benefits calculations and an updated detailed fleet description. Tacoma Rail shall submit a draft of the Final Report to the Agency Project Manager by January 31, 2012. The Agency will provide comments on the draft Final Report by February 28, 2012. Tacoma Rail shall respond to the comments and submit the Final Report to the Agency Project Manager by March 30, 2012. The Agency must approve the Final Report.

F. Relocation Report. Tacoma Rail shall submit a report to the Agency Project Manager prior to the date Tacoma Rail relocates or sells any of the repowered, replaced, or lubrication technology-equipped locomotives. The report will identify the locomotive by its Tacoma Rail Road Number and describe how Tacoma Rail has complied with Task 3 Condition A.i or A.ii(a) or A.ii(b) above. If the relocation involves one of the five non-repowered locomotives equipped with onboard lubrication technology, the report shall identify how Tacoma Rail has complied with Task 3 Conditions B.i(a) or B.i(b) above. The report shall be submitted at least 30 days in advance of the sale or relocation and may be submitted electronically to the Agency Project Manager.

2. Communication about Performance. The Parties shall communicate any concerns about the performance issues directly and respectfully to both Tacoma Rail and the Agency 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, Tacoma Rail and the Agency Project Manager shall develop a shared understanding of the concern and a plan of action (including an appropriate timeline) to resolve the concern.

Tacoma Rail agrees that the Agency Project Manager will serve as a facilitator, if necessary, during the communication. If the plan of action requires an amendment to the Agreement, the Agency Project Manager will be responsible for ensuring that a mutually acceptable written amendment is executed by both parties.

3. **Compensation.** The total amount paid by the Agency to Tacoma Rail under this Agreement shall not exceed \$2,281,832.00. The amount of \$2,281,832.00 is provided by the U.S. Environmental Protection Agency (EPA) Grant No. 96094801 awarded on July 24, 2009, under the ARRA National Clean Diesel Funding Assistance Program (66.039) of the American Recovery and Reinvestment Act (ARRA) of 2009. The maximum amount for which Tacoma Rail shall invoice the agency shall not exceed \$2,281,832.00 and Tacoma Rail is responsible for costs for work done under this Agreement in excess of this amount, including the EPA match requirement described below. This work is part of the Agency Diesel Solutions Work Plan for Fiscal Years 2011, 2012, and 2013.

Pursuant to the EPA grant requirements, Tacoma Rail is contributing \$1,795,588 as cost share/match funding to the project. The cost share/match includes labor and equipment expenses. Any income from the scrappage of the uncertified engines shall be used by Tacoma Rail to carry out project activities under this Agreement.

Tacoma Rail shall submit invoices monthly to the Agency for the duration of this Agreement. Invoices submitted by Tacoma Rail must show costs incurred by Tacoma Rail and its subcontractor separately. A copy of any invoices received from the subcontractor shall be included with each invoice submitted by Tacoma Rail to the Agency. Charges on all invoices shall be broken down by the hour showing task and/or subtask performed, name of the person who performed the work, cost per hour and specific number of hours spent within a given billing period (monthly). Tacoma Rail shall include sales tax and any tax exemptions taken as adjustments to the invoice amounts on the actual invoice submitted to the Agency. Tacoma Rail shall submit the final invoice by January 31, 2012.

Tacoma Rail shall submit invoices to the Agency's Manager of Finance and Purchasing; invoices shall be paid within forty-five (45) days after review and approval by the Agency Project Manager.

4. **Term.** The effective date of this Agreement is the final signature date. Any costs incurred prior to the effective date of this Agreement will be at the sole expense and risk of Tacoma Rail. The termination date of this Agreement is December 31, 2021.

5. **Communications.** The following persons are the contacts for all communications regarding the performance of this Agreement.

Tacoma Rail	Agency
Daniel McCabe Finance and Technology Manager	Project Manager: Elizabeth Gilpin
Tacoma Rail	Puget Sound Clean Air Agency
2601 SR 509 North Frontage Road Tacoma, WA 98421	1904 Third Avenue, Suite 105 Seattle, WA 98101
Phone: 253-396-3040	Phone: 206-689-4026
Fax: 253-922-9088	Fax: 206-343-7522
E-mail address: dmccabe@ci.tacoma.wa.us	E-mail address: ElizabethG@pscleanair.org

6. **Highlighted Requirements.** Pursuant to EPA Grant No. 96094801, the following grant requirements are specifically included in this Agreement:

A. Debarment, Suspension, and Other Responsibility Matters. Tacoma Rail shall fully comply with Subpart C of 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." Tacoma Rail is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Tacoma Rail is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Tacoma Rail acknowledges that failing to disclose the information required under 2 CFR 180.335 may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment. Tacoma Rail may access the Excluded Parties List System at <http://www.epls.gov>. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters." Tacoma Rail certifies by signing this Sub-Recipient Agreement that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.

B. Trafficking Victim Protection Act of 2000. Tacoma Rail and Tacoma Rail's employees shall not engage in severe forms of trafficking in persons during the period of time that EPA Grant No. 96094801 is in effect; procure a commercial sex act during the period of time that EPA Grant No. 96094801 is in effect; or use forced labor in the performance of the subaward under EPA Grant No. 96094801.

C. Lobbying Restrictions. Tacoma Rail shall comply with Title 40 CFR Part 34, *New Restrictions on Lobbying*, including submitting the required certification and disclosure forms. This requirement is in Administrative Conditions paragraph No. 13 of the grant award "Lobbying and Litigation-All Recipients".

D. Transparency and Accountability. Tacoma Rail shall maintain records that clearly identify the source of the federal funding as coming from U.S. Environmental Protection Agency Grant No. 96094801 awarded on July 24, 2009, under the ARRA

National Clean Diesel Funding Assistance Program (66.039) of the American Recovery and Reinvestment Act of 2009 (ARRA). Tacoma Rail shall separately identify the expenditure of these federal funds on the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. When recording or providing information on the expenditure of the federal funds, Tacoma Rail shall identify the Federal award number as 96094801, the CFDA number (Catalogue of Federal Domestic Assistance) as 66.039 and the federal program as the ARRA National Clean Diesel Funding Assistance Program.

E. Disadvantaged Business Enterprise Requirements. Tacoma Rail shall comply with Administrative Condition 31 of EPA Grant No. 96094801 and shall submit the required information to the Project Manager as provided in Section 1, Task 1.A and Task 4.D of this Agreement.

F. Uniform Administrative Requirements. Tacoma Rail shall comply with Programmatic Condition No. 10 of EPA Grant No. 96094801 and pursuant to 40 C.F.R. Part 31.42 shall maintain all written records and documents associated with this grant for a period of three years following the December 31, 2011, project period termination date. The Agency shall retain documents submitted by Tacoma Rail pursuant to Section 1. Tasks 1, 2, and 4 above, in accordance with the Agency's record retention policy. The Agency shall provide copies of such documents upon request by Tacoma Rail, the U.S. Environmental Protection Agency (EPA) or other federal or state agencies monitoring recipient or sub-recipient performance under EPA ARRA/DERA Grant No. 96094801.

G. Equipment Disposition. Tacoma Rail shall comply with Section 11, "Equipment Disposition," under Programmatic Conditions of Grant No. 96094801 amendment one. Tacoma Rail will cooperate with the Agency in complying with all of the requirements of 40 CFR 30.34 and 31.32 including providing status information on the repowered engines of the three switcher locomotives or the replaced locomotives and following the procedures in 40 CFR 30.34 and 31.32 in the event that Tacoma Rail sells or uninstalls the Repower Kits or in the event Tacoma Rail sells or relocates the replaced locomotive(s). The Agency shall comply with Section 11, "Equipment Disposition," under Programmatic Conditions of Grant No. 96094801 amendment one. Pursuant to programmatic condition No. 11 of Grant No. 96094801 amendment one, the Agency maintains title to the Repower Kits, the replaced locomotives, and the onboard lubrication technology. The Agency reserves the right to request a transfer of title for Repower Kits, the replaced locomotives, and the onboard lubrication technology to the Federal Government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes when the grant period is over, December 31, 2011.

H. Disadvantaged Business Enterprise Requirements. Tacoma Rail shall comply with Administrative Condition 31 of EPA Grant No. 96094801 and shall submit the

required information to the Agency Project Manager as provided in Section 1, Task 4.D. of this contract.

I. OMB Circular A-133 Assurance. Tacoma Rail assures the Agency that it agrees to comply with Administrative Condition 25 of EPA Grant No. 96094801, # OMB Circular A-133, and that it will notify the Project Manager of the completion of required audits and any adverse findings that impact this sub award.

7. **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.

8. **Termination.** The Agency may terminate this Agreement at any time with or without cause by giving a thirty day (30) written notice to Tacoma Rail 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 Tacoma Rail and the Agency. Upon termination, Tacoma Rail shall, at the request of the Agency, deliver to the Agency any property acquired for performance of this Agreement that is not necessary for Tacoma Rail to return the locomotives identified in Attachment B to full performance.

The Agency shall pay to Tacoma Rail the amount agreed upon by Tacoma Rail and the Agency for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, and (iii) other property or services which are accepted by the Agency. The Agency may withhold from any amounts due Tacoma Rail such sums as the Agency determines to be necessary to protect the Agency against potential loss or liability.

9. **Agency Access to Data.** Tacoma Rail shall provide the Agency, upon Agency request and, at no additional charge, access to all data generated under this Agreement to comply with the requirements of Grant No. 96094801. "Data" includes all information that supports the findings, conclusions and recommendations of Tacoma Rail's reports, such as documentation accompanying invoices, calculations supporting emissions benefits and jobs created/retained, and the successes and lessons learned.

10. **Copyright Provisions.** Unless otherwise provided, all materials produced under this Agreement to comply with the requirements of Grant No. 96094801, such as documentation accompanying invoices, calculations supporting emissions benefits and jobs created/retained, and the successes and lessons learned, shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the Agency. The Agency shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, Tacoma Rail hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the Agency, effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer

programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the Agreement to comply with the requirements of Grant No. 96094801, but that incorporate pre-existing materials not produced under the Agreement, such as records of fuel usage, the operating location and jobs associated with the locomotives identified in Attachment C, Tacoma Rail hereby grants to the Agency a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. Tacoma Rail warrants and represents that Tacoma Rail has all rights and permissions, including intellectual property rights, moral rights, and rights of publicity, necessary to grant such a license to the Agency.

Tacoma Rail shall exert all reasonable effort to advise the Agency, at the time of delivery of materials furnished under this Agreement, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Agreement. The Agency shall receive prompt written notice of each notice or claim of copyright infringement received by Tacoma Rail with respect to any data delivered under this Agreement. The Agency shall have the right to modify or remove any restrictive markings placed upon the data by Tacoma Rail.

11. **Tacoma Rail Not An Employee of the Agency.** Tacoma Rail and the Agency intend that an independent contractor relationship will be created under this Agreement. Tacoma Rail and its employees or agents are not employees of the Agency and shall not be entitled to compensation or benefits of any kind other than as specifically provided herein. Tacoma Rail will not hold itself 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 Tacoma Rail make any claim of right, privilege or benefit which would accrue to an employee under the law. Conduct and control of the work will be solely with Tacoma Rail.

12. **Indemnification.** Tacoma Rail shall release, indemnify, defend and hold harmless the Agency, its Board of Directors, officers, employees and agents from and against any and all liability, loss, damage, expense, actions, or claims, including costs and attorney's fees which the Agency, its Board of Directors, officers, employees and agents may hereafter sustain, incur, or be required to pay asserting or arising directly or indirectly due to any act or omission of Tacoma Rail, its agents, employees or subcontractors, in the execution, performance or failure to adequately perform Tacoma Rail's obligations pursuant to this Agreement; provided, however, this paragraph does not purport to indemnify the Agency against liability for damages arising out of bodily injuries to persons or damages caused by or resulting from the sole negligence of the Agency, its Board of Directors, its officers, employees and agents in the execution, performance or failure to adequately perform its obligations pursuant to this Agreement.

13. **Subcontracting.** Neither Tacoma Rail nor any subcontractor of Tacoma Rail shall enter into subcontracts for any of the services or work contemplated under this Agreement without obtaining prior written approval of the Project Manager. In no event shall the existence of any

subcontract operate to release or reduce the liability of Tacoma Rail to the Agency for any breach in the performance of Tacoma Rail's duties.

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

15. **Licensing, Accreditation, and Registration.** Tacoma Rail shall comply with all applicable local, state, and federal licensing, accreditation, and registration requirements/standards, necessary for the performance of this Agreement.

16. **Industrial Insurance Coverage.** Tacoma Rail shall provide or purchase industrial insurance coverage prior to performing work under this Agreement and shall maintain full compliance with Chapter 51.12 RCW during the term of this Agreement. If a Consultant is exempt from the requirements of Chapter 51.12 RCW, he/she must carry appropriate liability insurance equivalent to the coverage provided under that chapter. The Agency will not be responsible for the payment of industrial or liability insurance premiums or for any other claim or benefit for this Consultant, or any subcontractor or employee of Tacoma Rail, which might arise under the industrial insurance laws during the performance of duties and services under this Agreement. If the Department of Labor and Industries, upon audit, determines that industrial insurance payments are due and owing as a result of work performed under this Agreement, those payments shall be made by Tacoma Rail; Tacoma Rail shall indemnify the Agency and guarantee payment of such amounts.

17. **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 Agreement except for clauses or conditions required by law. Furthermore, any alteration, amendment, modification or waiver of any clause or condition of the Agreement is not effective or binding unless made in writing and signed by the Agency's Project Manager.

18. **Governing Law.** This Agreement shall be governed by the laws of the state of Washington. Tacoma Rail, by execution of the Agreement, acknowledges the jurisdiction of the courts of the state of Washington in this matter.

19. **Severability.** The provisions of this Agreement 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 Agreement.

20. **Nondiscrimination.** During the performance of this Agreement, Tacoma Rail shall comply with all federal and state nondiscrimination laws, regulations and policies. In the event of Tacoma Rail's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this Agreement may be rescinded, canceled or terminated in whole or in part, and Tacoma Rail may be declared ineligible for further Agreements with the Agency. Tacoma Rail shall, however, be given a reasonable time in which to remedy this noncompliance.

21. **Assignment.** The work provided under this Agreement, and any claim arising hereunder, is not assignable or delegable by either party, in whole or in part, without the express prior written consent of the other party.

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

23. **Content and Understanding.** This Agreement contains a complete and integrated understanding and Agreement between the parties. No other statements or representations, written or oral, shall be deemed a part hereof.

24. **Dispute Resolution.** When a dispute arises between the parties and it cannot be resolved by direct negotiation between the Agency Project Manager and Tacoma Rail, the process described in this section will be used to resolve the dispute.

A. Tacoma Rail may request a dispute hearing with the Agency Executive Director. The request for a dispute hearing must:

- Be in writing
- State the disputed issue(s)
- State the relative positions of the parties
- Include any relevant documentation
- State whether Tacoma Rail desires to meet in person with the Agency Executive Director to discuss the dispute
- Be received by the Agency Executive Director by U.S. postal mail or e-mail within 10 working days after the parties agree they cannot resolve the dispute.

