

**INTERLOCAL SUB-RECIPIENT AGREEMENT BETWEEN THE
PUGET SOUND CLEAN AIR AGENCY AND SOUND TRANSIT TO
UPGRADE THE ENGINES OF TWO LOCOMOTIVES**

This Interlocal Sub-Recipient 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 **Sound Transit**, a regional transit authority, (hereinafter referred to as “Sound Transit”), 401 S. Jackson St., Seattle, WA 98104.

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

WHEREAS, Sound Transit owns and operates diesel-powered passenger commuter rail locomotives in Pierce, Snohomish, and King Counties; and

WHEREAS, the Agency was awarded Cooperative Agreement No. DE-00J66501 by the United States Environmental Agency (EPA) on August 14, 2012, under the National Clean Diesel Funding Assistance Program (66.039) of the Diesel Emission Reduction Act of 2010; and

WHEREAS, Cooperative Agreement No. DE-00J66501 provides \$1,121,210 in National Clean Diesel Funding to upgrade two Tier 0 engines on two Sound Transit commuter rail locomotives to EPA-certified Tier 3 engine standards; and

WHEREAS, Sound Transit is providing \$1,480,125 in additional matching funds for the engine upgrade project; and

WHEREAS, the locomotive engine upgrade project will reduce diesel particulate matter emissions by approximately 60% compared to the existing locomotives and will also reduce greenhouse gas emissions; and

WHEREAS, Sound Transit agrees to retain the benefits of the air pollution emission reductions from this locomotive engine upgrade project within the Agency’s jurisdiction; and

WHEREAS, the Board of Directors of the Puget Sound Clean Air Agency deems it desirable to enter into an Agreement with Sound Transit as a sub-recipient of federal funds to upgrade the Tier 0 engines on two *Sounder* commuter rail locomotives to EPA-certified Tier 3 engine standards; and

WHEREAS, the parties enter into this Agreement pursuant to chapter 39.34 of the Revised Code of Washington, et. seq.; and

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DEA1-2012

NOW, THEREFORE, the Agency and Sound Transit mutually agree as follows:

1. **Purpose and Scope of this Agreement.** The purpose of this project is to upgrade two Tier 0 diesel engines on two *Sounder* commuter rail locomotives (one on each of the two designated locomotives) to EPA-certified Tier 3 engine standards, to reduce air pollutant emissions in the Puget Sound region. The old core engines will be removed and returned to the manufacturer's rebuild facility where they will be disassembled and will be upgraded to the latest US EPA Tier 3 locomotive engine standards.

The Agency shall reimburse Sound Transit up to \$1,121,210 in federal funds for a portion of the cost to upgrade the engines of the two designated locomotives with funds from EPA Cooperative Agreement No. DE-00J66501 ("the EPA Cooperative Agreement"). The purpose of this Agreement is to establish:

- A. General and specific conditions that Sound Transit must meet in order to receive funding from the EPA Cooperative Agreement to upgrade the locomotive engines;
 - B. Procedures Sound Transit must follow in the event Sound Transit needs to sell or relocate the two locomotives with engines upgraded under this Agreement outside the State of Washington within five years of the date the Agency receives the final invoice from Sound Transit; and
 - C. Procedures the Agency will use to reimburse Sound Transit for a portion of the cost of upgrading the two engines (one on each of the two designated locomotives).
2. **Requirements of Sound Transit.** Sound Transit shall meet the following requirements:

A. **Comply with the general requirements of the EPA Cooperative Agreement.**

Sound Transit shall comply with all of the requirements of the EPA Cooperative Agreement including all amendments. The EPA Cooperative Agreement is incorporated herein by reference as Attachment A. Specifically, Sound Transit shall:

- 1) Comply with the work plan of the Project Narrative revised September 4, 2012 (incorporated herein by reference as Attachment B). If there are any inconsistencies between the language or requirements in sections 1 through 13 of this Agreement and the language or requirements in Attachment B, the language or requirements in sections 1 through 13 shall prevail.
- 2) Assist the Agency in complying with EPA Cooperative Agreement Programmatic Condition 4, "*Quarterly Reporting and Environmental Results,*"

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

by providing status reports to the Agency Project Manager via email. The status reports shall include an update on the engine upgrades, status of tasks and milestones listed in the Project Narrative, the reason for any delays in completing the tasks and milestones, and any additional pertinent information regarding the project. In addition, Sound Transit shall comply with Programmatic Condition 5, "Final Report."

