

INTERLOCAL AGREEMENT

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 **Port of Seattle**, (hereinafter referred to as the "Port"), 17801 International Blvd, Seattle, WA 98158.

WHEREAS, the Agency's Strategic Plan's Objective 1.2 is to reduce transportation emissions, especially diesel particulate, in highly impacted locations; and

WHEREAS, the Agency's Strategic Plan Objective 2.1 is to reduce emissions of greenhouse gases from transportation and Strategy 2.1.B is to target vehicle and infrastructure projects that accelerate regional uptake of electric vehicles and renewable fuels; and

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

WHEREAS, the Port of Seattle (Port), which operates the Seattle-Tacoma International Airport (Sea-Tac), has goals to reduce air pollutants and reduce aircraft-related carbon emissions at Sea-Tac; and

WHEREAS, the Agency has been awarded a \$140,250 grant from the Washington State Department of Ecology (Ecology), Grant No AQDIESEL-1517-PSCAA-00017, to design a reimbursement program that will replace diesel-powered ground support equipment (GSE) with electric GSE (eGSE) (hereinafter, "the program"); and

WHEREAS, Ecology may increase the amount of the grant pending available funding; and

WHEREAS, the Port has been installing the necessary plug-in infrastructure throughout Sea-Tac in an effort to encourage airlines and other entities that own diesel-fueled GSE to adopt eGSE; and

WHEREAS, the Board of Directors of the Puget Sound Clean Air Agency deems it desirable to enter into an Agreement with the Port for the purposes of administrative and in-kind support for the program; and

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

NOW, THEREFORE, the Agency and the Port mutually agree as follows:

1. **Purpose and Scope of Services.**

This Agreement does not involve the exchange of funds between the parties.

The Puget Sound Clean Air Agency has received Ecology Grant No. AQDIESEL-1517-PSCAA-00017, included in Attachment A and hereby incorporated by reference, and is partnering with the Port to replace old, diesel-fueled ground-support equipment (GSE) with new electrically powered GSE. The replacement program’s goal is to reduce diesel particulate matter and greenhouse gases from GSE at Sea-Tac. All airlines and other entities that own GSE at Sea-Tac are eligible to participate in the program and are hereby referred to as “GSE owners.” These replacements will benefit the health of Sea-Tac employees and neighboring communities.

The replacements will be incentivized via a structured rebate program administered by the Agency and modeled after other successful Agency rebate programs. Participating GSE owners will be partially reimbursed for replacing diesel-operated GSE with eGSE. These GSE owners own and operate more than 350 pieces of diesel GSE at Sea-Tac for passenger and cargo operations, of which approximately 180 are in frequent use and have older diesel engines.

Table 1 shows the criteria that the existing diesel-powered GSE must have in order to be replaced under this program.

Table 1. Eligibility Criteria for Diesel-Powered GSE

Category	Program Requirements
Type of Equipment	Diesel-fueled: Belt loaders, Baggage tugs, Pushback tractors*
Engine year	1994-2000**
Engine hp	>50 hp
Remaining life	4 years
Status	Fully Operational
Annual Hours of Use	At least 700 hours per year
Location/Retention	Operates at Sea-Tac Airport

*Other GSE may be eligible for the program on a case-by-case basis, upon approval by both Ecology and the Agency.

**Other GSE model years may be eligible for the program on a case-by case basis, upon approval by both Ecology and the Agency.

As part of the program the old diesel-powered GSE must be scrapped. The engine of the old GSE must be rendered inoperable within 90 days of the new eGSE going into service.

Once the new eGSE is in service and the old GSE is scrapped, the GSE owners can submit documentation to receive reimbursement from the Agency. The reimbursement amounts for the new GSE are shown in Table 2. The Agency will not provide a reimbursement that is greater than 25% of the cost of the new replacement GSE.

Table 2. Maximum Reimbursement Amounts)

GSE Category	Maximum Reimbursement Amount, per GSE
Bag Tug	\$8,500
Belt Loader	\$8,500
Pushback Tractor	\$25,000

The Port has agreed to provide in-kind support to help the Agency administer the program. The purpose of this Agreement is to describe the program and determine the roles and responsibilities of the Port and the Agency.

2. Duties of the Port.

- A. Act as a liaison between GSE owners and the Agency.** The Port will identify all GSE owners that may be eligible to participate in the program, assist the Agency in promoting the program to the GSE owners, gather information from the GSE owners, and when necessary arrange meetings among the Port, the Agency, and the GSE owners to discuss any questions or concerns with the GSE replacement program.