B. Upon receipt of a complete request for a dispute hearing, the Agency Executive Director or designee shall provide a copy of the request to the Agency Project Manager and request a written response from the Agency Project Manager within 5 working days.

C. The Agency Executive Director shall review the request for a dispute hearing and the response from the Agency Project Manager, and meet with the parties if requested. The Agency Executive Director shall reply in writing with a decision to both parties within 10 working days. This period may be extended as needed by the Agency Executive Director by notifying the parties.

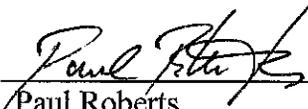
D. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

E. Nothing in this section shall be construed to limit the parties' choice of a mutually acceptable alternative dispute resolution method in addition to the process outlined in this section.

THIS Agreement is executed by the persons signing below, who warrant they have the authority to execute this Agreement.

PUGET SOUND CLEAN AIR AGENCY

TACOMA RAIL

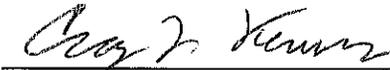
By: 
Paul Roberts
Board of Directors, Chair

By: 
Dale W. King
Superintendent

Date: 1/14/2011

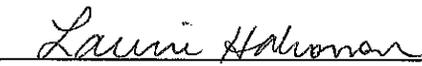
Date: 12/23/2010

Attest:

By: 
Craig T. Kenworthy
Executive Director

Date: 1-10-11

Approved as to Form:

By: 
Laurie Halvorson
Director of Compliance and Legal

Date: 1/10/11



Puget Sound Clean Air Agency
1904 3rd Ave., Ste 105
Seattle, WA 98101

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.

Typed Name & Title of Authorized Representative

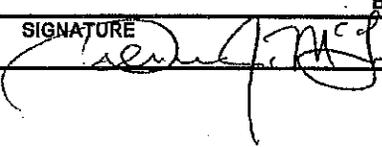
Alan Honey *Asst. Supt.*

Signature of Authorized Representative

12/23/2010

Date

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

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement		ASSISTANCE ID NO.			DATE OF AWARD 07/24/2009			
			PRG	DOC ID	AMEND#				
						2A	- 96094801	- 0	MAILING DATE 07/27/2009
						TYPE OF ACTION New			
PAYMENT METHOD:						ACH# X0316			
RECIPIENT TYPE: Special District			Send Payment Request to: Las Vegas Finance Center FAX # 702-798-2423						
RECIPIENT: Puget Sound Clean Air Agency 1904 Thrd Avenue, Suite 105 Seattle, WA 98101 EIN: 91-0823558			PAYEE: Puget Sound Clean Air Agency 1904 Thrd Avenue, Suite 105 Seattle, WA 98101						
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST					
Beth Carper 1904 Third Avenue, Suite 105 Seattle, WA 98101 E-Mail: bethc@pscleanair.org Phone: 206-689-4057		Fredianne Gray 1200 Sixth Avenue, Suite 900, AWT-107 Seattle, WA 98101 E-Mail: Gray.Fredianne@epa.gov Phone: 206-553-6387		Cathy Reese 1200 Sixth Ave., Suite 900, OMP-145 Seattle, WA 98101 E-Mail: Reese.Cathy@epa.gov Phone: 206-553-6286					
PROJECT TITLE AND DESCRIPTION Locomotive Repower Project for Puget Sound This assistance agreement provides funding to the Puget Sound Clean Air Agency under the American Recovery & Reinvestment Act of 2009. This project repowers 3 private locomotive switcher engines operating in the Puget Sound region, a non-attainment area for particulate matter and EPA ranked in the top 5 percent nationally for potential cancer risk from air toxics. This project will reduce approximately 90% of nitrogen oxide, carbon monoxide, hydrocarbon and particulate matter emissions and will reduce greenhouse gas emissions. This project requires 50.4 full-time employee equivalents.									
BUDGET PERIOD 08/01/2009 - 09/30/2010		PROJECT PERIOD 08/01/2009 - 09/30/2010		TOTAL BUDGET PERIOD COST \$4,330,099.00		TOTAL PROJECT PERIOD COST \$4,330,099.00			
NOTICE OF AWARD									
Based on your application dated 07/09/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$2,534,511. EPA agrees to cost-share 58.53% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,534,511. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.									
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)				AWARD APPROVAL OFFICE					
ORGANIZATION / ADDRESS				ORGANIZATION / ADDRESS					
EPA Region 10 Mail Code: OMP-145 1200 Sixth Avenue, Suite 900 Seattle, WA 98101				U.S. EPA, Region 10 Office of Air Waste and Toxics 1200 Sixth Avenue, Suite 900 Seattle, WA 98101					
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY									
SIGNATURE OF AWARD OFFICIAL Digital signature applied by EPA Award Official		TYPED NAME AND TITLE Julie M. Hagensen, Director - Office of Management Programs			DATE 07/24/2009				
AFFIRMATION OF AWARD									
BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION									
SIGNATURE 		TYPED NAME AND TITLE Dennis McLerran, Executive Director			DATE 9/14/09				

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 2,534,511	\$ 2,534,511
EPA In-Kind Amount	\$	\$ 0	\$ 0
Unexpended Prior Year Balance	\$	\$ 0	\$ 0
Other Federal Funds	\$	\$ 0	\$ 0
Recipient Contribution	\$	\$ 0	\$ 0
State Contribution	\$	\$ 0	\$ 0
Local Contribution	\$	\$ 0	\$ 0
Other Contribution	\$	\$ 1,795,588	\$ 1,795,588
Allowable Project Cost	\$ 0	\$ 4,330,099	\$ 4,330,099

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.039 - National Clean Diesel Funding Assistance Program (B)	American Recovery and Reinvestment Act of 2009 Energy Policy Act 2005 Public Law 109-58	40 CFR PART 31

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
	0910BDG067	0910	E4S	10B4	101AH4EDN	4112			2,534,511
									2,534,511

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$74,458
2. Fringe Benefits	\$23,752
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$4,200,000
9. Total Direct Charges	\$4,298,210
10. Indirect Costs: % Base	\$31,889
11. Total (Share: Recipient <u>41.47</u> % Federal <u>58.53</u> %.)	\$4,330,099
12. Total Approved Assistance Amount	\$2,534,511
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$2,534,511
15. Total EPA Amount Awarded To Date	\$2,534,511

Administrative Conditions

1. ADVANCE METHOD OF PAYMENT

In accordance with EPA regulations, the recipient is authorized to receive advance payments under this agreement, provided that the recipient takes action to minimize the time elapsing between the transfer of funds from EPA and the disbursement of those funds.

2. REIMBURSEMENT LIMITATION

EPA's financial obligations to the recipient are limited by the amount of federal funding awarded to date as shown on line 15 in its approved EPA budget. If the recipient incurs costs in anticipation of receiving additional funds from EPA, it does so at its own risk. **The recipient is responsible for ensuring that projects funded under this agreement avoid unnecessary delays and are completed within the EPA approved budget.**

3. MANAGEMENT FEES

Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs which are not allowable under this assistance agreement. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

4. INDIRECT COSTS

If the recipient has submitted an indirect cost rate proposal to the cognizant Federal agency but does not yet have an approved rate, it must submit a copy to the EPA Region or Headquarters Grants Management Office of the final or provisional Indirect Cost Negotiation Agreement that covers the agreement's budget period before it may charge indirect costs against this Assistance Agreement. If the recipient's negotiated rate does not extend through the life of the Assistance Agreement, additional indirect cost rate proposal(s) must be submitted until the full life of the Assistance Agreement is covered by negotiated indirect cost rates. The recipient will not charge nor claim for reimbursement any indirect costs that are not covered by a negotiated indirect cost rate.

5. ELECTRONIC TRANSFER OF FUNDS

The Debt Collection Improvement Act of 1996 requires that Federal payments be made by electronic funds transfer after January 2, 1999. In order to comply with the Act, a recipient must receive payments via one of two electronic mechanisms available to them:

A) Automated Standard Application for Payments (ASAP)

ASAP is an automated drawdown system sponsored by the U.S. Department of the Treasury. Recipients must enroll with Treasury. Additional information concerning ASAP can be obtained by contacting the EPA Las Vegas Finance Center, at (702) 798-2485, <http://www.epa.gov/ocfo/finservices/payinfo.htm> or by visiting www.fms.treas.gov/asap.

Under this payment mechanism, the recipient initiates, via ASAP, an electronic payment request which is approved or rejected based on the amount of available funds authorized by EPA in the recipient's account. Approved funds are credited to the recipient organization at the financial institution identified on the recipient's ASAP enrollment application.

In order to receive payments via ASAP the recipient must first complete an ASAP enrollment application and have an ASAP account set up.

B) Electronic Funds Transfer (EFT)

Under this payment mechanism, the recipient submits an EPA Payment Request Form to EPA for approval. Approved funds are credited to the recipient organization at its designated financial institution. In order to receive EFT payments the recipient must first complete and return the *ACH Vendor/Miscellaneous Payment Enrollment* form (TFS Form 3881) to the EPA Las Vegas Finance Center. The Enrollment form can be found by visiting <http://www.epa.gov/ocfo/finservices/payinfo.htm#grants>. Upon receipt and processing of the enrollment form, the LVFC will send you a letter assigning you an EFT Control Number. At that time you will also receive an EFT payment process Recipient's manual along with a supply of EPA Payment Requests and other required forms. Additional information concerning EFT can be obtained by contacting the EPA Las Vegas Finance Center, at (702) 798-2485.

6. FINANCIAL STATUS REPORTS/GRANT CLOSEOUT

A) Interim Financial Status Reports (FSR)

An Interim Financial Status Report (FSR-SF269) is to be submitted to the appropriate EPA Grants Management Office 90 days after the anniversary of the project period start date. Interim FSRs should be submitted to: U.S. Environmental Protection Agency, Region 10, Attn: GAU, Suite 900, OMP-145, 1200 Sixth Avenue, Seattle, Washington 98101.

B) Final Financial Status Reports

Pursuant to 40 CFR 31.41(b) and 31.50(b), EPA recipients shall submit a final Financial Status Report - also called the SF269 - to EPA's Las Vegas Finance Center (LVFC), within ninety (90) days after the expiration of the budget period end date. Assistance agreement recipients must also send Federal Cash Transaction Reports (SF-272) annually to the LVFC; the SF-272 is due 15 working days after December 31. Please note that these reports are required by EPA grant regulations (see 40 Code of Federal Regulations §31.41(c)). Completed SF269s and SF272s must be faxed to 702-798-2423 or mailed to the following address: USEPA LVFC, P.O. Box 98515, Las Vegas, NV 89193-8515. The LVFC will make adjustments, as necessary, to obligated funds after reviewing and accepting a final Financial Status Report.

C) Closeout

The Administrative Closeout Phase for this grant will be initiated with the submission of a "final" FSR. At that time, the recipient must submit the following forms/reports to the EPA Grants Management Office if applicable:

- Federally Owned Property Report
- An Inventory of all Property Acquired with federal funds
- Contractor's or Grantee's Invention Disclosure Report (EPA Form 3340-3)

Additionally, the recipient's Final Request for Payment should be submitted to the LVFC.

7. EXTENSION OF PROJECT/BUDGET PERIOD EXPIRATION DATE (PART 31)

If a no cost time extension is necessary to extend the period of availability of funds (budget period), the recipient must submit a written request, including a justification as to why additional time is needed and an estimated date of completion to the EPA, Grants Management Office prior to the budget/project period expiration dates. An interim FSR must be submitted along with the request which covers all expenditures and obligations to date.

8. SUBAWARD POLICY

Recipient agrees to follow applicable sub-grant procedures in accordance with 40 CFR Part 31, as appropriate. Subgrants/subawards do not have to be competed; however, successful applicants cannot use subgrants/subawards to avoid requirements in EPA regulations for competitive procurement by using subgrants/subawards to acquire commercial services or products from for-profit organizations.

Recipient agrees to comply with the following when selecting sub-recipients and establishing sub-awards:

- a) to establish all sub-award agreements in writing;
- b) to maintain primary responsibility for ensuring successful completion of the EPA-approved project (this responsibility cannot be delegated or transferred to a sub-recipient);
- c) to ensure that any sub-award(s) comply with the standards in Section 210(a)-(d) of OMB Circular A-133 and will not be used to acquire commercial goods or services for the recipient;
- d) to ensure that any sub-award(s) are awarded to eligible sub-recipient(s) and that proposed sub-award costs are necessary, reasonable, and allocable;
- e) to ensure that any sub-award(s) to 501(c)(4) organizations do not involve lobbying activities;
- f) to monitor the performance of the sub-recipient(s) and ensure that they comply with all applicable regulations, statutes, and terms and conditions which flow down in the sub-award;
- g) to obtain the appropriate consent from the EPA Project Officer prior to making a sub-award to a foreign or international organization, or a sub-award to be performed in a foreign country; and
- h) to obtain prior approval from the EPA Project Officer for any new sub-award work that is not outlined in the approved work plan in accordance with 40 CFR Parts 30.25 and 31.30, as applicable.

Recipient agrees that any questions about the eligibility of a sub-recipient or other issues pertaining to the sub-award(s) will be addressed to the recipient's EPA Project Officer listed on the first page of your assistance award or assistance amendment document.

Recipient agrees to be responsible for selection of any sub-recipient(s) and, if applicable, for conducting sub-award competitions.

Additional information regarding sub-awards may be found at:
<http://www.epa.gov/ogd/guide/subaward-policy-part-2.pdf>.

Guidance for distinguishing between vendor and sub-recipient relationships and ensuring compliance with Section 210(a)-(d) of OMB Circular A-133 may be found at:
<http://www.epa.gov/ogd/guide/subawards-appendix-b.pdf> and
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Subrecipients that are non-profit or for-profit organizations are subject to the provisions of regulations in 40 CFR Part 30, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations." State and local government subrecipients are subject to the provisions of regulations in 40 CFR Part 31, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments."

9. SUSPENSION AND DEBARMENT

Recipient shall fully comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." Recipient is responsible for ensuring that any lower tier covered transaction as described in Subpart B of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Recipient acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment.

Recipient may access the Excluded Parties List System at www.epis.gov. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters."

10. TRAFFICKING VICTIM PROTECTION ACT OF 2000

To implement requirements of Section 106 of the Trafficking Victims Protection Act of 2000, as amended, the following provisions apply to this award:

a. We, as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity: (1) is determined to have violated an applicable prohibition in the Prohibition Statement below; or (2) has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in the Prohibition Statement below through conduct that is either: (a) associated with performance under this award; or (b) imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1532. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in the Prohibition Statement below.

b. Our right to terminate unilaterally that is described in paragraph a of this award term: (1) implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and (2) is in addition to all other remedies for noncompliance that are available to us under this award.

c. You must include the requirements of the Prohibition Statement below in any subaward you make to a private entity.