Deliverables for § 2(A)(2):

- a. Sound Transit shall provide status reports to the Agency Project Manager by email twice each month (on or before the 15th and the 30th of each month). Sound Transit shall send the first report on the 15th of the month that this Agreement is signed; if this Agreement is signed after the 15th of the month, Sound Transit shall send the first status report on the 30th of that month. Sound Transit shall send the twice-monthly status email reports until September 30, 2014, or until the Agency's receipt of the Final Project Report, whichever occurs first.
 - b. Sound Transit shall submit to the Agency Project Manager a Final Project Report that includes a narrative summary of the project, actual project results (outputs and outcomes) including actual emissions benefit calculations, and the successes and lessons learned for the entire project. Sound Transit shall provide in the Final Report evidence that the upgrades of the two locomotive engines (one on each of the two designated locomotives) would not have occurred during the project period without the financial assistance provided by EPA. This evidence may include the installation dates of the old engines and their expected useful lives. Sound Transit shall submit a draft of the Final Report by email to the Agency Project Manager by July 30, 2014. The Agency Project Manager will provide comments on the draft Final Report to Sound Transit by email by August 28, 2014. Sound Transit shall respond to the comments and submit the Final Report to the Agency Project Manager by email by September 30, 2014.
- 3) Comply with Administrative Condition 20, "*Disadvantaged Business Enterprise Requirements*." Sound Transit shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. Sound Transit shall 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. Failure by Sound Transit to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legally available remedies.

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DEA1-2012

Deliverables for § 2(A)(3):

- a. Within thirty days of Sound Transit's final procurement of the equipment and or labor to upgrade the two locomotive engines, Sound Transit shall provide a written description to the Agency Project Manager by email demonstrating how Sound Transit complied with the six good faith efforts described in Administrative Condition 20 during the procurement of the equipment and labor to upgrade the two locomotive engines.
 - b. Sound Transit shall complete and submit to the Agency Project Manager by email EPA Form 5700-52a, included in Attachment C and herein incorporated by reference, semi-annually by the following dates: October 20, 2012; April 20, 2013; October 20, 2013; April 20, 2014; and October 20, 2014.
- 4) Comply with Administrative Condition 8, "Lobbying," and submit the required certification and disclosure forms related to lobbying activities.

Deliverable for § 2(A)(4):

Within thirty days of the signing of this Interlocal Agreement, Sound Transit shall submit to the Agency Project Manager by email the required certification and disclosure forms included in Attachment D and herein incorporated by reference.

- 5) Comply with Administrative Condition 10, "Suspension and Debarment:"
- a. Sound Transit shall 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)." Sound Transit 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.
 - b. Sound Transit shall comply with 2 CFR 180.335. Sound Transit shall notify the Agency Project Manager if Sound Transit or any of the contractor(s) Sound Transit enters into contract(s) with for a covered transaction during the term of this Agreement:
 - i. Are presently excluded or disqualified;
 - ii. Have been convicted within the preceding three years of any of the offenses listed in §180.800(a) or had a civil judgment rendered against them for one of those offenses within that time period;

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

- iii. Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses listed in §180.800(a); or
- iv. Have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default.

c. Sound Transit acknowledges that failing to disclose to the Agency Project Manager the information required under 2 CFR 180.335 may result in the delay or negation of the EPA Cooperative Agreement, or pursuance of legal remedies, including suspension and debarment. Sound Transit 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."

d. Sound Transit certifies by signing this Interlocal 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.

Deliverable for § 2(A)(5):

Within thirty (30) days of Sound Transit signing this Interlocal Agreement, Sound Transit shall submit to the Agency Project Manager by email the required debarment form included in Attachment E and herein incorporated by reference.

- 6) Comply with Administrative Condition 15, "*Trafficking Victims Protection Act of 2000.*" Sound Transit and Sound Transit's employees shall not engage in severe forms of trafficking in persons during the period of time that the EPA Cooperative Agreement is in effect; procure a commercial sex act during the period of time that the EPA Cooperative Agreement is in effect; or use forced labor in the performance of the sub-award under the EPA Cooperative Agreement.
- 7) Comply with Administrative Condition 6, "*Hotel and Motel Fire Safety Act.*" Sound Transit shall 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). Sound Transit may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel> to see if a property is in compliance.