Deliverables for 2.A:

1. Identify and discuss the grant program with the majority of eligible entities no later than **May 30, 2016**.

- B. Work with the Agency to develop documentation procedures verifying that old and new GSE meet program requirements.** The Port will work with the Agency to design a process for documenting and reporting whether old and new GSE meet the requirements of the program. The agreed-upon procedure will be finalized in a document signed by both Project Managers.

Deliverables for 2.B:

1. Work with the Agency to design a final procedure describing an agreed-upon method of documenting and reporting whether the proposed diesel-powered GSE to be replaced meet the requirements of the program no later than **May 30, 2016**.

- C. Using the procedures developed in 2.B above, verify that old GSE are in working condition and eligible for the program.** The Port will work with the GSE owners and the Agency, to verify that the old diesel-powered GSE that are proposed for replacement are in working condition and meet the requirements of Table 1. The Port will also give the Agency a one-week notice prior to conducting each old GSE verification inspection to allow the Agency an opportunity to participate in the verification process.

Deliverables for 2.C:

1. Notify the Agency at least one-week prior to conducting each old GSE verification inspection.
2. Verify the GSE proposed for the program meet the requirements of the program and are in working order no later than **June 30, 2016**.
3. Submit verification reports to the Agency within **two weeks** of any inspections.

D. Help develop a method for scrapping and documenting the scrapping of old GSE.

The Port will work with the Agency to determine the method for scrapping and documenting the scrapping of old GSE. The agencies will involve the GSE Owners in designing the method. The agreed-upon method will be finalized in a document signed by both Project Managers.

Deliverables for 2.D:

1. Work with the Agency to design an agreed-upon a method for scrapping the old GSE, and documenting that scrapping, that meets all program requirements no later than **June 30, 2016**.

E. Verify the deployment of new eGSE. The Port will assist the Agency in verifying that the new eGSE are operating. The Port will also give the Agency a one-week notice prior to conducting each new eGSE verification inspection to allow the Agency an opportunity to participate in the verification process.

Deliverables for 2.E

1. Notify the Agency at least one week prior to conducting all new eGSE verification inspections.
2. Inspect the new eGSE within **30 days** of when the equipment was put into operation but no later than **May 15, 2017**.

F. If needed, assist the GSE owners in loading old GSE equipment on a trailer provided by a third-party scrapping contractor. If the GSE owner does not have equipment to load the old GSE onto the third-party scrapping contractor's trailer, the Port will assist the GSE owner in finding equipment and/or labor to load the old GSE onto the trailer. The Port and the GSE owner will mutually agree upon which entity(ies) will cover the costs associated with the loading of the equipment as needed, which will be considered an in-kind match.

Deliverables for 2.F:

1. If needed, assist the GSE owner with loading GSE that is ready to be scrapped within **45 days** of the corresponding new eGSE going into operation, but not later than **May 30, 2017**.

- G. Using the method developed in 2.D above, assist the GSE owners in documenting the scrapping of the old GSE.** The Port will assist the GSE owners with documenting each GSE that was loaded onto the third-party scrapping contractor's trailer, using the agreed-upon method.

Deliverables for 2.G:

1. The Port will submit any required documentation from the scrapping method to the Agency **within two weeks** of loading the old GSE.

- H. Provide Decals for new eGSE.** The Port will provide decals to be affixed on the new eGSE. The final decals must be approved by the Agency and Ecology prior to being affixed on the eGSE. The Port must provide the decals to the GSE Owner at least 4 weeks before the earliest eGSE are deployed.

Deliverable for 2.H

1. Provide a copy of the decal to the Agency and Ecology for approval four weeks prior to providing them to any GSE owners.
 2. Provide decals approved by the Agency and Ecology to the GSE owner 4 weeks before the earliest eGSE are deployed.
- I. Assist with reporting.** The Port will assist the Agency in gathering information needed for the Agency's grant reports. The Port will also work with the GSE owners to determine how much electricity is used by the eGSE and how much diesel fuel has been displaced.

Deliverables for 2.I:

1. Provide requested data to the Agency within **2 weeks** of a request.
2. Provide to the Agency two annual reports on electricity use and estimated displaced fuel, due **January 2019 and January 2020**.

3. Duties of the Agency.

- A. Work with the Port to develop documentation procedures verifying old and new GSE meet program requirements.** The Agency will work with the Port to design a process for documenting and reporting whether old and new GSE meet the program's requirements. The agreed-upon procedure will be finalized in a document signed by both Project Managers.

Deliverables for 3.A:

1. Work with the Port to design a final procedure describing an agreed-upon method of documenting and reporting whether the proposed diesel-powered GSE meet the requirements of the program no later than **May 30, 2016**.

- B. Verify old GSE are in working condition and eligible for the program.** The Agency will support the Port's efforts to work with the GSE owners to verify that the old diesel-powered GSE are in working condition and meet the requirements of Table 1. The Agency will review all documentation of such eligibility submitted by the Port.