Prohibition Statement - You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not engage in severe forms of trafficking in persons during the period of time that the award is in effect; procure a commercial sex act during the period of time that the award is in effect; or use forced labor in the performance of the award or subawards under the award.

11. DRUG-FREE WORKPLACE CERTIFICATION - ALL EPA RECIPIENTS

The recipient organization of this EPA assistance agreement must make an ongoing, good faith effort to maintain a drug-free workplace pursuant to the specific requirements set forth in Title 40 CFR 36.200 - 36.230. Additionally, in accordance with these regulations, the recipient organization must identify all known workplaces under its federal awards, and keep this information on file during the performance of the award.

Those recipients who are individuals must comply with the drug-free provisions set forth in Title 40 CFR 36.300.

The consequences for violating this condition are detailed under Title 40 CFR 36.510. Recipients can access the Code of Federal Regulations (CFR) Title 40 Part 36 at http://www.access.gpo.gov/nara/cfr/waisidx_06/40cfr36_06.html.

12. HOTEL-MOTEL FIRE SAFETY

Pursuant to 40 CFR 30.18, if applicable, and 15 USC 2225a, the recipient agrees to ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance (FEMA ID is currently not required), or to find other information about the Act.

13. LOBBYING AND LITIGATION - ALL RECIPIENTS

The chief executive officer of this recipient agency shall ensure that no grant funds awarded under this assistance agreement are used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. The recipient shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities.

14. RESTRICTIONS ON LOBBYING

The recipient agrees to comply with Title 40 CFR Part 34, *New Restrictions on Lobbying*. The recipient shall include the language of this provision in award documents for all subawards exceeding \$100,000, and require that subrecipients submit certification and disclosure forms accordingly.

In accordance with the Byrd Anti-Lobbying Amendment, any recipient who makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

15. RECYCLING AND WASTE PREVENTION

In accordance with the policies set forth in EPA Order 1000.25 and Executive Order 13423, Strengthening Federal Environmental, Energy and Transportation Management (January 24, 2007) and or 40 CFR 30.16, the recipient agrees to use recycled paper and double sided printing for all reports which are prepared as a part of this agreement and delivered to EPA. This requirement does not apply to reports prepared on forms supplied by EPA, or to Standard Forms, which are printed on recycled paper and are available through the General Services Administration.

16. STATE AGENCIES AND POLITICAL SUBDIVISIONS

In accordance with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962) any State agency or agency of a political subdivision of a State which is using appropriated Federal funds shall comply with the requirements set forth. Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

17. REQUIRED CERTIFICATIONS FOR INFRASTRUCTURE INVESTMENTS

Prior to obligating funds for a particular infrastructure investment project, recipient must (a) provide a certification from the Governor or Chief Environmental Executive, as appropriate, stating that (1) the infrastructure investment has received the full review and vetting required by law, and (2) the Governor or Chief Environmental Executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars; and (b) ensure that the certification is posted on a website and linked to www.recovery.gov. The certification shall include a description of the investment, the estimated total cost, and the amount of awarded funds to be used. For the purposes of this term and condition, "obligating

funds" means entering into a contract requiring payment for specified goods or services or entering into a loan, reserving funds for a loan guarantee or bond issuance, or making a subaward (subgrant) of financial assistance. EPA considers projects for the construction, alteration, maintenance, or repair of Truck Stop Electrification (TSE) facilities and diesel emissions reductions projects for heavy generators used in public energy production to be infrastructure investments. Recipients that conduct infrastructure investment projects must comply with this term and condition.

18. INSPECTOR GENERAL REVIEWS

In addition to the access to records provisions of 2 CFR 215.53 or 40 CFR 31.42, and in accordance with the provisions of section 1515 of the American Recovery and Reinvestment Act of 2009 (ARRA), recipient agrees to allow any appropriate representative of the Office of Inspector General to (1) examine any records of the recipient, any of its procurement contractors and subcontractors or subgrantees, or any State or local agency administering such contract, that pertain to, and involve transactions relating to, the procurement contract, subcontract, grant or subgrant; and (2) interview any officer or employee of the recipient, subcontractor, grantee, subgrantee, or agency regarding such transactions.

The Grantee is advised that providing false, fictitious or misleading information with respect to the receipt and disbursement of EPA grant funds may result in criminal, civil or administrative fines and/or penalties.

Recipient should be aware that the findings of any review, along with any audits, conducted by an Inspector General of a Federal department or executive Agency and concerning funds awarded under ARRA shall be posted on the Inspector General's website and linked to www.recovery.gov, except that information that is protected from disclosure under sections 552 and 552a of title 5, United States Code may be redacted from the posted version.

19. PROTECTION OF WHISTLEBLOWERS

In accordance with section 1553 of the American Recovery and Reinvestment Act of 2009 (Act), recipient agrees that employees of non-Federal employer receiving covered funds may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Recovery Accountability and Transparency Board, an Inspector General, the Comptroller General, a member of Congress, a State or Federal regulatory or law enforcement Agency, a person with supervisory authority over the employee, a court or grand jury, the head of a Federal agency, or their representatives, information that the employee reasonably believes is evidence of (1) gross mismanagement of an agency contract or grant relating to grant funds; (2) a gross waste of covered funds; (3) a substantial and specific danger to public health or safety related to implementation or use of grant funds; (4) an abuse of authority related to implementation or use of covered funds; or (5) a violation of law, rule, or regulation related to a grant awarded or issued relating to covered funds.

20. FALSE CLAIM

The grantee, and its sub-grantees must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this grant or sub-grants awarded by the grantee.

21. PREFERENCE FOR QUICK-START ACTIVITIES

Preamble

Pursuant to ARRA Division A, Title XVI, Subtitle D, §1602, recipients shall use grant funds in a manner that maximizes job creation and economic benefit. Section 1602 also imposes a quick-start requirement for recipients using funds for infrastructure investments. The term infrastructure refers to the substructure or underlying foundation or network used for providing goods and services; especially the basic installations and facilities on which the continuance and growth of a community, State, etc., depend. Examples include roads, water systems, communications facilities, sewers, sidewalks, cable, wiring, schools, power plants, and transportation and communication systems.

The DERA program provides funding for diesel emissions reductions projects that generally do not constitute infrastructure investments. For the purposes of this term and condition, EPA has determined that Truck Stop Electrification (TSE) projects and diesel emissions reductions projects for heavy generators used in public energy production are infrastructure investments. Most other DERA funded activities will not trigger the Quick-Start provision. However, if a Recipient encounters a unique situation

at a site that presents uncertainties regarding the Quick-Start provision's applicability, the Recipient must discuss the situation with EPA before authorizing work.

Quick-Start Preference

- (a) Recipient shall use funds in a manner that maximizes job creation and economic benefit.
- (b) Recipients using funds for infrastructure investment must give preference to funding activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than June 17, 2009.

22. LIMIT ON FUNDS

Recipient shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

23. REPORTING AND REGISTRATION REQUIREMENTS UNDER SECTION 1512 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, AND 2 CFR §176.50

(a) This award requires the recipient to complete projects or activities which are funded under the American Recovery and Reinvestment Act of 2009 ("Recovery Act") and to report on use of Recovery Act funds provided through this award. Information from these reports will be made available to the public. The report will be posted to Recovery.gov.

(b) The recipient of American Recovery and Reinvestment Act (Recovery Act) funds must report on the use of the funds by submitting the SF-PPR-Recovery form not later than 10 days after the end of each calendar quarter to EPA. The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act. The initial report is due by October 10, 2009.

(c) Recipients and their first-tier subrecipients must maintain active and current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (www.dnb.com) is one of the requirements for registration in the Central Contractor Registration.

(d) The recipient shall report the information described in section 1512(c) using the reporting instructions and data elements that will be provided online at www.FederalReporting.gov and ensure that any information that is pre-filled is corrected or updated as needed.

Recipient agrees to use an EPA enterprise solution for reporting that reflects guidance from OMB. Specific guidance on the process, procedures, data tables, and schemas for reporting (which will rely on existing services such as the Exchange Network) will be published to recipients no later than 30 days after the OMB publishes its final guidance on recipient reporting. Recipient agrees to comply with any other regulations or guidance related to the reporting requirements of section 1512 of the Recovery Act issued by the OMB or EPA.

24. REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS

Preamble

Section 1605 of the Recovery Act (Division A, Title XVI, Subtitle D, §1605) states that none of the funds made available under the Recovery Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

For the purposes of this Buy American term and condition (as applied to diesel emissions reduction projects conducted pursuant to DERA), EPA has determined that this term and condition applies to projects involving the construction, alteration, maintenance or repair of Truck Stop Electrification (TSE) facilities and projects for the construction, alteration, maintenance or repair of heavy generators (such as those used in public energy production) which are considered to be public works when a governmental entity is conducting the project.

If a recipient encounters a unique situation that presents uncertainties regarding Buy American applicability, the recipient must discuss the situation with EPA before procuring iron, steel, or

manufactured goods for the project.

Required Use of American Iron, Steel, and Manufactured Goods (not covered under International agreements)-Section 1605 of the American Recovery and Reinvestment Act of 2009.

The following award term applies to projects for the construction, alteration, maintenance, or repair of a public building or public work that does not involve iron, steel, and/or manufactured goods covered under international agreements:

(a) **Definitions.** As used in this award term and condition--

"Manufactured good" means a good brought to the construction site for incorporation into the building or work that has been--

(1) Processed into a specific form and shape; or

(2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

"Public building" and "public work" means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

"Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) **Domestic preference.**

(1) This award term and condition implements Section 1605 of the American Recovery and Reinvestment Act of 2009 (Recovery Act)(Pub. L. 111-5), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States except as provided in paragraph (b)(3) and (b)(4) of this term and condition.

(2) This requirement does not apply to the material listed by the Federal Government as follows:

NONE

(3) The award official may add other iron, steel, and/or manufactured goods to the list in paragraph (b)(2) of this term and condition if the Federal government determines that--

(i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;

(ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

(c) **Request for determination of inapplicability of Section 1605 of the Recovery Act.**

(1)(i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(3) of this term and condition shall include adequate information for Federal Government evaluation of the request, including--

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this term and condition.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this term and condition.

(iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.

(iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the recipient does not submit a satisfactory explanation,

the award official need not make a determination.

(2) If the Federal government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 CFR 176.110(a).

(3) Unless the Federal Government determines that an exception to section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

(d) **Data.** To permit evaluation of requests under paragraph (b) of this term and condition based on unreasonable cost, the Recipient shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON

Description	Unit of Measure	Quantity	Cost (Dollars)*
Item 1:			
Foreign steel, iron, or manufactured good	_____	_____	_____
Domestic steel, iron, or manufactured good	_____	_____	_____
Item 2:			
Foreign steel, iron, or manufactured good	_____	_____	_____
Domestic steel, iron, or manufactured good	_____	_____	_____

[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.]

[Include other applicable supporting information.]

[* Include all delivery costs to the construction site.]

Required Use of American Iron, Steel, and Manufactured Goods (covered under International Agreements)—Section 1605 of the American Recovery and Reinvestment Act of 2009.

The following award term applies to projects for the construction, alteration, maintenance, or repair of a public building or public work that involve iron, steel, and/or manufactured goods covered under international agreements:

(a) **Definitions.** As used in this award term and condition—

“Designated country” --

(1) A World Trade Organization Government Procurement Agreement country (Aruba, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom);

(2) A Free Trade Agreement (FTA) country (Australia, Bahrain, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Mexico, Morocco, Nicaragua, Oman, Peru, or Singapore); or

(3) A United States-European Communities Exchange of Letters (May 15, 1995) country:

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and United Kingdom.

“Designated country iron, steel, and/or manufactured goods” --

(1) Is wholly the growth, product, or manufacture of a designated country; or

(2) In the case of a manufactured good that consist in whole or in part of materials from another country, has been substantially transformed in a designated country into a new and different manufactured good distinct from the materials from which it was transformed.

“Domestic iron, steel, and/or manufactured good” --

(1) Is wholly the growth, product, or manufacture of the United States; or

(2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in the United States into a new and different manufactured good distinct from the materials from which it was transformed. There is no requirement with regard to the origin of components or subcomponents in manufactured goods or products, as long as the manufacture of the goods occurs in the United States.

"Foreign iron, steel, and/or manufactured good" means iron, steel and/or manufactured good that is not domestic or designated country iron, steel, and/or manufactured good.

"Manufactured good" means a good brought to the construction site for incorporation into the building or work that has been--

(1) Processed into a specific form and shape; or

(2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

"Public building" and "public work" means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

"Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Iron, steel, and manufactured goods.*

(1) This award term and condition implements

(i) Section 1605(a) of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) (Recovery Act), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States; and

(ii) Section 1605(d), which requires application of the Buy American requirement in a manner consistent with U.S. obligations under international agreements. The restrictions of section 1605 of the Recovery Act do not apply to designated country iron, steel, and/or manufactured goods. The Buy American requirement in section 1605 shall not be applied where the iron, steel or manufactured goods used in the project are from a Party to an international agreement that obligates the recipient to treat the goods and services of that Party the same as domestic goods and services. This obligation shall only apply to projects with an estimated value of \$7,443,000 or more.

(2) The recipient shall use only domestic or designated country iron, steel, and manufactured goods in performing the work funded in whole or part with this award, except as provided in paragraphs (b)(3) and (b)(4) of this term and condition.

(3) The requirement in paragraph (b)(2) of this term and condition does not apply to the iron, steel, and manufactured goods listed by the Federal Government as follows:

NONE

(4) The award official may add other iron, steel, and manufactured goods to the list in paragraph (b)(3) of this award term and condition if the Federal government determines that--

(i) The cost of domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, and/or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the overall cost of the project by more than 25 percent;

(ii) The iron, steel, and/or manufactured goods is not produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality; or

(iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

(c) *Request for determination of inapplicability of section 1605 of the Recovery Act or the Buy American Act.*

(1)(i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(4) of this term and condition shall include adequate information for Federal Government evaluation of the request, including--

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(4) of this term and condition.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this term and condition.

(iii) The cost of iron, steel, or manufactured goods shall include all delivery costs to the construction site and any applicable duty.

(iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the recipient does not submit a satisfactory explanation, the award official need not make a determination.

(2) If the Federal government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other appropriate actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds, as appropriate, by at least the differential established in 2 CFR 176.110(a).

(3) Unless the Federal Government determines that an exception to the section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods other than designated country iron, steel, and/or manufactured goods is noncompliant with the applicable Act.

(d) **Data.** To permit evaluation of requests under paragraph (b) of this term and condition based on unreasonable cost, the applicant shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON

Description	Unit of Measure	Quantity	Cost (Dollars)*
Item 1:			
Foreign steel, iron, or manufactured good	_____	_____	_____
Domestic steel, iron, or manufactured good	_____	_____	_____
Item 2:			
Foreign steel, iron, or manufactured good	_____	_____	_____
Domestic steel, iron, or manufactured good	_____	_____	_____

[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.]
 [Include other applicable supporting information.]
 [* Include all delivery costs to the construction site.]

