

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 under the laws of the State of Washington, and **The Northwest Seaport Alliance** (hereinafter referred to as “the Alliance”), a Washington public port district, located at 1 Sitzum Plaza, Tacoma WA 98421, (each individually also referred to as “Party” and collectively “Parties”).

WHEREAS, the Agency is working with the Alliance to reduce air emissions from current and future maritime port operations in the Pacific Northwest as part of their commitments to the Northwest Ports Clean Air Strategy; and

WHEREAS, drayage trucks working at both the north harbor (Port of Seattle) and south harbor (Port of Tacoma) of the Alliance and contribute to local and regional air pollutant emissions; and

WHEREAS, the Northwest Ports Clean Air Strategy sets a target for 100% of the trucks entering port marine terminals to meet or surpass US Environmental Protection Agency (EPA) emission standards for 2007 heavy-duty truck engines by the end of 2017; and

WHEREAS, the Agency and the north harbor and south harbor of the Alliance jointly developed an Agency application for federal funding for a regional drayage truck scrappage and replacement program to replace older, higher-polluting vehicles with trucks that meet the United States Environmental Protection Agency’s (EPA’s) 2007 engine emission standards; and

WHEREAS, this regional drayage truck scrappage and replacement program shall be referred to as the Multi-Port Scrappage and Replacement for Air in Puget Sound (“Multi-Port ScRAPS”) Program; and

WHEREAS, the U.S Department of Transportation Federal Highway Administration Congestion Management and Air Quality (CMAQ) Program, through the Washington State Department of Transportation (WSDOT), awarded \$260,000 in supplemental funds to \$3,200,000 grant awarded to the Agency in 2014 to administer the Multi-Port ScRAPS Program; and

WHEREAS, the CMAQ funding awarded by WSDOT required that matching funds be provided by the Alliance; and

WHEREAS, the Multi-Port ScRAPS Program is listed as Project No. PSCAA-01 in the federally approved Statewide Transportation Improvement Plan (STIP) 2015-2018; and

WHEREAS, the Alliance has committed \$40,578 in matching funds for the additional \$260,000 in supplemental WSDOT funding to Project No. PSCAA-01; and

WHEREAS, the Board of Directors of the Agency deems it desirable to enter into an Agreement with the Alliance for the purposes of developing and implementing the Multi-Port ScRAPS Program; and

WHEREAS, the Agency is qualified and available to administer Project No. PSCAA-01 and develop and implement the Multi-Port ScRAPS program; and

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

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 describe the Multi-Port ScRAPS program, hereinafter referred to as “the Program,” and define the roles and responsibilities of the Agency, the Alliance with respect to the Program.

The Program is intended to replace 10 or more older drayage trucks (i.e., those that have pre-2007 model year engines) that serve marine terminals at the north and south harbors of the Alliance with newer trucks that have engines that meet 2007 model year or newer EPA engine emission standards for heavy-duty diesel highway vehicles (or alternative-fuel heavy-duty trucks with equivalent or cleaner emissions). Truck owners will be offered financial incentives to scrap and replace their old drayage trucks. Replacement trucks may include trucks whose engines have been converted to use alternative fuels through an EPA-approved conversion process, provided the converted engines meet the EPA 2007 or 2010 emission standards.

Funding for this work is provided by WSDOT under federally approved Project No. PSCAA-01; the Alliance is providing the federally required matching funds as set forth in Section 4.

- 2. Duties of Agency.**

The Agency commits to:

- Comply with WSDOT requirements of Local Agency Agreement No. 8816 and its corresponding Amendment No. 8816-1.

Comply with the WSDOT requirements of Local Agency Agreement No. 8816 and its corresponding Amendment No. 8816 for Project No. PSCAA-01. The Project Local Agency Agreement and its corresponding amendment are included in Attachment A, and are hereby incorporated by reference.

- Obtain WSDOT approval on required submittals for Project No. PSCAA-01.

Obtain WSDOT approval on all required documentation necessary to implement the amendment No. 8816-1, including but not limited to a Buy America Waiver Request.

- Administer the program as developed under Interlocal Agreements (“ILAs”) 2015-85 and 2015-86.

Administer the Program as developed under ILAs 2015-85 and 2015-86 included as Attachment B, and hereby incorporated by reference. This includes administering:

- 1) The procedure for processing applications from truck owners for financial assistance.
- 2) The procedure for assessing the suitability of trucks with pre-2007 model year engines that are proposed to be scrapped, to verify program eligibility.
- 3) The procedure for assessing the suitability of proposed replacement trucks having a 2007 or newer model year engine or an alternatively fueled engine that meets EPA 2007 engine standards, to verify program eligibility.
- 4) The procedure for coordinating scrapping and associated documentation for trucks being scrapped and replaced.
- 5) The procedure for processing scrapping incentive payouts.
- 6) The procedure for tracking emission reductions associated with each truck replacement.
- 7) The procedure for maintaining up-to-date records and report on the above actions.

- Ensure that the truck replacements meet eligibility criteria.

Ensure that the truck replacements meet the eligibility criteria developed under ILAs 2015-85 and 2015-86.

E. Assist with outreach to truck owners.

As needed, assist the Alliance in conducting an outreach campaign to truck owners that will promote the Program.

F. Secure office space for the Program office.

Enter into a lease agreement for office space with the Alliance as agent for the Port of Seattle under a separate agreement as required by ILA 2015-85. If the space becomes committed to another tenant and is no longer available for the ScRAPS Program, work with the Alliance to find an alternate suitable space from which to run the program.