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

- 8) Comply with Administrative Condition 11, "*Drug-Free Workplace Certification for all EPA Recipients.*" Sound Transit shall make an ongoing, good-faith effort to maintain a drug-free workplace pursuant to the specific requirements set forth in Title 2 CFR Part 1536 Subpart C. The consequences for violating this condition are detailed under Title 2 CFR Part 1536 Subpart E. Sound Transit can access the Code of Federal Regulations (CFR) Title 2 Part 1536 at <http://ecfr.gpoaccess.gov>. Additionally, in accordance with these regulations, Sound Transit must identify all known workplaces under its federal awards, and keep this information on file during the performance of the EPA Cooperative Agreement.

- 9) Comply with Administrative Condition 5, "*Audit Requirements and "OMB Circular A-133 Assurance."* Sound Transit shall comply with the standards in Section 210(a)-(d) of OMB Circular A-133. In addition, as a local government agency, Sound Transit shall comply with OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Sound Transit shall comply with 2 CFR 225 (OMB Circular A-87), Cost Principles for State, Local and Indian Tribal Governments. Sound Transit shall notify the Agency Project Manager of the completion of required audits and any adverse findings that impact this Agreement.

- 10) Comply with Programmatic Condition 1, "*Uniform Administrative Requirements.*" Pursuant to 40 CFR 31.42, Sound Transit shall maintain all written records and documents associated with the EPA Cooperative Agreement and this Agreement for a period of three years following the September 30, 2014, termination date of this Agreement.

- 11) Comply with Programmatic Condition 14, "*Equipment Use, Management, and Disposition.*" Sound Transit shall 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 upgraded locomotive engines and following the procedures in 40 CFR 30.34 and 31.32 in the event that Sound Transit sells or relocates one or both of the locomotives on which the engine upgrade kits have been installed under this Agreement.

- 12) Comply with Programmatic Condition 9, "*Delays or Favorable Developments.*" Sound Transit shall promptly notify the Agency of any problems, delays, or adverse conditions which may materially impair its ability to complete and submit the deliverables in this Agreement. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. Similarly, Sound Transit shall notify the Agency of any favorable developments which may enable meeting time

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

schedules and objectives sooner than anticipated or producing more beneficial results than originally planned. Sound Transit shall include this information in the bi-monthly status reports required under Section 2(A)(2)(a) above.

- 13) Comply with Programmatic Condition 10, "*Sufficient Progress.*" Sound Transit shall assist the Agency in complying with all of the requirements of "*Sufficient Progress.*" The EPA may terminate the EPA Cooperative Agreement for failure of the Agency to make sufficient progress so as to reasonably ensure completion of the project within the project period, including any extensions. EPA will measure sufficient progress by examining the performance required under the workplan in conjunction with the milestone schedule in the work plan of the Project Narrative (Attachment B), the time remaining for performance within the project period, and/or the availability of funds necessary to complete the project.

B. Upgrade Engines and Comply with Locomotive Engine Upgrade Requirements.

- 1) Sound Transit shall select and designate for engine upgrade: two Sounder locomotives with Tier 0, which operate at least 85% of the time on the Seattle to Tacoma run. Sound Transit shall provide the Agency with unique identification information for the designated locomotives.
- 2) Sound Transit shall identify as locomotive engine upgrade candidates only those locomotives that Sound Transit will use in day-to-day passenger commuter rail service in Washington State for the next five years. A particular locomotive will not be considered a candidate for the installation of the engine upgrade kit if it can be included in any one of the following categories:
 - a) the locomotive is held in reserve and not used in day-to-day operations;
 - b) the locomotive is scheduled to be retired, or relocated outside of the state of Washington within the next five years;
 - c) the locomotive has already been retrofitted by the Agency or another public agency within the last three years, even if the previously installed device achieves a lower emissions reduction than what is being proposed;
 - d) the locomotive is required to be retrofitted by law or contract;
 - e) Sound Transit has already been paid or is scheduled to receive payment by another public agency to retrofit or upgrade the engines on the locomotive; or
 - f) the locomotive is already scheduled for an engine upgrade or retrofit under another program or grant.

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DEA1-2012

3) Sound Transit shall upgrade the two Tier 0 commuter rail locomotive engines by contracting for the installation of EPA-certified Tier 3 kits on each of the two locomotive engines. Sound Transit shall comply with the follow requirements regarding the engine upgrades:

- a) Sound Transit shall comply with EPA Cooperative Agreement Programmatic Condition 11, "*Procurement and Sub-Grant Procedures*," and use an open, competitive bid process to select a contractor(s) to upgrade the two Tier 0 locomotive diesel engines to EPA-certified Tier 3 emission standards.