[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.]
 [Include other applicable supporting information.]
 [* Include all delivery costs to the construction site.]

25. SINGLE AUDITS

In accordance with OMB Circular A-133, which implements the single Audit Act, the recipient hereby agrees to obtain a single audit from an independent auditor if it expends \$500,000 or more in total Federal funds in any fiscal year. Within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, the recipient shall submit a copy of the SF-SAC and a Single Audit Report Package.

The recipient **MUST** submit a copy of the SF-SAC and a Single Audit Report Package, using the Federal Audit Clearinghouse's Internet Data Entry System. Complete information on how to accomplish the 2008 and beyond Single Audit Submissions is available on the Federal Audit Clearinghouse Web site: <http://harvester.census.gov/fac/>.

26. TRANSPARENCY AND ACCOUNTABILITY - Recovery Act Transactions listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Sub-recipients, 2 CFR §176.210

(a) To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5)(Recovery Act) as required by Congress and in accordance with 2 CFR 215, subpart __, 21 "Uniform Administrative Requirements for Grants and Agreements" and OMB A-102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds.

(b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. This shall be accomplished by identifying expenditures for Federal awards made under Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA-" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.

(c) Recipients agree to separately identify to each sub-recipient, and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to sub-recipients shall distinguish the sub-awards of incremental Recovery Act funds from regular sub-awards under the existing program.

(d) Recipients agree to require their sub-recipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor sub-recipient expenditure of ARRA funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

27. PAYMENT TO CONSULTANTS

EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2009, the limit is \$587.20 per day and \$73.40 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j) or 30.27(b).

28. OMB GUIDANCE

This award is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including M-09-10 Initial Implementing Guidance for the American Recovery and Reinvestment Act (February 18, 2009); M-09-15 Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009 (April 3, 2009); M-09-16, Interim Guidance Regarding Communications With Registered Lobbyists About Recovery Act Funds (April 7, 2009); and M-09-18, Payments to State Grantees for Administrative Costs of Recovery Act Activities (May 11, 2009), available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

29. ADDITIONAL FUNDING DISTRIBUTION AND ASSURANCE OF APPROPRIATE USE OF FUNDS

Not later than 45 days after the enactment of the Recovery Act and prior to receiving funds, Recipient must affirm that either (1) the State Governor has certified that the State will request and use funds provided by the Act and the funds will be used to create jobs and promote economic growth, or (2) if funds are not accepted for use by the Governor of the State, the State legislature has accepted the funds by means of adopting a concurrent resolution. After a State legislature's concurrent resolution, funding within the State shall be distributed to local governments, councils of government, public entities, and public-private entities within the State either by formula or at the State's discretion.

30. The Grantee is advised that providing false, fictitious or misleading information with respect to the receipt and disbursement of EPA grant funds may result in criminal, civil or administrative fines and/or penalties.

31. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

GENERAL COMPLIANCE, 40 CFR, Part 33

The recipient agrees to comply with the requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements, contained in 40 CFR, Part 33.

FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE (MBE/WBE) participation in procurement under the financial assistance agreements.

Accepting the Fair Share Objectives/Goals of Another Recipient

The dollar amount of this assistance agreement is over \$250,000; or the total dollar amount of all of the recipient's non-TAG assistance agreements from EPA in the current fiscal year is over \$250,000. The recipient accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the **Washington Office of Minority and Women's Business Enterprises** as follows:

MBE: PURCHASED GOODS 8%; PURCHASED SERVICES 10%; PROFESSIONAL SERVICES 10%
WBE: PURCHASED GOODS 4%; PURCHASED SERVICES 4%; PROFESSIONAL SERVICES 4%

By signing this financial assistance agreement, the recipient is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as **Washington Office of Minority and Women's Business Enterprises**.

Negotiating Fair Share Objectives/Goals, 40 CFR, Section 33.404

The recipient has the option to negotiate its own MBE/WBE fair share objectives/goals. If the recipient wishes to negotiate its own MBE/WBE fair share objectives/goals, the recipient agrees to submit proposed MBE/WBE objectives/goals based on an availability analysis, or disparity study, of qualified MBEs and WBEs in their relevant geographic buying market for construction, services, supplies and equipment.

The submission of proposed fair share goals with the supporting analysis or disparity study means that the recipient is **not** accepting the fair share objectives/goals of another recipient. The recipient agrees to submit proposed fair share objectives/goals, together with the supporting availability analysis or disparity study, to the Regional MBE/WBE Coordinator within 120 days of its acceptance of the financial assistance award. EPA will respond to the proposed fair share objective/goals within 30 days of receiving the submission. If proposed fair share objective/goals are not received within the 120 day time frame, the recipient may not expend its EPA funds for procurements until the proposed fair share objective/goals are submitted.

SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to ensure that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to

handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503

The recipient agrees to complete and submit EPA Form 5700-52A, "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" beginning with the Federal fiscal year reporting period the recipient receives the award, and continuing until the project is completed. **Only procurements with certified MBE/WBEs are counted toward a recipient's MBE/WBE accomplishments.** The reports must be submitted semiannually for the periods ending March 31st and September 30th for:

Recipients of financial assistance agreements that capitalize revolving loan programs (CWSRF, DWSRF, Brownfields); and

All other recipients not identified as annual reporters (40 CFR Part 30 and 40 CFR Part 35, Subpart A and Subpart B recipients are annual reporters).

The reports are due within 30 days of the end of the semiannual reporting periods (April 30th and October 30th). Reports should be sent to the EPA Region 10, Grants Administration Unit, 1200 Sixth Avenue, Suite 900, Mailcode: OMP-145, Seattle, WA 98101. For further information, please contact Greg Luchey at (206) 553-2967, email: Luchey.Greg@epa.gov. Final MBE/WBE reports must be submitted within 90 days after the project period of the grant ends. Your grant cannot be officially closed without all MBE/WBE reports.

EPA Form 5700-52A may be obtained from the EPA Office of Small Business Program's Home Page on the Internet at www.epa.gov/osbp.

CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving Identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

32. This project receives funding under the American Recovery and Reinvestment Act of 2009 (Recovery Act) and the grantee, sub-grantee or loan recipient must display the Recovery Act Logo in a manner that informs the public that the project is a Recovery Act investment. The ARRA logo may be obtained from the EPA grants office listed in this award document. If the EPA logo is displayed along with the Recovery Act logo and logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the grantee, sub-grantee or loan recipient received financial assistance from EPA for the project.

33. Recipients and subrecipients of Recovery Act funds or other Federal financial assistance must comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements.

Other civil rights laws may impose additional requirements on recipients and subrecipients. These laws include, but are not limited to, Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

For questions about these civil rights obligations, please call the EPA's Office of Civil Rights at 202-564-7272 or contact us via e-mail: <http://www.epa.gov/civilrights/comments.htm>.

34. PRE-AWARD COSTS FOR RECOVERY ACT GRANTS TO STATE AND LOCAL GOVERNMENTS SUBJECT TO 40 CFR PART 31 OTHER THAN CLEAN WATER OR DRINKING WATER STATE REVOLVING FUND CAPITALIZATION GRANTS

In accordance with 2 CFR Part 225, Appendix B, Item 31, costs the recipient incurred up to 90 days prior to award that were negotiated with EPA in anticipation of the award, including preparing for expending funds made available by the American Recovery and Reinvestment Act, and are necessary to comply with the schedule for delivering work products during the period of performance are allowable provided the costs:

1. Are eligible under the statutory authority for the award and are otherwise allowable under 2 CFR Part 225, and;
2. Are for activities described in the EPA approved scope of work and included in the EPA approved budget, and;
3. Were incurred in compliance with the procurement provisions of 40 CFR Part 31, 40 CFR Part 33, and if applicable, 40 CFR Part 35, Subpart O, and;
4. Were not incurred for activities directly related to a casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool, and;
5. Further the goals of the American Recovery and Reinvestment Act to create and preserve jobs, promote economic recovery, and invest in environmental protection, and;
6. Are in compliance with the applicable provisions of the American Recovery and Reinvestment Act.

35. PATENTS AND INVENTIONS

Rights to inventions made under this assistance agreement are subject to federal patent and licensing regulations, which are codified at Title 37 CFR Part 401.

Pursuant to the Bayh-Dole Act (set forth in Title 35 USC Sections 200-212), EPA retains the right to a worldwide, nonexclusive, irrevocable, paid license to practice the invention elected by the managing and operating contractor, as defined in the Act. To streamline the invention reporting process and to facilitate compliance with the laws mandated by the Bayh-Dole Act, the recipient shall utilize the Interagency Edison extramural invention reporting system at <http://iEdison.gov>. Annual utilization reports shall be submitted through the system. As required by PL 106-107, a single common Internet web form will soon be available on the iEdison website. Thereafter, the recipient must use the web form to submit the summary report of inventions prior to the close-out of the assistance agreement.

In accordance with Executive Order 12618, government owned and operated laboratories can enter into cooperative research and development agreements with other federal laboratories, state and local governments, universities, and the private sector; and license, assign, or waive rights to intellectual property "developed by the laboratory either under such cooperative research or development agreements and from within individual laboratories."

Programmatic Conditions

1. Emissions Control Technologies

Certified engine configurations and/or verified technologies must be used for Emissions Control Projects funded by the recipient pursuant to this assistance agreement. Technologies are verified under EPA or California's Retrofit Verification Program. See <http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm> for an updated list of EPA's verified technologies and <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm> for a list of CARB's verified technologies. Any question as to the preference of a retrofit technology, including engine replacement and repowers, should be directed to the EPA Project Officer.

2. Quarterly Reporting and Environmental Results

Quarterly progress reports will be required. Quarterly reports are considered project status reports and will address the progress made regarding achieving the work plan goals. In general, quarterly reports will include summary information on technical progress, planned activities for next quarter and expenditures. Award recipients will be provided with additional information and guidance on reporting performance measures and project progress, including those related to the Recovery Act, and a schedule for submission of quarterly reports, after award. Recipient agrees to comply with Division A, Title XV, Subtitle A, §1512 of the Recovery Act (section 1512) and any other regulations or guidance

related to the reporting requirements of section 1512 of the Recovery Act issued by the OMB or EPA.

The first reporting period begins at the project start date.

Reporting Period: July 1 - September 30, due date October 10
Reporting Period: October 1 - December 31, due date January 10
Reporting Period: January 1 - March 31, due date April 10
Reporting Period: April 1 - June 30, due date July 10

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

3. Final Report:

The final project report will include a summary of the project or activity, actual results (outputs and outcomes) and costs, the successes and lessons learned for the entire project as well as all categories of information required for quarterly reporting. This report shall be submitted to the Project Officer within 90 days after the expiration or termination of the assistance agreement. Recipient understands that the final report will include actual emissions benefit calculations and an updated, detailed fleet description. Recipient agrees to comply with Division A, Title XV, Subtitle A, §1512 of the Recovery Act (section 1512) and any other regulations or guidance related to the reporting requirements of section 1512 of the Recovery Act issued by the OMB or EPA.

4. Use of Funds Restriction :

Recipient agrees that funds under this award cannot be used for emissions reductions that are mandated under Federal, State or local law. This refers to specific compliance dates within the mandate, not when the mandate is passed. Voluntary or elective emissions reductions measures shall not be considered to be "mandated", regardless of whether the reductions are included in the State implementation plan of a State.

5. Delays or Favorable Developments :

The recipient agrees that it will promptly notify EPA of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The recipient agrees that it will also notify EPA of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

6. Procurement and Sub-grant Procedures:

The recipient must follow applicable procurement and sub-grant procedures. EPA will not be a party to these transactions. If EPA funds are used to purchase goods or services, Recipient agrees to compete the contracts for those goods and services and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 40 CFR Part 31, as appropriate. Approval of a funding proposal does not relieve recipients of their obligations to compete service contracts, conduct cost and price analyses, and use sub-grants only for financial assistance purposes, in accordance with Subpart B Section .210 of OMB Circular A-133.

7. Employee and/or Contractor Selection :

EPA will not help select employees or contractors hired by the recipient.

8. Program Income:

If program income is generated during the course of the project, program income requirements apply. Program income is defined as gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. Program income earned during the project period shall be retained by the recipient and, in accordance with 40 CFR Parts 31.25, recipient is authorized to use program income as follows:

(a) Program income may be added to funds committed to the project by EPA and recipient and used to further eligible project or program objectives. The program income shall be used for the purposes and under the conditions of the grant agreement.

(b) Program Income may be used to finance the non-Federal share of the project or program, including any mandatory or voluntary cost-share. The amount of the Federal grant award remains the

same.

(c) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. This means that the recipient shall spend program income on project activities before spending/requesting federal funds for project activities. This may result in unspent federal funds at the end of the project period.

The recipient will maintain records adequate to document the extent to which transactions generate program income and the disposition of program income.

9. Scrappage and/or Remanufacture:

The recipient agrees to complete scrappage or remanufacture in the case of repowers and replacements for all projects funded under this assistance agreement, including subawards/subgrants. To be considered a repower or replacement, the purchase of new vehicles, engines, and equipment must be accompanied by the scrappage or remanufacturing of old vehicles, engines and equipment. The purchase of new vehicles, engines or equipment to expand a fleet is not covered by this assistance agreement.

Scrappage is defined as a permanently disabled engine or vehicle, no longer suitable for use. Engine scrappage can be completed by drilling a hole in the engine block and manifold. Vehicle scrappage requires permanently disabling the chassis, e.g. cutting it in half. Other acceptable scrapping methods may be considered, with EPA approval. Owner/operators of the original vehicle or equipment may retain possession of the scrapped engine and chassis.

If remanufactured, scrapped or salvaged engines/vehicles are to be sold, program income requirements apply. Evidence of appropriate disposal, including the engine serial number and/or Vehicle Identification Number (VIN), is required in a final assistance agreement report submitted to EPA.

For engine repower and/or vehicle replacement, the recipient agrees to the following:

- a. The vehicle, engine, or equipment being replaced will be scrapped within ninety (90) days of the replacement, or the replaced vehicle, engine, or equipment will be returned to the original engine manufacturer for remanufacturing to a cleaner standard;
- b. The replacement vehicle, engine, or equipment will perform the same function as the vehicle, engine, or equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines);
- c. The replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower);
- d. Early Replacement: Funds may be used for the early replacement of vehicles, engines and/or equipment. Emission reductions that result from vehicle, engine, or equipment replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible costs under this assistance agreement. The recipient must provide evidence that the replacement activity would not have occurred without the financial assistance provided by EPA. Supporting evidence can include verification that the vehicles or equipment being replaced have useful life left and fleet characterization showing fleet age ranges and average turnover rates.
- e. For tire replacement projects, the original tires should be scrapped according to local or state requirements, or the tires can be salvaged for reuse or retreading. The salvaged value of the original tires must be treated as program income.

10. Uniform Administrative Requirements

Recipient agrees to comply with 40 C.F.R. Part 31, Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments.

