

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 **The Northwest Seaport Alliance**, (hereinafter referred to as the "Alliance"), P.O. Box 1837, Tacoma, WA 98401.

WHEREAS, the Agency is a subrecipient of a grant awarded to South Coast Air Quality Management District (SCAQMD) by the US Environmental Protection Agency to create a pilot program to incentivize the replacement of 10 heavy-duty diesel trucks operating in the South Coast Air Basin with ultra-low-NOx trucks and transfer the slightly used diesel trucks from the South Coast Air Basin to the Central Puget Sound region; and

WHEREAS, the trucks being transferred to the Puget Sound region will be purchased by owners of older, dirtier pre-2008 model year trucks and those older trucks will be scrapped; and

WHEREAS, SCAQMD has authorized the Agency to enter into an agreement with the Alliance to transfer the Agency's obligations under the subrecipient contract with SCAQMD to the Alliance; and

WHEREAS, the Alliance is establishing a Clean Truck Fund program, the purpose of which is to provide equal access to market rate loans to owners of older trucks to help them purchase newer, cleaner models; and

WHEREAS, as part of the Clean Truck Fund program, the Alliance is contracting with financial advisors and loan providers to qualify owners of older trucks for replacement truck loans; and

WHEREAS, the Alliance and its contractors will identify local truck owners to purchase the transferred trucks from their South Coast owners and will facilitate implementation of the pilot program described in the Agency's contract with SCAQMD; and

WHEREAS, the Board of Directors of the Puget Sound Clean Air Agency deems it desirable to enter into an Agreement with the Alliance for the purposes of implementing the pilot project under the grant awarded to SCAQMD; and

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

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

1. **Purpose and Scope of this Agreement.** The purpose of this Agreement is to transfer to the Alliance the responsibility for implementing the tasks required of the Agency in Agency Contract 2018-035 (SCAQMD Agreement #C18221) between the Agency and

SCAQMD. A copy of the executed contract between the Agency and SCAQMD is incorporated by reference and is herein referred to as Attachment A.

A. Duties of Agency

Task 1: Execute a contract with SCAQMD to implement portions of the pilot project to transfer heavy-duty trucks from the South Coast area to the Central Puget Sound region.

The Agency shall enter into a contract with SCAQMD to implement its portions of the grant awarded to SCAQMD to incentivize the replacement of heavy-duty diesel trucks in the South Coast area with cleaner trucks and transfer those used diesel trucks to new owners in the Central Puget Sound region.

Deliverable Date for Task 1: The Agency shall execute Contract 2018-035 (SCAQMD Agreement #C18221) with SCAQMD prior to executing this Agreement with the Alliance. A copy of that executed contract between the Agency and SCAQMD is incorporated herein as Attachment A.

Task2: Review and consult as needed documentation showing the purchase of the new trucks and scrapping of the old trucks.

The Agency, as needed, will review and provide input on the completeness and accuracy of the documentation showing the purchase of the new trucks and scrapping of the old trucks. If the Agency has any concerns they will notify SCAQMD and the Northwest Seaport Alliance of these concerns.

B. Duties of the Alliance

Task 1: Perform the tasks assigned to the Agency in Attachment A, Section 1, “Parties Responsibilities” a, c, e, g, and i.

The Alliance shall perform all of the tasks assigned to the Agency in Attachment A Section 1 “Parties Responsibilities.” Performance of those tasks may entail the use of subcontractors to the Alliance as deemed necessary by the Alliance.

Deliverable Dates for Task 1: The Alliance shall complete Task 1 by March 31, 2019.

Task 2: Comply with all requirements of Attachment A, Section 2 “Federal Compliance.”

The Alliance will comply with all the requirements of Attachment A Section 2 “Federal Requirements.”

Task 3: Provide documentation of the completion of each truck purchase and scrapping to the Agency.

Upon the completion of each purchase by a Puget Sound truck owner of a transferred truck and the scrapping of the truck owner’s older truck, the Alliance shall provide to the Agency documentation of the transaction and the scrapping at the same time this documentation is sent to SCAQMD for Attachment A, Section 1 Task g.