G. Process incentives.

Complete all incentive processing for approved truck replacements by December 31, 2017. If funds available for the Program are exhausted prior to December 31, 2017, the Agency will end the Program earlier unless additional funding is secured.

Deliverable date: Complete all incentive processing for approved truck replacements by December 31, 2017.

H. Develop sample invoice package for review.

Develop a sample invoice package including all forms and information that will be included in monthly invoices for the Alliance to review.

Deliverable date: Two months after the Local Agency Agreement Amendment between the Agency and WSDOT is executed.

I. Submit invoices.

Submit monthly invoices to WSDOT and the Alliance as set forth in Section 4 of this Agreement.

Deliverable dates for invoices: Monthly throughout the term of this Agreement.

J. Employ audit system.

Employ audit system developed under ILA No 2015-085 to audit the documents and processes used to implement the Program, such as truck evaluation, scrapping, and replacement processes, cash flow tracking, lien and insurance search procedures and scrap yard coordination, and compliance with grant requirements.

K. Report.

- 1) Submit periodic project reports to WSDOT and the Alliance, including the number of trucks replaced, the reimbursable costs for each truck, program income due to scrapping replaced trucks and emission calculations showing the annual reduction attributable to each replaced truck.
- 2) Submit a final project report summarizing results of program and project costs. Verify all files are complete.

Monthly report deliverable dates: Monthly throughout the term of this Agreement.

Final report deliverable date: January 31, 2018.

L. Keep records.

Keep records of all project documentation per federal grant requirements, and provide copies of all signed agreements to all other funding partners.

Final agreements deliverable dates: Two weeks after Agency receives signed copies.

All other documentation deliverable dates: Two weeks after Agency receives request for document.

3. Duties of the Alliance.

The Alliance commits to

A. Comply with WSDOT requirements.

Comply with all applicable WSDOT requirements with respect to Project No. PSCAA-01.

B. Provide outreach to truck owners as needed.

Partner with the Agency to lead an outreach effort to engage candidate drayage truckers in the Program if needed.

C. Approve invoice package.

Review and approve invoice package format and documents prior to actual invoices to minimize any issues or questions with invoice packages.

Deliverable date: Two weeks after receipt of the sample invoice package from the Agency per Section 2.I.

D. Pay invoices.

Make payments as set forth in section 4 of this Agreement.

E. Provide or assist in identifying suitable office space from which to run the ScRAPS program.

If the current truck center space becomes committed to another tenant and is no longer available for the ScRAPS Program, work with the Agency to find an alternate suitable space from which to run the Program.

4. Compensation. The total amount paid by the Alliance to the Agency for satisfactory performance of the work under this Agreement shall not exceed forty thousand, five-hundred seventy-eight dollars (\$40,578). The Agency will invoice the Alliance for 13.5 % of all program-eligible costs, including truck replacement incentives and administrative costs. The Agency will bill the remaining Program-eligible costs to WSDOT (86.5%). The income from truck scrappage will be used by the Agency to pay for additional incentives or pay for administrative costs, as necessary.

The Agency will submit separate invoices for incentives and administrative costs to the Alliance monthly using a template approved by the Alliance as described in Sections 2.G and 3.C of this Agreement. The Agency will also submit a monthly written report describing the progress made on each task that the Agency is administering under Section 2 of this Agreement, for reimbursement for work performed during the preceding month. Invoices will list the name of the person(s) who performed the work; the actual wages and benefits per hour for the persons(s) who provided the services; and the specific number of hours spent within a given billing period (monthly). Indirect charges shall utilize the Agency's federally approved indirect rate, which shall be applied to direct wages and benefits. Direct expenses shall be supported by actual receipts. The Agency shall submit invoices to the Alliance's Project Manager listed in Section 5. The Alliance will send its payments within fifteen (15) business days of receipt of the Agency's invoice to the Puget Sound Clean Air Agency, attention Finance Department, 1904 3rd Ave., Suite 105, Seattle, WA 98101.

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

| The Agency Project Manager is: | The Alliance Project Manager is: |
|---|--|
| Kathy Boucher ScRAPS Program Manager Puget Sound Clean Air Agency 1904 3 rd Ave., Suite 105 Seattle, WA 98101 206-689-4019 kathyb@pscleanair.org | Janice Gedlund Senior Environmental Project Manager The Northwest Seaport Alliance P.O. Box 2985 Tacoma, WA 98401-2985 253-888-4415 jgedlund@nwseaportalliance.com |

6. **Term.** The effective date of this Agreement is the date of the final signature. The termination date of this Agreement is March 31, 2018.

7. **Changes.** The Parties may, from time to time, require changes in this Agreement. The Parties shall mutually agree to the changes to the Agreement in writing and executed with the same formalities as the original Agreement.

8. **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.

9. **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.

10. **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.

No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

11. **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.

12. **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.

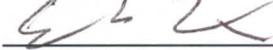
13. **Third Party Beneficiary.** The State of Washington is named as an express third party beneficiary of this Agreement with full rights as such.

14. **Recording.** A copy of this Agreement shall be posted to each Party's web site.

15. Property Ownership. No ownership of property will transfer as a result 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**

By: 

Craig T. Kenworthy
Executive Director

Date: 1/16/17

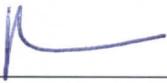
**THE NORTHWEST SEAPORT
ALLIANCE**

By: 

John Wolfe
Chief Executive Officer

Date: JAN 4, 2017

Approved as to Form:

By: 

Jennifer A. Dold
General Counsel

Date: 1/6/17

By: 

Carolyn A. Lake
Goodstein Law Group PLLC
Alliance Legal Counsel

Date: 1/28/16