Work under this agreement must be completed in accordance with the approved work plan dated July 16, 2009, to submitted application dated July 8, 2009. Recipient agrees to obtain the prior approval of EPA for any revision of the scope or objectives of the project or the need to extend the period of availability of funds, in accordance with 40 CFR Section 31.30.

Recipient shall consult the Project Officer regarding whether a budget or work plan revision constitutes a change in the scope or the objective of the project or program.

END OF GRANT AGREEMENT NO. 2A-960948-01-0

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment		ASSISTANCE ID NO.			DATE OF AWARD 07/30/2010
			PRG	DOC ID	AMEND#	
			2A -	96094801	- 2	ACH# X0316
			TYPE OF ACTION No Cost Amendment			
RECIPIENT TYPE: Special District			Send Payment Request to: Las Vegas Finance Center FAX # 702-798-2423			
RECIPIENT: Puget Sound Clean Air Agency 1904 Third Avenue, Suite 105 Seattle, WA 98101 EIN: 91-0823558			PAYEE: Puget Sound Clean Air Agency 1904 Third Avenue, Suite 105 Seattle, WA 98101			
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST		
Elizabeth Gilpin 1904 Third Avenue, Suite 105 Seattle, WA 98101 E-Mail: elizabethg@pscleanair.org Phone: 206-689-4026		Debbie Kline 1200 Sixth Avenue, Suite 900, AWT-122 Seattle, WA 98101 E-Mail: Kline.Debbie@epamail.epa.gov Phone: 206-553-1236		Cathy Reese 1200 Sixth Ave., Suite 900, OMP-145 Seattle, WA 98101 E-Mail: Reese.Cathy@epa.gov Phone: 206-553-6286		
PROJECT TITLE AND EXPLANATION OF CHANGES Locomotive Repower Project for Puget Sound This amendment makes the following changes to the agreement; 1) Extends the project and budget period to 9/30/2011; 2) Changes the Project Manager from Paul Carr to Elizabeth Gilpin.						
BUDGET PERIOD 08/01/2009 - 09/30/2011		PROJECT PERIOD 08/01/2009 - 09/30/2011		TOTAL BUDGET PERIOD COST \$4,330,099.00	TOTAL PROJECT PERIOD COST \$4,330,099.00	
NOTICE OF AWARD						
Based on your application dated 07/08/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$0. EPA agrees to cost-share <u>58.53%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,534,511. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.						
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS EPA Region 10 Mail Code: OMP-145 1200 Sixth Avenue, Suite 900 Seattle, WA 98101			ORGANIZATION / ADDRESS U.S. EPA, Region 10 Office of Air Waste and Toxics 1200 Sixth Avenue, Suite 900 Seattle, WA 98101			
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY						
SIGNATURE OF AWARD OFFICIAL Digital signature applied by EPA Award Official		TYPED NAME AND TITLE Cathy Reese, EPA Grants Specialist		DATE 07/30/2010		
AFFIRMATION OF AWARD						
BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION						
SIGNATURE 		TYPED NAME AND TITLE Craig Kenworthy, Executive Director		DATE 8/13/10		

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$74,458
2. Fringe Benefits	\$23,752
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$4,200,000
9. Total Direct Charges	\$4,298,210
10. Indirect Costs: % Base	\$31,889
11. Total (Share: Recipient 41.47 % Federal 58.53 %.)	\$4,330,099
12. Total Approved Assistance Amount	\$2,534,511
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$2,534,511

Administrative Conditions

All Administrative Conditions Remain the Same

Programmatic Conditions

All Programmatic Conditions Remain the Same

END OF ASSISTANCE AMENDMENT AGREEMENT NO . 2A-960948-01-2

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	ASSISTANCE ID NO.			DATE OF AWARD 01/07/2010	
		PRG	DOC ID	AMEND#		
		2A - 96094801 - 1			MAILING DATE 01/07/2010	
		TYPE OF ACTION No Cost Amendment			PAYMENT METHOD: ACH# X0316	
RECIPIENT TYPE: Special District		Send Payment Request to: Las Vegas Finance Center FAX # 702-798-2423				
RECIPIENT: Puget Sound Clean Air Agency 1904 Third Avenue, Suite 105 Seattle, WA 98101 EIN: 91-0823558		PAYEE: Puget Sound Clean Air Agency 1904 Third Avenue, Suite 105 Seattle, WA 98101				
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST		
Paul Carr 1904 Third Avenue, Suite 105 Seattle, WA 98101 E-Mail: paulC@pscleanair.org Phone: 206-689-4085		Debbie Kline 1200 Sixth Avenue, Suite 900, AWT-122 Seattle, WA 98101 E-Mail: Kline.Debbie@epamail.epa.gov Phone: 206-553-1236		Cathy Reese 1200 Sixth Ave., Suite 900, OMP-145 Seattle, WA 98101 E-Mail: Reese.Cathy@epa.gov Phone: 206-553-6286		
PROJECT TITLE AND EXPLANATION OF CHANGES Locomotive Repower Project for Puget Sound This amendment makes the following changes to the agreement: 1) Updates Administrative and Programmatic conditions and adds two Programmatic Conditions.						
BUDGET PERIOD 08/01/2009 - 09/30/2010		PROJECT PERIOD 08/01/2009 - 09/30/2010		TOTAL BUDGET PERIOD COST \$4,330,099.00	TOTAL PROJECT PERIOD COST \$4,330,099.00	
NOTICE OF AWARD						
Based on your application dated 07/08/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$0. EPA agrees to cost-share 58.53% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,534,511. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.						
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS			
EPA Region 10 Mail Code: OMP-145 1200 Sixth Avenue, Suite 900 Seattle, WA 98101			U.S. EPA, Region 10 Office of Air Waste and Toxics 1200 Sixth Avenue, Suite 900 Seattle, WA 98101			
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY						
SIGNATURE OF AWARD OFFICIAL Digital signature applied by EPA Award Official		TYPED NAME AND TITLE Cathy Reese, EPA Grants Specialist		DATE 01/07/2010		
AFFIRMATION OF AWARD						
BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION						
SIGNATURE		TYPED NAME AND TITLE Dennis McLerran, Executive Director		DATE		

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$74,458
2. Fringe Benefits	\$23,752
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$4,200,000
9. Total Direct Charges	\$4,298,210
10. Indirect Costs: % Base	\$31,889
11. Total (Share: Recipient <u>41.47</u> % Federal <u>58.53</u> %.)	\$4,330,099
12. Total Approved Assistance Amount	\$2,534,511
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$2,534,511

Administrative Conditions

Administrative conditions number 6 and 8 are updated as follows:

6. FEDERAL FINANCIAL STATUS REPORT /GRANT CLOSEOUT

Final Federal Financial Reports

Pursuant to 40 CFR 31.41(b) and 31.50(b), EPA recipients shall submit a final Federal Financial Report – also called the SF425 – to EPA’s Las Vegas Finance Center (LVFC), within ninety (90) days after the expiration of the budget period end date. Please note that these reports are required by EPA grant regulations (see 40 Code of Federal Regulations §31.41(c)). Completed SF425s must be faxed to 702-798-2423 or mailed to the following address: USEPA LVFC, P.O. Box 98515, Las Vegas, NV 89193-8515. The LVFC will make adjustments, as necessary, to obligated funds after reviewing and accepting a final Financial Status Report.

Closeout

The Administrative Closeout Phase for this grant will be initiated with the submission of a "final" FFR. At that time, the recipient must submit the following forms/reports to the EPA Grants Management Office if applicable:

- Federally Owned Property Report
- An Inventory of all Property Acquired with federal funds
- Contractor’s or Grantee’s Invention Disclosure Report (EPA Form 3340-3)

Additionally, the recipient's Final Request for Payment should be submitted to the LVFC.

8. SUBAWARD POLICY

Recipient agrees to follow applicable sub-grant procedures in accordance with 40 CFR Part 30, or Part 31, as appropriate. Subgrants/subawards do not have to be competed; however, successful applicants cannot use subgrants/subawards to avoid requirements in EPA regulations for competitive procurement by using subgrants/subawards to acquire commercial services or products from for-profit organizations.

Recipient agrees to comply with the following when selecting sub-recipients and establishing sub-awards:

- a) to establish all sub-award agreements in writing;
- b) to maintain primary responsibility for ensuring successful completion of the EPA-approved project (this responsibility cannot be delegated or transferred to a sub-recipient);
- c) to ensure that any sub-award(s) comply with the standards in Section 210(a)-(d) of OMB Circular A-133 and will not be used to acquire commercial goods or services for the recipient;
- d) to ensure that any sub-award(s) are awarded to eligible sub-recipient(s) and that proposed sub-award costs are necessary, reasonable, and allocable;
- e) to ensure that any sub-award(s) to 501(c)(4) organizations do not involve lobbying activities;
- f) to monitor the performance of the sub-recipient(s) and ensure that they comply with all applicable regulations, statutes, and terms and conditions which flow down in the sub-award;
- g) to obtain the appropriate consent from the EPA Project Officer prior to making a sub-award to a foreign or international organization, or a sub-award to be performed in a foreign country; and
- h) to obtain prior approval from the EPA Project Officer for any new sub-award work that is not outlined in the approved work plan in accordance with 40 CFR Parts 30.25 and 31.30, as applicable.

Recipient agrees that any questions about the eligibility of a sub-recipient or other issues pertaining to the sub-award(s) will be addressed to the recipient’s EPA Project Officer listed on the first page of your assistance award or assistance amendment document.

Recipient agrees to be responsible for selection of any sub-recipient(s) and, if applicable, for conducting sub-award competitions.

Additional information regarding sub-awards may be found at:
<http://www.epa.gov/ogd/guide/subaward-policy-part-2.pdf>.

Guidance for distinguishing between vendor and sub-recipient relationships and ensuring compliance with Section 210(a)-(d) of OMB Circular A-133 may be found at:
<http://www.epa.gov/ogd/guide/subawards-appendix-b.pdf> and
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Non-profit Subrecipients :

Subrecipients that are non-profit organizations are subject to the provisions of regulations in 40 CFR Part 30, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations."

State and Local Government Subrecipients :

State and local government sub-recipients are subject to the provisions of regulations in 40 CFR Part 31, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments."

For-profit Subrecipients :

Recipient shall utilize terms and conditions in all subgrants to for-profit sub-recipients that apply the following regulations to for-profit sub-recipients: 40 CFR Sections 30.2, 30.13, 30.14, 30.16, 30.17, 30.18, 30.20, 30.23, 30.25, 30.26(d), 30.28, 30.31, 30.34, 30.35, 30.36, 30.37, 30.40-47, 30.51, 30.53, 30.61, 30.62. For the purposes of applying the listed regulations to for-profit sub-recipients, the Recipient shall perform the functions that the regulations provide will be performed by EPA.

Recipient shall establish a procedure for resolving disputes with for-profit sub-recipients.

Recipient shall not reimburse a for-profit sub-recipient until receipt of documentation that the subrecipient has incurred eligible and allowable costs.

Recipient shall obtain a final report detailing how the subrecipient expended funds in a format prescribed by the Recipient.

Recipient shall ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations.

Recipient shall ensure that subrecipients are aware of requirements imposed upon them by Federal statutes and regulations.

All Other Administrative Conditions remain the same.

Programmatic Conditions

Programmatic condition number 2 is updated as follows:

2. Quarterly Reporting and Environmental Results

Quarterly progress reports will be required. Quarterly reports are considered project status reports and will address the progress made regarding achieving the work plan goals. In general, quarterly reports will include summary information on technical progress, planned activities for next quarter and expenditures. Award recipients will be provided with additional information and guidance on reporting performance measures and project progress, including those related to the Recovery Act, and a schedule for submission of quarterly reports, after award. Recipient agrees to comply with any other guidance related to the reporting requirements of section 1512 of the Recovery Act issued by the OMB or EPA. The first reporting period begins at the project start date.

Reporting Period: July 1 - September 30 (Report due on October 30th)

Reporting Period: October 1 - December 31 (Report due on January 30th)

Reporting Period: January 1 - March 31 (Report due on April 30th)

Reporting Period: April 1 - June 30 (Report due on July 31st)

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

The following conditions are added to the agreement as Programmatic condition number 11 and 12:

11. Equipment Disposition

Equipment is defined as tangible non-expendable personal property including exempt property charged directly to the award having a useful life or more than one year and an acquisition cost of \$5,000 or more per unit. Certified or verified technologies, vehicles, engines and nonroad equipment are considered to be equipment to the extent they fall within this definition.

Recipient agrees that at the end of the project period the equipment acquired under this assistance agreement will be subject to the property disposition regulations at 40 CFR 30.34 or 40 CFR 31.32, as applicable. Specifically, the Recipient is instructed to continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired for the remainder of its useful life, whether or not the project or program continues to be supported by federal funds and shall not encumber the equipment without approval of EPA.

If a vehicle, engine or nonroad equipment on which a verified or certified technology meeting the definition of equipment is installed reaches the end of its useful life, and the verified or certified technology has a remaining useful life of more than one year, the Recipient is instructed to use the verified or certified technology on another eligible vehicle, engine or nonroad equipment equivalent to the vehicle, engine or nonroad equipment on which it was originally installed and to continue to use the verified or certified technology for its original purpose until the end of its useful life.

Please be advised that these disposition instructions are applicable to assistance agreement recipients and any other third-party recipients acquiring equipment under this award. State agencies may use, manage and dispose of equipment acquired under assistance agreements in accordance with State laws and procedures.

12. Wage Rate Requirement - Davis Bacon

See condition attached to award.

All Other Programmatic Conditions remain the same.

END OF GRANT AGREEMENT NO. 2A-960948-01-1

AMERICAN RECOVERY AND REINVESTMENT ACT

NATIONAL CLEAN DIESEL FUNDING ASSISTANCE PROGRAM

PROJECT NARRATIVE:
**LOCOMOTIVE REPOWER/REPLACEMENT PROJECT FOR
PUGET SOUND**

Submitted on April 28, 2009; Revised on July 16, 2009, Revised on October 12, 2010, and on
December 12, 2010

Applicant Information:

Puget Sound Clean Air Agency
1904 Third Avenue, Suite 105
Seattle, WA 98101

Contact:

Elizabeth Gilpin
Air Resource Associate
Phone: (206) 689-4026
Fax: (206) 343-7522
E-mail: elizabethg@pscleanair.org
DUNS number: 363422374

Applicant Eligibility: The Puget Sound Clean Air Agency is the regional government agency with jurisdiction over air quality in King, Kitsap, Pierce and Snohomish Counties in Washington State.

Funding Requested: \$2,534,511.00

Total Project Cost: \$4,330,099.00. Tacoma Rail will provide \$1,795,588.00

Project Period: August 1, 2009 – December 31, 2011

Multiple projects: Tugboat Repower Project for Puget Sound, submitted to EPA Region 10; \$2,109,659 requested.