Deliverable Dates for Task 3: The Alliance shall complete Task 3 by March 31, 2019.

Task 4: Invoice SCAQMD in accordance with the invoicing procedures in Attachment A Section 5”Invoicing Instructions”.

The Alliance shall invoice SCAQMD directly for all work performed under this Agreement, in accordance with the invoicing procedures in Attachment A.

Deliverable Dates for Task 4: The Alliance shall complete Task 4 by March 31, 2019.

2. Compensation. All compensation for work performed under this Agreement will be provided by SCAQMD directly to the Alliance. The total of that compensation shall not exceed \$25,000.

3. Term. The effective date of this Agreement is July 1, 2018. The termination date of this Agreement is May 31, 2019.

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

The Northwest Seaport Alliance	Agency Project Manager
Sara Cederberg	Beth Carper
Senior Manager The Northwest Seaport Alliance	Manager, Clean Air Initiatives Puget Sound Clean Air Agency
P.O. Box 1837 Tacoma, WA 98401	1904 Third Avenue, Suite 105 Seattle, WA 98101
Phone: (253) 428-8653	Phone: 206-689-4057
Fax:	Fax: (206) 343-7522
E-mail address: scederberg@nwseaportalliance.com	E-mail address: bethc@pscleanair.org

5. Changes. The parties may, from time to time, require changes in 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 the Agreement.

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

7. Subcontracting. Except as specified in Section 1, the Alliance shall not 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 Alliance to the Agency for any breach in the performance of the Alliance’s duties.

8. **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.

9. **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.

10. **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.

11. **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.

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

**PUGET SOUND CLEAN AIR
AGENCY**

**THE NORTHWEST SEAPORT
ALLIANCE**

By: _____
Craig T. Kenworthy
Executive Director

By: _____
John Wolfe,
Chief Executive Officer

Date: _____

Date: _____

Approved as to Form:

By: _____
Jennifer A. Dold
General Counsel

Date: _____

MEMORANDUM OF AGREEMENT
TO CO-SPONSOR HEAVY-DUTY DIESEL DRAYAGE TRUCK REPLACEMENT PROJECT

This Memorandum of Agreement (this "Agreement") is entered into by the SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (the "District") and the PUGET SOUND CLEAN AIR AGENCY (the "Agency"); the District and the Agency are also referred to herein individually as "Party" or collectively as "Parties".

- I. This Agreement is made with reference to the following recitals:
1. The District is the regional regulatory agency with jurisdiction over air quality in the South Coast Air Basin (Basin or SCAB) in the State of California.
 2. The Agency is a regional government agency with jurisdiction over air quality in King, Kitsap, Pierce and Snohomish counties in the State of Washington.
 3. On-road heavy-duty diesel trucks (HDDTs) are a major contributor to air pollution problems in both the District and the Agency geographic boundaries. Despite the last two decades of aggressive efforts to reduce air pollution, the District continues to have the worst air quality in the U.S. based on the number of days the National Ambient Air Quality Standards for ozone are exceeded. Consequently, the District needs a mass introduction of near-zero and zero-emission truck technologies into the Basin to achieve significant progress toward the Basin's air quality goals. The Agency also needs to continue to aggressively reduce diesel particulate emissions from HDDTs operating in its region. Therefore, the District and the Agency have placed significant importance on accelerating truck turnover by providing incentives and encouraging fleets to replace their older and dirtier HDDTs with newer and cleaner trucks.
 4. The District and the Agency wish to cooperate through this Agreement to implement a two-step HDDT replacement project involving fleets in the Parties' respective geographic boundaries. The first step involves replacement of model year (MY) 2012 or newer HDDTs operating in the Basin with 2017 or newer heavy-duty trucks powered by compressed natural gas engines certified to meet the California Air Resources Board's Optional low-NOx emission standard of 0.02 gram per brake horsepower-hour. In the final step, the replaced MY 2012 or newer HDDTs will be transferred and sold to fleets in the Agency geographic boundary to displace MY 1995–2006 HDDTs, which will then be scrapped.
 5. In June 2017, the District applied for funding under the Fiscal Year (FY) 2017 United States Environmental Protection Agency (U.S. EPA) Diesel Emissions Reduction Act (DERA) Program for the two-step HDDT replacement project. In August 2017, the U.S. EPA awarded the District a grant of \$1,050,000, comprising of \$1,000,000 for 10 HDDT replacement projects and \$50,000 to be shared equally with the Parties for administrative costs necessary to implement the grant. Therefore, on November 3, 2017, the District's Governing Board recognized the \$1,050,000 in FY 2017 DERA funds from the U.S. EPA, released a Program Announcement (#PA2018-04) to solicit proposals for the HDDT replacement projects at a cost not to exceed \$1,000,000, and approved executing this Agreement with the Agency in an amount to exceed \$25,000.
- II. NOW, THEREFORE, in consideration of the mutual interests and benefits to the regional air quality, the Parties agree as follows:

1. Parties Responsibilities.

- a. The Agency shall identify fleet owners operating in the State of Washington and planning to replace MY 1995–2006 HDDTs with used MY 2012 and newer HDDTs. In addition, the Agency shall compile and send a list of MY 2012 and newer HDDT specifications that fit the needs of the Washington fleets to the District.
- b. The District shall match the truck specifications provided by the Agency to the used MY 2012 and newer HDDT specifications specified in the applications submitted by fleet owners in SCAB in response to the District's PA #2018-04 for on road heavy-duty diesel drayage truck replacement projects. In addition, the District shall send a list of the matched MY 2012 and newer HDDTs to the Agency for review and selection by Washington fleets for potential procurement.
- c. The Agency shall compile and send a list of selected 2012 and newer HDDTs and proposed MY 1995-2006 HDDTs for replacement by Washington fleets to the District. The list shall include also the fleet owners' names and contact information.
- d. The District shall send a list of the selected MY 2012 and newer HDDTs along with the fleet owners' names and contact information to SCAB fleets so that the SCAB fleets and Washington fleets can begin to negotiate an agreement for the receipt and purchase of the trucks.
- e. The Agency shall conduct a primary inspection of each MY 1995-2006 HDDT to be replaced by a MY 2012 and newer HDDT for drivability and operability and send the result of the inspection to the District. A non-drivable or inoperable MY 1995-2006 HDDT is ineligible for this project.
- f. The District shall conduct a secondary inspection to confirm eligibility of each truck in paragraph e.
- g. Following replacement of each MY 1995-2006 HDDT with a MY 2012 or newer HDDT, the Agency shall send to the District photograph(s) as well as a certificate signed and dated by an authorized scrap yard that the MY 1995-2006 HDDT along with the engine has been destroyed or rendered useless by:
 - i. Cutting a three-inch by three-inch hole in the engine block (the part that of the engine containing the cylinder; and
 - ii. Disabling the chassis by cutting through the frame/frame rails on each side at a point located between the front and the rear axles.
- h. The District shall review the photographs and certificates in paragraph g to confirm that each MY 1995-2006 HDDT has been destroyed or rendered useless in accordance with paragraphs g(i) and g(ii).
- i. Parties shall work closely with the participating fleets in their respective jurisdiction to ensure that the replacement project is successful and timely implemented.

2. **Federal Requirements.** This Agreement is funded in whole or in part by an EPA award to the District. Information on the award may be found in Attachment 1 – *Federal Award Information*,

attached here and made a part here by this reference. As such, the Agency shall fully comply with all applicable federal rules, regulations, and requirements, including, but not limited to, the following:

- A. This Agreement is subject to, and the Parties shall fully comply with, all applicable provisions outlined in 2 CFR, Part 200 and Part 1500, 40 CFR Chapter 1, Subchapter B, and with all applicable terms and conditions listed in the current EPA General Terms and Conditions, which is available at <https://www.epa.gov/grants/grant-terms-and-conditions#general>.
- B. Debarment and Suspension (Executive Orders 12549 and 12689) – The Agency shall fully comply with 2 CFR Part 180, as supplemented by 2 CFR Part 1532. The Agency certifies that it is: (1) not presently excluded or disqualified, as those terms are defined in 2 CFR §180.110; (2) not convicted within the preceding three years of any of the offenses listed in 2 CFR §180.800(a) or had a civil judgment rendered against it for one of those offenses within that time period; (3) not 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 2 CFR §180.800(a); or (4) not had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default. The Agency acknowledges that failing to disclose the information required under 2 CFR §180.355 may result in the delay or negation of this Agreement or pursuance of legal remedies, including suspension and debarment. The Agency shall complete Attachment 2 - *Certification Regarding Debarment, Suspension, and Other Responsibility Matters*, attached here and made a part here by this reference. The completed Attachment 2 shall be submitted to the District along with the signed Agreement. The Agency shall inform the District of any material changes to a previous filing, by completing and submitting an additional Attachment 2 - *Certification Regarding Debarment, Suspension, and Other Responsibility Matters*.
- C. Federal Fair Share Objectives - The Agency shall carry out the applicable requirements of 40 CFR Part 33 in the award and administration of subcontracts awarded under this EPA-funded Agreement. Failure by The Agency 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.
- D. Trafficking Victims Protection Act of 2000 – The Agency and any of its subcontractor(s) shall comply with the provisions of the Trafficking Victims Protection Act of 2000, as amended, and shall include the requirements of the Prohibition Statement, below, in any subaward you make to a private entity. The District shall reserve the right to terminate the Contract, without penalty, if The Agency and/or any of its subcontractor(s) engages in activities provided in the Prohibition Statement as follows:

Prohibition Statement – You as the recipient, your employees, subcontractors under this Agreement, and subcontractor’s employees may not engage in severe forms of trafficking in persons during the period of time that this Agreement is in effect; procure a commercial sex act during the period of time that this Agreement is in effect; or use forced labor in the performance of this Agreement or subcontracts under the this Agreement.

- E. Clean Air Act and Clean Water Act – The Agency shall comply with all applicable standards, orders or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), Section 508 of

the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (2 CFR Part 1532, Subpart J).

F. Audit Requirements

- (i) During the term of the Agreement, and for a period of three (3) years from the date of Agreement expiration, and if requested in writing by the District, The Agency shall allow the District, the Comptroller General of the United States, their designated representatives and/or the cognizant Federal Audit Agency, access during normal business hours to all records and reports related to the work performed under this Agreement. The Agency assumes sole responsibility for reimbursement to the EPA, a sum of money equivalent to the amount of any expenditures disallowed should the District, its designated representatives and/or the cognizant Federal Audit Agency rule through audit exception or some other appropriate means that expenditures from funds allocated to The Agency were not made in compliance with the applicable cost principles as contained in 2 CFR Part 200 Subpart E, the EPA regulations, or the provisions of this Agreement.
- (ii) Beginning with The Agency's current fiscal year and continuing through the term of this Agreement, and if applicable and if The Agency expended Seven Hundred Fifty Thousand Dollars (\$750,000) or more in a fiscal year in Federal Awards, The Agency shall have a single or program-specific audit conducted in accordance with the requirements of 2 CFR Part 200 Subpart F.

G. Federal Property Disposition Conditions - The disposition of equipment funded in whole or in part with Federal funds, where it will no longer be used in accordance with the purpose of this Contract, must comply with local, state and federal regulations, including 2 CFR §200.313 as applicable. Pursuant to the federal property disposition conditions, The Agency agrees to report to DISTRICT, every 2 years after the conclusion of the Agreement term, information relating to the equipment, until the equipment's fair market value drops below \$5,000 or until the equipment is no longer used in accordance with the purpose of this Agreement. Information to be reported shall include: the serial number or other identification number, the fair market value at the time of the report, location, use and condition of the equipment. The Agency shall also notify the District within thirty (30) days of the equipment's sale or transfer. The requirements of this provision shall survive the expiration of this Agreement.

H. The Agency shall require its subcontractors to abide by the Federal Requirements set forth in this Clause and throughout this Agreement.

3. Indemnification. Each Party to this Agreement shall be responsible for its own acts and/or omissions and those of its officers, employees, agents, representatives and subcontractors. Except as otherwise provided herein, no Party to this Agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this Agreement.