Deliverables § 2(B)(3)(a):

- i. Within thirty (30) days of selecting the winning bidder(s), Sound Transit shall provide by email to the Agency Project Manager, documentation demonstrating that an open, competitive bid process was used to purchase the equipment and labor necessary to upgrade the two engines (one on each locomotive). Documentation shall include: technical specifications for the EPA-certified engine upgrade kits, a copy of an ad or posting of the request for proposals, a list of publications in which the request for proposals was posted, the number of bids received, and the criteria (including price) Sound Transit used for selecting the successful bidder(s).
- ii. Within sixty (60) days of selecting the winning bidder(s), Sound Transit shall provide the Agency Project Manager by email a copy of the signed contract between Sound Transit and the contractor(s) hired to procure and/or install the engine upgrade kits.
- iii. Sound Transit shall complete the installation of the engine upgrade kits on the two designated locomotives on or before June 30, 2014. Within thirty (30) days of completing the engine upgrade installations, Sound Transit shall submit an email to the Agency Project Manager specifying the date the work was completed.

- b) Sound Transit shall comply with Programmatic Condition 13 "*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 Agency or Sound Transit that is directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. Sound Transit must report all program income and use it as authorized below.

Sound Transit shall document any income paid to Sound Transit associated with remanufacturing the original engines. This may include but is not limited to the value paid to Sound Transit for the parts of the original engines not needed to complete the installation of the engine upgrade kits. Documentation of the income

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

shall include copies of all receipts Sound Transit receives from the engine manufacturer showing the value paid to Sound Transit. Under the conditions of the EPA Cooperative Agreement, Sound Transit may use the program income as follows:

- i. Sound Transit may add program income to the \$1,200,000 in funds committed to the project by EPA and use it for project expenses.
- ii. Sound Transit may use program income to finance Sound Transit's cost share of the project. The amount of the Federal grant award remains the same even if program income is used to finance Sound Transit's cost share.
- iii. Sound Transit may deduct the program income from the total project allowable costs in determining the net allowable costs on which the federal share of cost is based. This would mean Sound Transit would spend program income on project activities before spending federal funds on project activities. This might result in unspent federal funds at the end of the project period.

Deliverables for § 2(B)(3)(b):

Within 60 days of completing the installation of the engine upgrade kits on both of the locomotive engines, Sound Transit shall provide documentation to the Agency Project Manager via email showing the costs and program income associated with installing the engine upgrade kits. If there is program income, Sound Transit shall include in the email report to the Agency Project Manager information showing how that program income was used in support of the project.

- 4) Allow site visits. During the locomotive engine upgrade project, Sound Transit shall ensure authorized representatives of EPA and the Agency have reasonable access to make site visits to Sound Transit's Seattle headquarters or the selected contractor(s) engine upgrade kit manufacturing location at reasonable times to review progress and to provide technical assistance, if required. Sound Transit shall provide reasonable access to facilities and assistance for the safety and convenience of EPA and Agency representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work, and must conform to Sound Transit's security procedures, including advanced notification requirements.

C. Comply with Five-Year Retention Requirements

- 1) Sound Transit shall operate the two locomotives with engines upgraded under this Agreement at least 85% of their operating time on the Seattle to Tacoma run, for at least five years from the date Sound Transit submits the last invoice for payment to the Agency. Sound Transit may sell or relocate one or both locomotives with engines upgraded under this Agreement prior to the end of the five-year term if:

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

- a) Sound Transit notifies the Agency Project Manager in writing, at least two weeks in advance of selling or relocating one or both of the locomotives. The written notification must include: the date the locomotive was put back into service with the upgraded engine, the locomotive identification number, the model/engine year of the upgraded engine, and the intended date and new location of any intended relocation; and
 - b) Written demonstration that one of the following three conditions is true:
 - i. Sound Transit sells or relocates the locomotive to another location within the State of Washington;
 - ii. Sound Transit immediately substitutes a similar, new or used locomotive using an engine meeting or exceeding EPA-certified Tier 3 emission standards. Sound Transit agrees to operate the substitute locomotive for at least 85% of its operating time on the Seattle-Tacoma run. The substitute locomotive must not have already been operating on a day-to-day basis within the State of Washington, other than for a reasonable period of time for start-up and/or transition purposes, and Sound Transit must obtain written approval from the Agency Project Manager prior to substituting the locomotive; or
 - iii. The Agency Project Manager has approved in writing an alternative emission reduction option proposed by Sound Transit.
- 2) After the completion of the Sound Transit locomotive engine upgrade project, in the event that a catastrophic event outside of Sound Transit's control renders one of the upgraded locomotives inoperable due to mechanical failure of components or systems that cannot be repaired or replaced, Sound Transit is exempt from the five-year retention requirement for that locomotive. Such inoperability shall not be caused by Sound Transit's negligence, misuse, or malfeasance. Should the locomotive's upgraded engine remain operable or have resale/salvage value after the catastrophic event, Section 2(A)(11) "Requirements of Sound Transit," the Equipment Disposition clause of this Agreement, is applicable. Sound Transit shall submit an email to the Agency Project Manager within thirty (30) days of the catastrophic event describing the date and time of the event, the number of upgraded engines impacted, and Sound Transit's plan to sell, scrap, or dispose of the upgraded engines.
3. **Requirements of the Agency.** The Agency shall meet the following requirements:
- A. Reimburse Sound Transit up to \$1,121,210 for the cost of labor and equipment to upgrade the engine on each of the two designated Sound Transit locomotives. The reimbursements shall be subject to the requirements of Section 5, "Compensation," and the Agency Project Manager's approval of the deliverables from Sound Transit as described in Sections 2(A) and 2(B), "Requirements of Sound Transit," of this Agreement. Satisfactory submittal by Sound Transit of all deliverables in Sections

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

2(A) and 2(B) of this Agreement is a condition of full payment under this Agreement.

- B. Comply with EPA Cooperative Agreement Programmatic Condition 1, “*Uniform Administrative Requirements.*” Pursuant to 40 CFR part 31.42, the Agency shall retain documents submitted by Sound Transit pursuant to Section 2(A) “Requirements of Sound Transit,” in accordance with the Agency’s record retention policy. The Agency shall provide copies of such documents upon request by Sound Transit, EPA, or other federal or state agencies monitoring recipient or sub-recipient performance under the EPA Cooperative Agreement.
 - C. Comply with Programmatic Condition 14, “*Equipment Use, Management, and Disposition.*” Pursuant to this Programmatic Condition, the Agency maintains title to the two upgraded engines. When the grant project period ends on September 30, 2014, (per the EPA Cooperative Agreement) the Agency shall request from the EPA permission to transfer title to the two upgraded engines to Sound Transit, provided Sound Transit is eligible under existing statutes and is not in breach of this Agreement.
4. **Compensation.** The total amount paid by the Agency to Sound Transit under this Agreement shall not exceed \$1,121,210. Sound Transit is responsible for all costs for work done under this Agreement in excess of this amount. The Agency shall pay each invoice submitted by Sound Transit upon successful compliance with the relevant requirements of this Agreement and within thirty (30) days after review and approval by the Agency Project Manager. This work is part of the Agency’s Clean Transportation Systems work plan for Fiscal Year 2013. Funding for work to be conducted after June 30, 2013, is contingent upon approval of funding by the Agency Board of Directors and satisfactory performance by Sound Transit; Sound Transit shall not perform any work under this Agreement after June 30, 2013, until so authorized by the Agency Project Manager.
- A. Pursuant to the EPA grant requirements, Sound Transit shall contribute at least \$1,480,125 as cost share funding to the project. The cost share includes labor and equipment expenses. The total cost to upgrade the engines on two locomotives is approximately \$2,601,335. Any labor and equipment expenses to upgrade the engines on the two locomotives in excess of \$2,601,335 shall be Sound Transit’s responsibility.
 - B. Sound Transit shall submit monthly invoices to the Agency showing the costs incurred by Sound Transit for the equipment and labor involved in upgrading the engines of the two designated locomotives. Each invoice shall:

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DEA1-2012

- 1) Include documentation showing any contractor invoice(s) presented to Sound Transit and proof of payment by Sound Transit, and/or Sound Transit's labor costs incurred in upgrading the engines. Contractor invoice amount(s) must include sales tax paid to the contractor(s), any tax exemptions taken, and any billing reductions for early payment of a contractor invoice by Sound Transit. To show Sound Transit labor costs, Sound Transit shall include job classification of each worker, hourly rate, number of hours worked, and specific work performed.
 - 2) Include documentation showing applicable program income and indicate how such program income was used in support of the project.
 - 3) Request reimbursement of no more than 43.10% of each contractor invoice amount(s) or Sound Transit labor costs, up to a cumulative project total of no more than \$1,121,210. This percentage is calculated by dividing the sub-award to Sound Transit by the total cost to upgrade the locomotive engines (\$1,121,210/\$2,601,335).
- C. Sound Transit shall submit invoices to the Agency Finance Manager. Invoices shall show costs incurred by Sound Transit directly and costs paid to its contractor(s) separately. A copy of any contractor invoice shall be included with each invoice submitted by Sound Transit to the Agency. The final invoice shall be submitted to the Agency no later than July 10, 2014.

