

INTERLOCAL AGREEMENT

**KITSAP TRANSIT PASSENGER-ONLY FERRY
PARTICULATE FILTER RETROFIT PROJECT**

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 **Kitsap Transit**, 200 Charleston Blvd., Bremerton, WA 98312.

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

WHEREAS, the Agency and the ports have adopted the Northwest Ports Clean Air Strategy ("Strategy"), the goal of which is to reduce air emissions from current and future maritime operations in the Pacific Northwest; and

WHEREAS, the Agency has identified reductions of diesel particulate from harbor vessels as a priority to the region; and

WHEREAS, Kitsap Transit is purchasing a new passenger-only ferry with four 873 horsepower Caterpillar C18 diesel engines to transport its customers from Bremerton to Seattle; and

WHEREAS, Kitsap Transit is proposing a change order to install four diesel particular filters (DPFs), one on each engine, in order to reduce diesel particulate emissions; and

WHEREAS, the DPFs are expected to reduce diesel particulate emissions by 85%, carbon monoxide emission by 90%, and hydrocarbons by 90%; and

WHEREAS, the Agency has agreed to reimburse Kitsap Transit for up to \$25,000.00 of the DPF installations from its State Department of Ecology Grant No. G0600058; and

WHEREAS, the Board of Directors of the Puget Sound Clean Air Agency deems it desirable to enter into an Agreement with Kitsap Transit for the purposes of reimbursing Kitsap Transit; and

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

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

1. **Purpose and Scope of this Agreement.**

The purpose of this Agreement is to establish procedures for the Agency to reimburse Kitsap Transit for up to Twenty-Five Thousand Dollars (\$25,000.00) for the purchase of four DPFs. The installation of these DPFs is expected to reduce the new ferry's diesel particulate matter

emissions by 85%, which will help reduce harbor-related particulate emissions in the Puget Sound region.

A. Duties of Agency

The Agency will reimburse Kitsap Transit for up to \$25,000 after receiving a reimbursement request, provided that all supporting documentation is complete as described in this Agreement.

B. Duties of Kitsap Transit

The Kitsap Transit may apply for reimbursement from the Agency for the purchase and installation of the four DPFs on the new passenger-only ferry provided that the following conditions are met:

1. Kitsap Transit submits a request to be reimbursed by the Agency pursuant to this Agreement for an amount not to exceed Twenty Five Thousand Dollars (\$25,000.00).
2. In support of its request for reimbursement for the four DPFs, Kitsap Transit provides the Agency with a copy of the bill from the vendor for both purchase and installation of the DPFs. Kitsap Transit's submittal to the Agency shall clearly identify the total cost of parts and labor and the installation date of the devices.
3. Kitsap Transit may submit requests for reimbursement before the termination date of the Agreement. Requests for reimbursement shall be sent to the Agency's Manager of Finance and Purchasing. The request for reimbursement shall be submitted no later than ten (10) working days after the termination date of this Agreement.

2. Compensation. The total amount paid by the Agency for satisfactory performance of the work under this Agreement shall not exceed \$25,000.00. The funding for this Agreement is provided by State of Washington Department of Ecology Grant Number G0600058 and is part of the Agency Diesel Solutions Work Plan for Fiscal Year 2010.

3. Term. The effective date of this Agreement is January 31, 2010. 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 Kitsap Transit. The termination date of this Agreement is June 30, 2010.

4. Communications. The following persons shall be the contact person for all communications regarding the performance of this Agreement.

Kitsap Transit	Agency
Wendy Clark-Getzin	Project Manager: Beth Carper
Kitsap Transit	Puget Sound Clean Air Agency
200 Charleston Blvd. Bremerton, WA 98312Address	1904 Third Avenue, Suite 105 Seattle, WA 98101

Phone: 360-478-6931	Phone: 206-689-4057
Fax: 360-377-7086	Fax: 206-343-7522
E-mail address: WendyC@KitsapTransit.com	E-mail address: bethc@pscleanair.org

- 5. **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.

- 6. **Subcontracting.** Neither party, nor any subcontractor of either party, 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 Kitsap Transit to the Agency for any breach in the performance of Kitsap Transit's duties.

- 7. **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.

- 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.

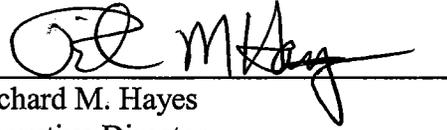
- 9. **Compliance with All Laws and Regulations.** The parties shall comply with all applicable local, state, and federal laws, regulations and standards necessary for the performance of this Agreement.

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

PUGET SOUND CLEAN AIR AGENCY

KITSAP TRANSIT

By: 
Dennis J. McLerran
Executive Director

By: 
Richard M. Hayes
Executive Director

Date: 1/5/10

Date: 12-30-09

Approved as to Form:

By: 
Laurie Halvorson
Director of Compliance and Legal

Date: 1/4/10