4. Invoicing Instructions.

The Agency shall submit invoices to the District for MY 1995-2006 HDDTs replaced with MY 2012 or newer HDDTs. All invoices submitted shall reference the District Agreement Number and include names and contact information of participating Washington fleets and documentation that each MY 2012 or newer HDDT listed in the invoice has been received by the fleets as well as that each replaced MY 1995-2006 HDDTs has been destroyed or rendered useless in accordance with Section (II)(1)(f) of this Agreement. The invoice shall not exceed \$2,500 per replaced HDDT. Invoices shall be sent to:

South Coast Air Quality Management District

21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: Michelle White, Technology Advancement
Email: mwhite@aqmd.gov

5. **Payments.** The District shall pay the invoice within 30 days after review and approval by the District's Project Manager. The Agency may request that payments from the District required under this Agreement may be made directly to subcontractors or vendors at the District's discretion. After the Agency and the District approve the work performed by the subcontractor or vendor, the District shall issue payment directly to subcontractor or vendor upon submittal of invoices and supporting documentation. The amount paid by the District to the Agency for the implementation of the replacement project in the State of Washington shall not exceed \$2,500 per each MY 1995-2006 HDDT replaced for a total amount of \$25,000 for 10 HDDTs.
6. **Notice.** All notices to be given under this Agreement shall be in writing and either sent by a nationally recognized overnight courier service, in which case notice shall be deemed delivered as of the date shown on the courier's delivery receipt; or sent by telecopy during business hours of the recipient, with a copy of the notice also deposited in the United States mail (postage prepaid) the same business day, in which case notice shall be deemed delivered on transmittal by telecopier provided that a transmission report is generated reflecting the accurate transmission of the notices, or sent by United States mail, postage prepaid, in which case notice shall be deemed delivered as of two business days after deposit in the mail, addressed as follows:

Puget Sound Clean Air Agency
1904 Third Avenue, Suite 105, Seattle, WA 98101
Attention: Amy Fowler

South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
Attention: Adewale Oshinuga, TAO

These addresses may be changed by written notice to the other Party provided that no notice of a change of address shall be effective until actual receipt of the notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

7. **Term.** This Agreement shall be in full force and effect when signed by both Parties and shall remain in effect until December 31, 2019 or as may be subsequently amended.
8. **Modification in Writing.** This Agreement may be modified only in writing and signed by both of the Parties.
9. **Compliance with Laws.** The Parties, in undertaking their obligations hereunder, or any of them, shall comply with all laws and governmental rules and regulations, state, federal, or local, or any of them applicable to their respective obligations under this Agreement.

This Memorandum of Agreement has been entered into and executed on behalf of the Parties by their authorized representatives:

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

By: 
Wayne Nastro
Executive Officer

20 JUN 2018
Date

APPROVED AS TO FORM:
Bayron Gilchrist, General Counsel

By: 

6/8/18
Date

PUGET SOUND CLEAN AIR AGENCY

By: 
Paul Roberts
Board of Directors, Chair

6/29/18
Date

APPROVED AS TO FORM:
Jennifer A. Dold, General Counsel

By: 

6/28/18
Date

ATTACHMENT 1

Subrecipient and Federal Award Information as Required by 2 CFR 200.331

Contract C18221

Subrecipient Information:

Subrecipient name	Puget Sound Clean Air Agency
Subrecipient's DUNS Number	363422374
Subaward Period of Performance Start and End Date	Date of execution through 12/31/2019

Federal Award Information:

Federal Awarding Agency	U.S. EPA
Pass-through Entity	SCAQMD
Federal Award Identification Number (FAIN)	DE-99T69701
Federal Award Date	9/27/2017
CFDA Number and Name	66.039 - National Clean Diesel Funding Assistance Program
Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;	\$25,000
Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation;	\$25,000
Total Amount of the Federal Award to the pass-through entity	\$1,050,000
Federal award project description	Replace On-road Short-Haul Heavy Duty Diesel Trucks
Is this an R&D award	no
Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).	83.833%

ATTACHMENT 2

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

CONTRACTOR certifies to the best of their knowledge and belief that it and the 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 judgment rendered against them or 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 statute 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 (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 U.S.C. 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

Signature of Authorized Representative Date

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