SECTION 1: PROJECT SUMMARY

The purpose of this project is to upgrade through repowering or replacing three locomotives operating within the Wapato Hills/Puyallup River Valley non-attainment area for fine particulate matter (PM_{2.5}) in the Puget Sound region. We estimate that by replacing these engines with new and advanced technologies, Tacoma Rail can reduce fine particulate including toxic diesel emissions from these locomotives by 75% or 2 tons per year. In addition, this project will deploy onboard lubrication technology on the three locomotives as well as on five other switcher locomotives that operate within the PM_{2.5} non-attainment area. The lubrication technology (lubrication “sticks”) apply lubrication between the rail and the wheel flange which decreases track resistance and results in smoother operations and a two to five percent fuel savings.¹ Tacoma Rail will purchase a ten year supply of lube sticks prior to the December 31, 2011 project termination date. The lubrication technology installed on eight switcher locomotives will result in an annual diesel fuel reduction of 11,410 gallons, which equates to 127 tons of CO₂ reduction per year. Total greenhouse gas reductions on this project will be 566 tons per year or 5,660 tons over the ten year life of the project.

Maritime-related activities, which are largely associated with goods movement, are a major source of air emissions in the Puget Sound region, contributing nearly one-third of the region’s diesel particulate matter (DPM) pollution. According to the Puget Sound Emission Inventory, locomotive engines account for up to five percent of the total DPM emitted from port operations and ten percent of the total nitrogen oxides (NO_x).² This project seeks to reduce emissions from locomotives in the Puget Sound area by replacing or repowering three switcher locomotives and by installing lubrication technology on eight switcher locomotives owned and operated by Tacoma Rail.

Tacoma Rail is a railroad utility owned by the City of Tacoma and operated by Tacoma Public Utilities. Tacoma Rail’s locomotives operate in Pierce, Thurston, and Lewis counties of Washington State. The specific locomotives to be repowered or replaced in this project are used for industrial and intermodal switching primarily within the Port of Tacoma area, including port, terminal, and rail yard locations. “Switch” locomotives are typically used to push railcars together to form trains within rail yards, and can also be used to power local and regional service trains.

Tacoma Rail operates three divisions: the Tidelands division, the Capital division, and the Mountain division. The Tidelands division includes service for several shipping lines at the Port of Tacoma. Tacoma Rail moves containerized goods between the cargo ships and the Transamerica railroads.

The three “switcher” locomotives targeted for repower or replacement include locomotive ID No. 2001, an EMD GP20 2,000 HP locomotive originally built in 1960, ID No. 2003, an EMD GP-20 HP 2,000 originally built in 1960 and ID No. 2005, an EMD GP-20 2000 HP originally built in 1956. All three of these switcher locomotives operate in the Tidelands division at the Port of Tacoma in Tacoma Washington and will continue to operate there for the next ten years.

1

<http://www.southeastdiesel.org/Presentations%20for%205th%20Annual%20Partners%20Meeting/Day%203%20June%2023/Freight/6-%20Line%20Haul%20Rail%20R%20Nath.pdf>

² Puget Sound Maritime Air Emissions Inventory. April 2007.

The current diesel engines in these three locomotives are EPA unregulated or Tier 0. With funding requested in this proposal, Tacoma Rail will replace these engines with Tier 2 engines. The newer engines will reduce DPM emissions by close to 2 tons per year amount and reduce fuel use up to 25%. Tacoma Rail has the option of scrapping the old Tier 0 diesel engines in locomotives ID No. 2001, 2003, and 2005, and replacing any one or all three of these locomotives with different locomotives, provided that the replacement locomotives have Tier 2 or better EPA certified engines and automatic engine start-stop functions (AESS) .

The proposed repowers and or replacements will use new locomotive technology including computer-controlled fuel systems and microprocessor-controlled locomotive ancillary systems. The new engines also reduce unnecessary idling by having automatic engine start-stop functions (AESS) that monitor operating conditions to ensure the highest level of efficiency. Idle reduction is one of the most efficient ways to reduce fuel and operating cost and eliminate pollutants. In addition, by repowering these engines, these locomotives will meet 2010 and 2011 EPA emission standards for all new locomotives sold in the US.

This project creates significant health benefits to the densely populated areas of the Puget Sound region. Tacoma Rail operates the switcher locomotives within the recently designated Wapato Hills/Puyallup River Valley non-attainment area for fine particulate matter (PM_{2.5}). Exposure to fine particulate matter, such as DPM, is associated with increased cardio-vascular diseases, lung diseases, and premature death. In addition, DPM is associated with cancer in both animal and human health studies, and is currently rated by USEPA as a probable human carcinogen³.

The repower of Tacoma Rail’s locomotives will reduce nitrogen oxides (NO_x) by 30 tons per year, carbon monoxide (CO) by 25 tons per year, and close to 7 tons per year of hydrocarbons (HC) and 2 tons per year of PM. The following table shows the calculated emission reductions:

Table 1: Tacoma Rail Emission Estimates for Locomotive Repower
Tons per year (tpy)

	NO _x	CO	HC	PM
Annual emissions: One original EMD GP 20 Model Yr 1956 Switcher locomotive [†]	16.84	9.62	2.53	0.87
Annual emissions: One replacement Tier 2 EMD 710 ECO ^{††}	7.31	1.35	0.27	0.22
Annual emission reduction for one locomotive repower	9.53	8.27	2.26	0.65
Total annual reductions for three locomotive repowers	28.59	24.81	6.78	1.95
% reduction	57%	86%	89%	75%

[†] EPA Exhaust Emission Standards for Locomotives Tier 0 Switch Duty Cycle
<http://www.epa.gov/otaq/regs/nonroad/locomotv/frm/42097048.pdf>

^{††} Based on Electro Motive Diesel Inc (EMD) manufacturer of the EPA-certified 710ECO repower kit emission factors

³ <http://www.pscleanair.org/news/library/factsheets/next10/FineParticulateMatter.pdf>

Table 2 : Tacoma Rail Annual Emission Reduction Estimates for Lubrication Stick Technology and Total Emissions Reduction
Tons per year (tpy)

	NO_x	CO	HC	PM
Annual emissions reductions:Lube stick on one original EMD GP 20 Model Yr 1956 Switcher	0.51	0.29	0.08	0.03
Annual emissions reductions:Lube stick on 5 original EMD GP 20 Model Yr. 1956 Switchers	2.55	1.45	0.40	0.15
Annual emission reduction for one repowered Tier 2 EMD 710 ECO locomotive with lube stick	0.22	0.04	0.01	0.01
Annual emission reductions for three repowered Tier 2 EMD 710 ECO locomotives with lube stick	0.66	0.12	0.03	0.03
Total annual emission reductions (tons) 8 locomotives with lube stick technology	3.21	1.57	0.43	0.18
Total annual emission reductions three locomotive repowers and eight lubrication equipped locomotives	31.80	26.38	7.21	2.13

We calculate emissions for the unregulated EMD GP-20 Model Yr 1956 Switcher locomotive using the following EPA Tier 0 emission factors for switch locomotives: NO_x 14.0 g/bhp-hr, CO 8.0 g/bhp-hr, HC 2.1 g/bhp-hr, and PM 0.72 g/bhp-hr.

To calculate the annual emissions from the single engine Tier 2 replacement engines, we used the EMD 710 ECO emission factors as follows: NO_x 8.1 g/bhp-hr, CO 1.5 g/bhp-hr, HC; 0.30 g/bhp-hr, and PM 0.24 g/bhp-hr. It is assumed that all potential replacement engines and technologies (e.g., anti-idling controls) will meet the Tier 2 emission standards, so the emission reductions from the project will be similar regardless of which Tier 2 replacement engine and other technologies are eventually selected.

Additional greenhouse gas and diesel particulate emissions will be achieved from the installation and deployment of the onboard lubrication technology on eight of the Tacoma Rail locomotives over a period of ten years.

Environmental Priorities

This project builds on regional efforts of the maritime community to meet voluntary performance goals. The Ports of Seattle and Tacoma, and Port Metro Vancouver (British Columbia), in cooperation with federal, state, and regional air authorities, have worked together to develop the Northwest Ports Clean Air Strategy.⁴ Under this strategy, each port committed to meet aggressive performance measures to reduce emissions from various maritime-related activities, including locomotives. As described above, this project significantly reduces CO, NO_x, HC, and PM emissions and provides immediate health benefits. This project also supports Goal 1 of EPA’s 2006-2011 Strategic Plan, Clean Air and Global Climate Change; Objective 1.1: Healthier Outdoor Air, which states, “Through 2011...[EPA will]...protect human health and the environment by attaining and maintaining health-based air-quality standards and reducing the risk from toxic air pollutants.”

⁴Northwest Ports Clean Air Strategy. December 2007.

Cost Effectiveness

We calculated cost effectiveness for the total project cost, the capital project cost, and EPA-funding, assuming a 10-year life period. Results are shown in Table 3 below:

Table 3: Tacoma Rail Cost-Effectiveness of Project Emission Reductions
(Cost per ton, \$/ton)

	NO _x	CO	HC	PM
Total Project Cost	\$13,617	\$16,414	\$60,057	\$203,291
Capital Project Cost	\$12,822	\$15,456	\$56,552	\$191,428
EPA Funding	\$7,970	\$9,608	\$35,153	\$118,991

Total Project Cost: \$4,330,099.00
Capital: \$4,077,420.00
EPA \$2,534,511.00

Expected Lifetime

The expected life of the new engines has been estimated to be 10 years. These numbers are in line with other published materials, manufacturer and industry standards. If proper maintenance and care is employed, there should be no degradation of the emissions or efficiency during the ten-year engine life.

Certified Technology

If approved, we will require that Tacoma Rail install the replacement engines or acquire the replacement locomotives using a third-party contractor selected from a competitive bidding process. We will also require the third-party contractor to use engine repower technologies that are certified by EPA.

Roles and Responsibilities of Applicant and Partners

The Puget Sound Clean Air Agency (Agency) will receive the funding under this proposed grant and make a sub-award to Tacoma Rail. Tacoma Rail will use an open and competitive process to select subcontractors to repower or replace the locomotives. Tacoma Rail will install, maintain, and refill, the onboard lubrication technology on the eight switcher locomotives. The Agency will actively manage and oversee the project and submit all necessary reports as indicated in the schedule below.

Detailed Timeline

The project schedule is as follows:

- October 2009: Agency to submit the first quarterly progress and ARRA report to EPA
- January 2010: Agency to submit the second quarterly progress and ARRA report to EPA
- April 2010: Agency to submit the third quarterly progress and ARRA report to EPA
- July 2010: Obtain EPA approval for grant amendment to extend grant project period for one year
- July 2010: Agency to submit the fourth quarterly progress and ARRA report to EPA
- October 2010: Agency to submit the fifth quarterly progress and ARRA

- December 2010 report to EPA
Finalize contract and memorandum of agreement with Tacoma Rail
- January 2011: Agency to submit the sixth quarterly progress and ARRA report to EPA
- April 2011 Agency to confirm Tacoma Rail and third-party contractor
- April 2011: Agency to submit the seventh quarterly progress and ARRA report to EPA
- July 2011: Agency to submit the eighth quarterly progress and ARRA report to EPA
- October 2011: Agency to submit the ninth quarterly progress and ARRA report to EPA
- November 2011 Agency to confirm repowers have been completed
- November 2011 Agency to confirm the installation of the lubrication stick technology on eight locomotives is complete
- December 2011 Agency to confirm the old, uncertified locomotive engines have been Destroyed
- January 2012 Agency to submit tenth quarterly progress report and ARRA report to EPA
- January 2012 Agency to confirm Tacoma Rail has submitted the final invoice to the Agency for the project
- March 2012 Tacoma Rail submits final project report to the Agency
- April 2012 Agency to submit eleventh quarterly progress report and ARRA report to EPA

Sustainability of Project Beyond Assistance Period: Tacoma Rail is expected to retain ownership of the repowered locomotives throughout their useful life. This expected to result in emission reductions beyond the ten year period used in our calculations. Since locomotives are typically used for 40 years or more, emission reductions may be double or triple the estimates stated above.⁵

Restriction for Mandated Measures: This is a voluntary emission reduction effort on the part of Tacoma Rail. There are no legal mandates requiring emission reductions from this railway.

SECTION 2: NATIONAL REQUIREMENTS: RECOVERY ACT FUNDING PRIORITIES

This proposed repower project will preserve and create jobs. Each repower will require approximately 16.8 full-time equivalent (FTE) employees per locomotive. The project will repower a total of 3 locomotives, making the FTE requirement of the project approximately 50.4 employees.

Upstream and downstream employment is harder to estimate. However, this project will create work at the steel forming shops, transportation and trucking companies, and other operations involved in the manufacture and transport of the replacement engines.

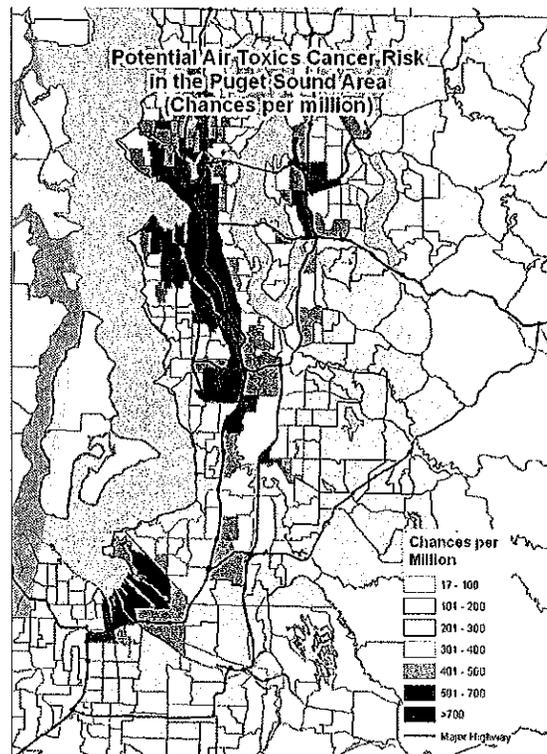
⁵ United States Environmental Protection Agency, Air and Radiation, Office of Mobile Sources, EPA420-F-97-048 December 1997. Final Emission Standards for Locomotives.
<http://www.epa.gov/oms/regs/nonroad/locomotv/frm/42097048.txt>

In addition to preserving and creating jobs, this project represents an investment in transportation and environmental protection that will provide long-term economic benefit. The locomotives to be repowered operate near interstate corridors and in densely populated areas. Repowering these locomotives will provide immediate emission reductions and public health benefits in areas surrounding the railways.

The repower project is ready to start immediately. The major components have a 16-week lead time of acquisition. The locomotive preparation work associated with fitting new engines will consume the 16-week period prior to the delivery of the major components.

SECTION 3: NATIONAL PROGRAMMATIC PRIORITIES

This locomotive repower project will provide short-term relief as well as long-lasting emission reduction and public health benefit in areas of high population density, poor air quality, and heavy diesel fleet activity.



The central Puget Sound region is home to over 3,500,000 people in four counties (King, Kitsap, Pierce and Snohomish), and is the most populous region in the state. This region currently faces air quality challenges posed by air toxics and particulate matter, and includes the only nonattainment area for PM_{2.5} in the state.