Deliverables for 3.B:

1. Review the documentation submitted by the Port within **two weeks** of receiving it.

- C. Enter into an agreement with participating GSE owners.** The Agency will develop and enter into an agreement with each participating GSE owner. This agreement will detail the processes of the program, define how the GSE owner will be reimbursed, and require that the GSE owner affix decal stickers provided by Port to recognize the program.

Deliverables for 3.C:

2. Enter into a contract with GSE owners prior to issuing any work orders as described in 3.D.

- D. Issue work orders.** The Agency will provide a list in writing, in the form of a work order, to the GSE owners documenting which GSE replacements will be funded by the program. All work orders must be approved by Ecology prior to being submitted to the GSE owner. A sample work order is provided in Attachment B.

- E. Develop a method for scrapping and documenting the scrapping of old GSE.** The Agency will work with the Port to determine a method for scrapping old GSE and documenting that scrapping. The agencies will involve the GSE Owners in designing the method. The agreed-upon method will be finalized in a document signed by both Project Managers.

Deliverables for 3.E:

1. Work with the Port to design an agreed-upon method of scrapping the old diesel-powered GSE, and documenting that scrapping, that meets all the program requirements no later than **June 30, 2016**.

- F. Verify that old auxiliary engine is scrapped in accordance with the approved method developed in 3.E, above.** The Agency will review documentation for the scrapped engine submitted by the Port to ensure that the documentation meets the terms of the program.

Deliverables for 3.F:

1. Review the documentation submitted by the Port within **two weeks** of receiving it.

- G. Review Decal from the Port.** The Agency will review the design of the decal that the Port will provide to GSE owners to affix on the new eGSE. The Agency will also seek decal design approval from Ecology before the decal's design is finalized by the Port.

Deliverables for 3.G:

Review the proposed decal design submitted by the Port and request Ecology’s review within **two weeks** of receiving it.

- H. Verify deployment of new eGSE.** The Agency will review the Port’s documentation showing that the new eGSE has been deployed and ensure there is proper documentation.

Deliverables for 3.H

The Agency will review the Port’s documentation regarding new eGSE within **two weeks** of receiving it from the Port.

- I. Provide Reimbursement.** The Agency will reimburse the GSE owners provided that they meet the requirements of the program and the terms of the agreement between the Agency and the GSE owners. The Agency will not provide a reimbursement that is greater than 25% of the cost of a new eGSE.
- J. Report Program Status to Ecology.** The Agency will comply with reporting requirements of Ecology grant No. AQDIESEL-1517-PSCAA-00017, included as Attachment A.

- 4. **Term.** The effective date of this Agreement is the date of the last signature of this Agreement. The termination date of this Agreement is December 31, 2019.
- 5. **Communications.** The following persons shall be the contact persons for all communications regarding the performance of this Agreement.

Port	Agency
Project Manager: Stephanie Meyn	Project Manager: Beth Carper
Port of Seattle Sea-Tac International Airport	Puget Sound Clean Air Agency
P.O. Box 68727 Seattle, WA 98168	1904 Third Avenue, Suite 105 Seattle, WA 98101
Phone: 206-787-3678	Phone:
Fax:	Fax: (206) 343-7522
E-mail address: Meyn.S@portseattle.org	E-mail address: BethC@pscleanair.org

- 6. **Changes.** The parties may, from time to time, require changes in the scope of services performed under this Agreement. Only the Agency’s Project Manager shall have the authority to negotiate changes on behalf of the Agency. The parties shall mutually agree to the changes by written amendment to this Agreement.
- 7. **Assignment.** The work performed 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.

- 8. **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.
- 9. **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.
- 10. **Non-discrimination.** During performance of this Agreement, the parties shall comply with all federal, state and local nondiscrimination laws, regulations and policies, including but not limited to, Title VI of the Civil Rights Act and all implementing regulations.
- 11. **Third Party Beneficiary.** The State of Washington is named as an express third-party beneficiary of this Agreement with full rights as such.

This Interlocal Agreement No. 2016-103 is executed by the persons signing below, who warrant they have the authority to execute this Agreement.

PUGET SOUND CLEAN AIR AGENCY

**PORT OF SEATTLE
SEATTLE-TACOMA
INTERNATIONAL AIRPORT**

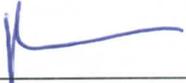
By: 
Craig T. Kenworthy
Executive Director

By: 
Elizabeth Leavitt
Senior Director
Environment and Sustainability

Date: 6/20/16

Date: 6/20/16

Approved as to Form:

By: 
Jennifer A. Dold
General Counsel

Date: 6/27/2016