Invoices shall be sent to:

Karen Houser, Finance Manager
Puget Sound Clean Air Agency
1904 3rd Ave Suite 105
Seattle, WA 98101

Phone: 206-689-4036
Fax: 206-343-7522
E-Mail: karenh@pscleanair.org

5. **Term.** The effective date of this Agreement is the date the Agreement is signed by both parties. No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by the Agency. Any costs incurred prior to the effective date of this Agreement will be at the sole expense and risk of Sound Transit. The termination date of this Agreement is September 30, 2019.
6. **Communications.** The following persons shall be the contact persons for all communications regarding the performance of this Agreement.

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

Sound Transit	Agency
Project Manager: Brian Freerks	Project Manager: Elizabeth Gilpin
Sound Transit	Puget Sound Clean Air Agency
401 S Jackson St. Seattle, WA 98104	1904 Third Avenue, Suite 105 Seattle, WA 98101
Phone: (206) 689-4987	Phone: (206) 689-4026
Fax: 206-398-5215	Fax: (206) 343-7522
E-mail: brian.freerks@soundtransit.org	E-mail : elizabethg@pscleanair.org

7. **Changes.** The parties 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. **Early Termination.** Either party may terminate this Agreement at any time with or without cause by giving a thirty (30) day written notice 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 Sound Transit and the Agency. Upon termination of this Agreement, the Agency, in addition to any other rights provided in this Agreement, may require Sound Transit to deliver to the Agency any property specifically produced or acquired for the performance of such part of this Agreement as has been terminated.

9. **Subcontracting.** Neither Sound Transit, nor any of its subcontractors, shall enter into subcontracts for any of the services or work contemplated under this Agreement without obtaining prior written approval of the Agency. In no event shall the existence of any subcontract operate to release or reduce the liability of Sound Transit to the Agency for any breach in the performance of Sound Transit's duties.

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

11. **Indemnification.** Each party to this Agreement shall be responsible for its own acts and/or omissions and those of its officers, employees and agents. No party to this Agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this Agreement.

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DERA1-2012

12. **Compliance with All Laws and Regulations.** The parties shall comply with all applicable local, state, and federal laws, regulations and standards necessary for the performance of this Agreement.

13. **Dispute Resolution.** When a dispute arises between the parties and it cannot be resolved by direct negotiation between the Agency Project Manager and Sound Transit, the process described in this section will be used to resolve the dispute.
 - a. Sound Transit may request a dispute hearing with the Agency Executive Director. The request for a dispute hearing must:
 - i. be in writing
 - ii. state the disputed issue(s)
 - iii. state the relative positions of the parties
 - iv. include any relevant documentation
 - v. state whether Sound Transit desires to meet in person with the Agency Executive Director to discuss the dispute
 - vi. be received by the Agency Executive Director by U.S. postal mail or e-mail within ten 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 five 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 ten 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.

Interlocal Agreement No.: 2013021-0-IAA
Sound Transit Agreement No.: ST-DEA1-2012

PUGET SOUND CLEAN AIR AGENCY

SOUND TRANSIT

By: Jake Fey
Jake Fey
Board of Directors, Vice Chair

Date: 12/4/2012

By: Joni Earl
Joni Earl
Chief Executive Officer

Date: 11-9-12

Attest:

Approved as to Form:

By: Craig T. Kenworthy
Craig T. Kenworthy
Executive Director

Date: 11/27/12

By: Jordan Wagner
Jordan Wagner
Sound Transit Legal Counsel

Date: 11/9/12

Approved as to Form:

By: Laurie Halvorson
Laurie Halvorson
Director of Compliance and Legal

Date: 11/26/12

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

Certification Regarding
Debarment, Suspension and Other Responsibility Matters

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

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

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

Joni Earl, Chief Executive Officer

Typed Name & Title of Authorized Representative

Joni Earl
Signature of Authorized Representative

11-9-12
Date

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