In its 1999 National Air Toxics Assessment (NATA), the EPA ranked this region in the top 5 percent of the nation for potential cancer risk from air toxics.⁶ In its own evaluation to prioritize the health risk from air toxics, the Clean Air Agency estimates that 70 percent of the potential cancer risk stems from highly toxic diesel particulate matter (DPM), and estimates cancer risks at many times greater than the EPA's acceptable cancer risk range.⁷

The Potential Air Toxics Cancer Risk map at right shows the estimated cancer risk from airborne pollutants in the central Puget Sound region, as derived from the 1999 NATA study and using California EPA's diesel cancer risk factor.⁸ The red and brown areas show highest cancer risk areas. The left-of-center red area represents the Port of Seattle; the lower left red area is the Port of Tacoma. The black lines are regional highways. The Agency considers the communities and

⁶U.S. EPA. National-scale Air Toxics Assessment for 1999. Office of Air Quality Planning and Standards. <http://www.epa.gov/ttn/atw/nata1999/>.

⁷Puget Sound Clean Air Agency. Final Report – Puget Sound Air Toxics Evaluation. October 2003.

⁸California Air Resources Board. Identification of Diesel Exhaust as a Toxic Air Contaminant. 1998. <http://www.arb.ca.gov/toxics/dieseltac/dieseltac.htm>.

neighborhoods in the red and brown areas to be sensitive and economically disadvantaged populations that experience disproportionately high adverse human health impacts.

Within this region and especially near the ports, there are PM_{2.5} monitors that violate or are close to violating EPA's daily PM_{2.5} standard. The State of Washington has recommended that EPA designate the Wapato Hills/Puyallup River Valley in the City of Tacoma and parts of Pierce County as a nonattainment area for PM_{2.5}. This area includes the Port of Tacoma. A monitor near the Port of Seattle is close to violating the standard as well. As the economy recovers, projected growth and increased cargo volume at the ports will only intensify the challenge of meeting federal PM_{2.5} standards, and will particularly impact the sensitive and economically disadvantaged communities near the ports.

According to the 2005 Puget Sound Maritime Air Emissions Inventory, maritime-related activities are a major contributor to air emissions in the region, accounting for 28 percent of all DPM emissions. Approximately 5 percent of these emissions are from locomotive activity.

Repowering old, unregulated locomotives with certified engine technology will reduce highly toxic diesel particulate matter (DPM) emissions, NO_x and CO along railway corridors and help protect the health of railyard workers and local business district employees. A summary of anticipated emission reductions is provided in “Section 1: Project Summary” of this application, as *Table 1: Emission Estimates- Locomotive Engine Repower*.

Tacoma Rail is expected to operate these locomotives in the Puget Sound region for the next 10 years. Tacoma Rail will fuel the repowered locomotives with ultra-low sulfur diesel ahead of EPA’s mandated timeframe.

SECTION 4: REGIONAL SIGNIFICANCE

As stated in Sections 1 and 3, this locomotive repower project will provide meaningful emission reductions and public health benefits in the greater Puget Sound region, which has the highest population density in the state of Washington and the state’s only non-attainment area for PM_{2.5}. The project directly reduces emissions from the locomotives as it assists the Puget Sound in interstate and international goods movement. A detailed summary of anticipated emission reductions is provided in “Section 1: Project Summary” of this application, as *Table 1: Emission Estimates- Locomotive Engine Repower*.

The project is also likely to reduce greenhouse gas emissions as a result of replacing older, low-technology diesel engines with modern, more-efficient Tier 2 engines and by reducing the amount of fuel used through the installation of anti-idling components.

Repowering Tacoma Rail’s aging locomotives is a cost-effective approach to reducing emissions. Please refer to *Table 2: Cost-Effectiveness of Project Emission Reductions* in Section 1 of this application for an overview of the cost per ton of pollutant reduced.

SECTION 5: PAST PERFORMANCE

Programmatic Capability and Reporting on Results – Outcomes and Outputs:

The Agency has successfully completed, or is currently working on a number of federally funded projects. It has accounting procedures in place that are compliant with federal auditing and reporting requirements, including on-time submittal of required, quarterly progress reports and

final reports. During the past three years, the Agency has received many federal grants, including the following:

U.S. EPA	2006 Holland America Cruise Vessel Seawater Scrubber	\$300,000
U.S. EPA	2005 Western Washington Clean Buses, Healthy Kids	\$366,000
U.S. EPA	<u>2009 Cargo Handling Equipment Replacement and Retrofit</u>	<u>\$850,000</u>
	Total	\$1,516,000

The Holland America Seawater Scrubber project is progressing as planned. Progress reports have been submitted on time; final reports are pending conclusion of the demonstration project.

The Western Washington Clean Buses project is complete. The project resulted in the installation of 125 diesel oxidation catalysts, 12 diesel particulate filters, 13 CARB Level 2 diesel oxidation catalysts, and 154 crank case ventilation filters on school buses serving multiple counties in western Washington.

EPA awarded the Cargo Handling Equipment Retrofit and Repower Grant to the Agency on January 15, 2009. This project is significantly reducing emissions from cargo-handling equipment at the Ports of Seattle and Tacoma through retrofits and repowers of a variety of equipment used for cargo container movement at port terminals. This project is being implemented, and partly funded, by the Agency and the ports in cooperation with the port terminal operators. The Agency has developed agreements with each of the ports to transfer their funds to the project. This project is just getting underway.

SECTION 6: STAFF EXPERTISE AND QUALIFICATIONS

The Agency has experienced grant managers and other resources necessary to manage the project. Elizabeth Gilpin, who has had experience with state and federal grants, will provide fiscal and project management and will submit all required reports. Amy Fowler, the Agency’s Manager of Clean Air Initiatives, will oversee the project, is the Agency’s official representative registered with Grants.gov, and is authorized to sign applications for federal assistance.

As the agency’s Project Manager, Elizabeth Gilpin will monitor and verify the repower project, and execute a contract with Tacoma Rail.

SECTION 7: RESULTS: OUTPUTS AND OUTCOMES

Expected outputs from the locomotive repower project, which will be tracked and reported to EPA in quarterly reports and a final report, include the following:

- a. Amount of funds expended on the project
- b. Evaluation of the completion status of the project
- c. Amount of funds disbursed to sub-recipients
- d. Status of procurements or bids (initiated or completed)
- e. Number of purchased or retrofitted engines
- f. Number of individual jobs preserved and/or created working directly on the project

Expected outcomes from this project include:

Short-Term Outcomes:

Among the short-term outcomes envisioned through this project is an increased understanding of the environmental and economic effectiveness of the implemented technology as indicated by tracking emissions reductions as well as fuel savings.

As cited in other sections of this application, other outcomes include meaningful emission reductions from the repowered locomotives.

Medium- and Long-Term Outcomes:

In the medium-term, it is expected that repowers such as the proposed locomotive repowers will become more common as the economic and environmental benefits are documented and disseminated. As the project is implemented, Tacoma Rail and the Agency will document and share the results, which are expected to include diesel fuel savings as well as significant reductions in air pollutant emissions. The emission reductions and cost-effectiveness of the technology employed in this project is documented in “Section 1: Project Summary.”

In the long-term, engine repowers such as this, particularly in port areas, will result in measurable health benefits and improved air quality based upon ambient measurements. In a separate project, the agency is partnering with the University of Washington to develop methods to allocate measured concentrations to specific source categories, creating a potential means to measure the improvements to air quality as repowers become more widespread. Finally, repowers represent an investment in goods movement and environmental protection that will provide long-term economic benefits including jobs creation/retention and the promotion of economic recovery.

SECTION 8: LEVERAGED RESOURCES AND PROJECT PARTNERS

This project is fully developed and will be implemented immediately upon issuance of the EPA grant and execution of the agreement between the Agency and Tacoma Rail. Tacoma Rail will then subcontract out the installation work to a third-party contractor selected from a competitive process. Tacoma Rail is contributing 41 percent of the total project.

SECTION 9: BUDGET DETAIL

The total project cost of this three-engine repower project is:	\$4,330,099.00
Total funding requested from the EPA:	\$2,534,511.00
Match funding to be provided by Tacoma Rail:	\$1,795,588.00

Tacoma Rail estimates each engine rebuild will cost \$1,359,140. Administration of the grant by the agency is estimated at \$252,679.00 for personnel, fringe, and indirect costs over the two year project period. These costs are described in more detail in Tables 3 through 5 below.

Note: Agency Re-Org Occurred in January of 2010 and Project Manager on this grant changed from Paul Carr to Elizabeth Gilpin on July 30th 2010

Table 3: Personnel-Salary Costs Break Down

Yr 1 Personnel- and Title	Year 1 Salary (7/09-7/10)	% of Time	Salary Allocated to Project Yr. 1	Yr 2 Personnel- and Title	Annual Salary Yr. 2 (7/10-9/11)	% of Time	Year 1 Salary Allocated (7/10-9/11)
Air Resource Associate (Beth)	\$77,076.00	45.0%	\$34,684	Air Resource Associate (Elizabeth)	\$77,553	50.0%	\$38,777
Air Resource Specialist (Amy)	\$87,204.00	20.0%	\$17,441	Climate and Transportation Team Lead (Leslie)	\$101,071	10.0%	\$10,107
Grant Specialist (Mary Kay)	\$68,052.00	7.0%	\$4,732	Grant Specialist (Mary Kay)	\$68,829	7.0%	\$4,818
Attorney (Laurie)	\$136,641.70	1.0%	\$1,366	Attorney (Jennifer Dold)	\$83,754	1.0%	\$838
Admin	\$56,232.00	1.0%	\$562	Admin	\$56,454	1.0%	\$562
Senior Accountant	\$90,908.00	3.0%	\$2,727	Senior Accountant	95,848	3.0%	\$2,875
Finance Manager	\$114,687.10	5.0%	\$5,734	Finance Manager	\$116,454	5%	\$5,823
Manager Air Resources (Dave)	\$114,687.10	5.0%	\$5,734	Manager Clean Air Initiatives (Amy)	\$96,007	5.0%	\$4,800
Payroll Accountant	\$67,233.00	1.0%	\$672	Payroll Accountant	\$70,858	1.0%	\$708
Acct. Tech	\$56,232.00	1.5%	\$806	Acct. Tech	\$56,454	1.5%	\$847.
Total Salaries:			\$74,458				\$70,155

Table 4: Personnel-Salary Costs Summary

Personnel- Puget Sound Clean Air Agency	Federal Yr 1	Federal Yr. 2	Total
Salaries	\$74,458	\$70,155	\$144,613
Fringe Benefits (31.9% x Salary)	\$23,752	\$22,379	\$46,131
Indirect Costs (32.47 % * Salaries and Fringe)	\$31,889	\$30,046	\$61,935
Total Personnel Expenses:	\$130,099	\$122,580	\$252,679

Federal Request is 55.96% of \$4,077,420 sub-award
 Cost Share is 44.04% of \$4,077,420 sub-award

Table 5: Labor and Equipment Costs

Contractual: Tacoma Rail / Contractor	Cost for one repower	Cost for three repowers	Federal Request	Tacoma Rail Cost- Share/Match
Labor	\$273,190	\$819,570	\$458,631.37	\$360,938.63
Equipment				
Engine	\$459,903	\$1,379,709	\$772,085.16	\$607,623.84
Generator-UTEX	\$89,356	\$268,068	\$150,010.85	\$118,057.15
Core Credit	(\$3,195)	(\$9,585)	(\$5,516.54)	(\$4,221.23)
Electrical Cabinet & EM2000	\$143,875	\$431,625	\$241,537.35	\$190,087.65
Cooling Hood Equipment	\$216,327	\$648,981	\$363,169.77	\$285,811.23
AC Cabinet	\$24,593	\$73,779	\$41,286.73	\$32,492.27
Aux Gen/TM Blower	\$20,175	\$60,525	\$33,869.79	\$26,655.21
Equipment Rack	\$13,537	\$40,611	\$22,725.92	\$17,885.08
Air Filtration	\$7,907	\$23,721	\$13,274.27	\$10,446.73
Additional Material	\$57,052	\$171,156	\$95,778.89	\$75,377.10
Lube Stick Applicators (56 at \$425)		\$23,800		
Lube Stick Brackets (56 at \$240)		\$13,440		
Lube Sticks (6,000 at \$22)		\$132,000		
Lube Stick Cost Overruns		\$20		
Lube tech system total for 8 switcher locomotives		\$169,260	\$94,717.90	\$74,542.10
Total	\$1,359,140	\$4,077,420	\$2,281,832	\$1,795,588

Table 6: Project Cost Summary

Activity	Cost	Federal	Cost Share/Match
Personnel:Project administration by the Agency	\$252,679	\$252,679	
Subaward:Tacoma Rail/Contractor repower costs	\$4,077,420	\$2,281,832	\$1,795,588
Total	\$4,330,099	\$2,534,511	\$1,795,588

U. S. Environmental Protection Agency
Applicant Fleet Description Spreadsheet

Section 1: Company and Project Manager Information

Organization: Puget Sound
 First Name: Elizabeth
 Last Name: Gilpin
 Address: 1904 Third
 City: Seattle
 State: WA
 Email: elizabeth@puget-sound.org
 Zip Code: 98101
 Office Phone: 206 689-4026

Section 2: Project Information

Project Name: Port of Tacoma
 Entity: Tacoma Rail Locomotive
 Target Fleet Number: 3
 Vehicle City: Tacoma
 County: Pierce
 State: WA
 Lead Reg: 10
 Funding A: 2534511
 Additional Tacoma R: 0

Section 3: Vehicle Information:

Vehicle Type	Year	Vehicle ID	Company	Engine Make	Engine Model	Year of Manufacture	MC Retrofit	Year of Retrofit	Annual Mileage	Horsepower	Usage Rate
NonRoad Locomotive	2001	EMD ID 645E	EMD	645E	1960	2011	NA	2000	2000	5000	5000
NonRoad Locomotive	2003	EMD ID 567C	EMD	567C	1960	2011	NA	2000	2000	5000	5000
NonRoad Locomotive	2005	EMD ID 645E	EMD	645E	1956	2011	NA	2000	2000	5000	5000

U. S. Environmental Protection Agency
 Applicant Fleet Description Spreadsheet

Section 1: Company and Project Manager Information

Organization: FirstName LastName JobTitle Address City State EmailAddr ZipCode OfficePhor OfficePhor
 Puget Sou Elizabeth Gilpin Air Resources As: 1904 Third Seattle WA elizabethg 98101 206 689-4026

Section 2: Project Information

ProjectNar Entity TargetFlee Number of Vehicle City County State LeadRegio Funding A Additional Additional
 Port Locon Tacoma R Locomotiv 3 Tacoma Pierce Wa 10 2534511 Tacoma R 0

Section 3: Vehicle Information:

VehicleTyp	Vehicle Clr	VehicleCo	Engine Make	Engine Mo	Engine Ye	Mo Retrofit	Annual Mil	Horsepow	UsageRate
NonRoad	Locomotiv	1	EMD ID 2001	645E	1960	2011	Engine Re NA	2000	5000
NonRoad	Locomotiv	1	EMD ID 2003	567C	1960	2011	Engine Re NA	2000	5000
NonRoad	Locomotiv	1	EMD ID 2005	645E	1956	2011	Engine Re NA	2000	5000

Recipient Report: Grant or Loan Version: 1.4
Prime Recipient

Reporting Information	
Award Type:	Final Report
Grant	96064801

Award Recipient Information	
Recipient DUNS Number:	Recipient Congressional District:
363422374	07

Award Information	
Funding Agency Code:	Award Date:
6800	07/24/2009
Amount of Award:	CFDA Number:
	66.039
Program Source (TAS):	Sub Account Number for Program Source (TAS):
68-0102	
Total Number of Sub-Awards to Individuals:	Total Amount of Sub-Awards to Individuals:
1.00	\$25,000/award
Total Number of Payments to Vendors less than \$25,000/award:	Total Amount of Payments to Vendors less than \$25,000/award:
0.00	\$0.00
Total Number of Sub-Awards less than \$25,000/award:	Total Amount of Sub-Awards less than \$25,000/award:
0.00	\$0.00
Award Description:	

Need Help Finding Award Information?	
Browse the Full Listings by using the drop-down lists.	
Agency Drop-Down List:	0000 - The Legislative Branch
Program Source (TAS) Drop-Down List:	68-0108-Environmental Protection Agency-Environmental Programs and Management
Know the code and want to check the name? Search by Code:	
Enter Agency Code:	0500
Agency Name:	Government Accountability Office
Enter Program Source (TAS) Code:	05-0108
Program Source (TAS) Name:	Government Accountability Office-Salaries and Expenses, Recovery Act
Know the name and want to find the code? Search by Name:	
Enter Agency Name:	Government Accountability Office
Agency Code:	0500
Enter Program Source (TAS) Name:	Government Accountability Office-Salaries and Expenses, Recovery Act
Program Source (TAS) Code:	05-0108

Number of characters entered: 0	
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Project Information	
Project Name or Project Program Title	Total Federal Amount/ARCA Funds Received/Invoiced
Project Status	Description of Jobs Created
Number of characters entered: 0	
Quarterly Activities/Project Description	

Number of characters entered: 1	
Activity Code (NAICS or NTEE/NPC)	
1	2
3	4

Need Help Finding an Activity, State, or Country Code?

Browse the Full Listing by using the drop-down list.

Activity Code Drop-Down List: C20 - NTEE - Pollution Abatement & Control

State Drop-Down List: AK - Alaska

5	
6	
7	
8	
9	
10	

Total Federal Amount of ARRA Expenditure	Total Federal ARRA Infrastructure Expenditure	Infrastructure Contact Name
Infrastructure Contact Email	Infrastructure Contact Phone	Infrastructure Contact Phone Ext
Infrastructure Contact Street Address 1	Infrastructure Contact Street Address 2	Infrastructure Contact Street Address 3
Infrastructure City	Infrastructure State	Infrastructure ZIP Code 4
Infrastructure Purpose and Rationale		

Number of characters entered: 0

Primary Place of Performance	
Street Address 1	City
Street Address 2	
State	Congressional District
ZIP Code 4	
Country	
US	

Country Drop-Down List: US - United States	
Know the code and want to check the name? Search by Code	
Enter Activity Code:	111110
Activity Name:	Soybean Farming
Enter State Code:	CA
State Name:	California
Enter Country Code:	US
Country Name:	United States
Know the name and want to find the code? Search by Name	
Enter Activity Name:	Other Vegetable (except Potato) and Melon Farming
Activity Code:	111219
Enter State Name:	California
State Code:	CA
Enter Country Name:	United States
Country Code:	US

Recipient Highly Compensated Officers

Prime Recipient Indication or Reporting Applicability	Officer Name	Officer Compensation
	1	
	2	
	3	
	4	
	5	

**U.S. ENVIRONMENTAL PROTECTION AGENCY
 MBE/WBE UTILIZATION UNDER FEDERAL GRANTS, COOPERATIVE
 AGREEMENTS, AND INTERAGENCY AGREEMENTS**

PART 1. (Reports are required even if no procurements are made during the reporting period.)

1A. FEDERAL FISCAL YEAR _____ 2010 _____	1B. REPORTING PERIOD (Check ALL appropriate boxes) <input type="checkbox"/> 1 st (Oct-Dec) <input type="checkbox"/> 2 nd (Jan-Mar) <input type="checkbox"/> 3 rd (Apr-Jun) <input type="checkbox"/> 4 th (Jul-Sep) <input type="checkbox"/> Annual This report is for the period _____ to _____ <input type="checkbox"/> Check if this is the last report for the project (Project completed).				
1C. REVISION OF A PRIOR REPORT? Y or N Year: _____ Quarter: _____	BRIEFLY DESCRIBE THE REVISIONS YOU ARE MAKING: 				
2A. EPA FINANCIAL ASSISTANCE OFFICE ADDRESS (ATTN: DBE Coordinator) Environmental Protection Agency, Region 10, 1200 Sixth Ave, OMP-145 Mailcode: OMP-145, Seattle, WA 98101		3A. RECIPIENT NAME AND ADDRESS Puget Sound Clean Air Agency, 1904 3 rd Ave, Suite 105, Seattle, WA 98101			
2B. EPA DBE COORDINATOR Name: Greg Luchey E-mail: Luchey.Greg@epa.gov	2C. PHONE: 206-553-2967 Fax:	3B. RECIPIENT REPORTING CONTACT: Name: Mary Kay Thunem E-mail: marykayt@pscleanair.org	3C. PHONE: 206-689-4084 Fax:		
4A. FINANCIAL ASSISTANCE AGREEMENT ID NUMBER (SRF State Recipients, refer to Instructions for Completion of blocks 4A, 5A and 5C.) 2A96094801		4B. FEDERAL FINANCIAL ASSISTANCE PROGRAM TITLE or CFDA NUMBER: 66.039 National Clean Diesel Funding Assistance Program (B)			
5A. TOTAL ASSISTANCE AGREEMENT AMOUNT (SRF State Recipients, refer to Instructions for Completion of blocks 4A, 5A and 5C.) EPA Share: \$ _____ 2,534,511.00 _____ Recipient Share: \$ _____ 1,795,000.00 _____	5B. If NO procurement and NO accomplishments were made this reporting period, check and skip to Block No. 7. (Procurements are all expenditures through contract, order, purchase, lease or barter of supplies, equipment, construction, or services needed to complete Federal assistance programs. Accomplishments, in this context, are procurements made with MBEs and/or WBEs. <div style="text-align: center;">√</div>				
5C. Total Procurement and MBE/WBE Accomplishments This Reporting Period (Only include amount not reported in any prior reporting period)					
Were sub-awards issued under this assistance agreement? Yes ___ No ___ Were contracts issued under this assistance agreement? Yes ___ No ___					
Total Procurement Amount \$ _____ (Include total dollar values awarded by recipient, sub-recipients and SRF loan recipients.)					
Actual MBE/WBE Procurement Accomplished: (Include total dollar values awarded by recipient, sub-recipients, SRF loan recipients and Prime Contractors.)					
	<u>Construction</u>	<u>Equipment</u>	<u>Services</u>	<u>Supplies</u>	<u>Total</u>
\$MBE:	_____	_____	_____	_____	_____
\$WBE:	_____	_____	_____	_____	_____
6. COMMENTS: (If no MBE/WBE procurements were accomplished during the reporting period, please explain what steps you are taking to achieve the MBE/WBE Program requirements specified in the terms and conditions of the Assistance Agreement.) 					
7. NAME OF RECIPIENT'S AUTHORIZED REPRESENTATIVE Karen Houser		TITLE Finance Manager			
8. SIGNATURE OF RECIPIENT'S AUTHORIZED REPRESENTATIVE		DATE			

Instructions:

A. General Instructions:

MBE/WBE utilization is based on Executive Orders 11625, 12138, 12432, P.L. 102-389 and EPA Regulations Part 30 and 31. EPA Form 5700-52A must be completed by recipients of Federal grants, cooperative agreements, or other Federal financial assistance which involve procurement of supplies, equipment, construction or services to accomplish Federal assistance programs.

Recipients are required to report 30 days after the end of each federal fiscal quarter or annually, per the terms and conditions of the financial assistance agreement. Submission dates are January 30, April 30, July 30, and October 30. The submission date for annual reports is October 30. MBE/WBE program requirements, including reporting, are material terms and conditions of the financial assistance agreement.

B. Definitions:

Procurement is the acquisition through contract, order, purchase, lease or barter of supplies, equipment, construction or services needed to accomplish Federal assistance programs.

A *contract* is a written agreement between an EPA recipient and another party (also considered "prime contracts") and any lower tier agreement (also considered "subcontracts") for equipment, services, supplies, or construction necessary to complete the project. This definition excludes written agreements with another public agency. This definition includes personal and professional services, agreements with consultants, and purchase orders.

A *minority business enterprise* (MBE) is a business concern that is (1) at least 51 percent owned by one or more minority individuals, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more minority individuals; and (2) whose daily business operations are managed and directed by one or more of the minority owners.

U.S. citizenship is required. Recipients shall presume that minority individuals include Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, or other groups whose members are found to be disadvantaged by the Small Business Act or by the Secretary of Commerce under section 5 of Executive order 11625. The reporting contact at EPA can provide additional information.

A *woman business enterprise* (WBE) is a business concern that is, (1) at least 51 percent owned by one or

more women, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more women and (2) whose daily business operations are managed and directed by one or more of the women owners.

Business firms which are 51 percent owned by minorities or women, but are in fact managed and operated by non-minority individuals do not qualify for meeting MBE/WBE procurement goals. U.S. Citizenship is required.

The following affirmative steps for utilizing MBEs and WBEs must be documented. Such documentation is subject to EPA review upon request:

1. Include of MBEs/WBEs on solicitation lists.
2. Assure that MBEs/WBEs are solicited once they are identified.
3. Divide total requirements into smaller tasks to permit maximum MBE/WBE participation, where feasible.
4. Establish delivery schedules which will encourage MBE/WBE participation, where feasible.
5. Encourage use of the services of the U.S. Department of Commerce's Minority Business Development Agency (MBDA) and the U.S. Small Business Administration to identify MBEs/WBEs.
6. Require that each party to a subgrant, subagreement, or contract award take the affirmative steps outlined here.

C. Instructions for Part I:

- 1a. Specify Federal fiscal year this report covers. The Federal fiscal year runs from October 1st through September 30th (**e.g. November 29, 2005 falls within Federal fiscal year 2006**)
- 1b. Check applicable reporting box, quarterly or annually. Also indicate if this is the last report for the project.
- 1c. Indicate if this is a revision to a previous year or quarter, and provide a brief description of the revision you are making.
- 2a-c. Please refer to your financial assistance agreement for the mailing address of the EPA financial assistance office for your agreement.

The "EPA DBE Reporting Contact" is the DBE Coordinator for the EPA Region from which your financial assistance agreement was originated. For a list of DBE Coordinators please refer to the EPA OSDBU website at www.epa.gov/osdbu. Click on "Regional Contacts" for the name of your coordinator.

- 3a-c. Identify the agency, state authority, university or other organization which is the recipient of the Federal financial assistance and the person to contact concerning this report.
- 4a. Provide the Assistance Agreement or Interagency Agreement number assigned by EPA. A separate report must be submitted for each Assistance Agreement or Interagency Agreement.

***For SRF recipients:** In box 4a list numbers for ALL open Assistance Agreements. SRF recipients will report activity for all Agreements on one form.

- 4b. Refer back to Assistance Agreement document for this information.
- 5a. Provide the total amount of the Assistance Agreement which includes Federal funds plus recipient matching funds and funds from other sources.

***For SRF recipients only:** SRF recipients will not enter an amount in 5a. Please leave 5a blank.

- 5b. Self-explanatory.
- 5c. State whether or not sub-awards and/or subcontracts have been issued under the assistance agreement by indicating "yes" or "no".

Provide the total dollar amount of all contracts/procurements awarded this reporting period by the recipient and all sub-recipients, and SRF loan recipients. For example: Actual dollars for procurement from the procuring office; actual contracts let from the contracts office; actual goods, services, supplies, etc., from other sources including the central purchasing/procurement centers).

Where requested, also provide the total dollar amount of all MBE/WBE procurement awarded during this reporting period by the recipient, sub-recipients, SRF loan recipients, and prime contractors in the categories of construction, equipment, services and supplies. These amounts include the Federal, State and local shares in the procurement awards.

***For SRF recipients only:** In 5c please enter the total procurement amount for the quarter under all of your SRF Assistance Agreements. The figure reported in this section is **not** directly tied to an individual Assistance Agreement identification number. **(SRF state recipients report state procurements in this section)**

6. If there were no MBE/WBE accomplishments this reporting period, please briefly explain what steps you are taking in furtherance of the MBE/WBE requirements specified in the terms and conditions of the Assistance Agreement.
7. Name and title of official administrator or designated reporting official.
8. Signature and month, day year report submitted.

D. Instructions for Part II:

For each MBE/WBE procurement made under this assistance agreement during the reporting period, provide the following information:

1. Check whether this procurement was made by the recipient, sub-recipient/SRF loan recipient, or the prime contractor.
2. Check either the MBE or WBE column. If a firm is both an MBE and WBE, the recipient may choose to count the entire procurement towards EITHER its MBE or WBE accomplishments. The recipient may also divide the total amount of the procurement (using any ratio it so chooses) and count those divided amounts toward its MBE and WBE accomplishments. If the recipient chooses to divide the procurement amount and count portions toward its MBE and WBE accomplishments, please state the appropriate amounts under the MBE and WBE columns on the form. **The combined MBE and WBE amounts for that MBE/WBE contractor must not exceed the "Value of the Procurement" reported in column #3**
3. Dollar value of procurement.
4. Date of award, shown as month, day, year. Date of award is defined as the date the contract or procurement was awarded, **not** the date the contractor received payment under the awarded contract or procurement, unless payment occurred on the date of award. **(Where direct purchasing is the procurement method, the date of award is the date the purchase was made)**

5. Using codes at the bottom of the form, identify type of product or service acquired through this procurement (eg., enter 1 if construction, 2 if supplies, etc).
6. Name, address, and telephone number of MBE/WBE firm.

**This data is requested to comply with provisions mandated by: statute or regulations (40 CFR Part 30 and 31); OMB Circulars; or added by EPA to ensure sound and effective assistance management. Accurate, complete data are required to obtain funding, while no pledge of confidentiality is provided.

The public reporting and recording burden for this collection of information is estimated to average 1 hour per response annually. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclosure or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, OPPE Regulatory Information Division, U.S. Environmental Protection Agency (2136), 1200 Pennsylvania Avenue, NW, Washington, D.C. 20460. Include the OMB Control number in any correspondence. Do not send the completed form to this address.