

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 Nastri  
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.

KAREN HANSEN, Finance Manager  
Typed Name & Title of Authorized Representative

[Signature]

7/3/18

Signature of Authorized Representative Date



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

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