

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION
(COOPERATIVE AGREEMENT)

AGREEMENT NUMBER: DTMA1H12003

PROJECT TITLE: Air Emission and Energy Initiative

EFFECTIVE DATE: September 26, 2012

OBLIGATION DATE: September 26, 2012

APPROPRIATION DATA: 70121750HQ.2012.1PRE000EAC.0000141004.25305.61006600
\$600,000.00

This Agreement is entered into between the United States of America, hereinafter called the Government, represented by the Maritime Administration (MARAD), and Foss Maritime Company (the Recipient) under U.S. Federal law.

The Recipient to this Agreement shall execute it by signing in the spaces provided on the last page (before the Statement of Work), as evidence, and in acknowledgement, of its intention to observe all the provisions hereof.

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ATTACHMENTS

- (A) DISCLOSURE OF LOBBYING ACTIVITIES (SF LLL (Rev. 7097)
- (B) STATEMENT OF WORK

ARTICLE 1 - PARTIES

This Cooperative Agreement, herein called the Agreement, is entered into by and between the United States of America, represented by the Maritime Administration (MARAD), and Foss Maritime Company as the Recipient.

ARTICLE 2 - AUTHORITY

MARAD enters into this Agreement on the authority contained in Public Law 49 U.S.C. § 109(h) (1); 46 U.S.C. § 55601(g)

ARTICLE 3 - BACKGROUND

Over the past several years, the Maritime Administration (MARAD) has been partnering with other government agencies, industry, and academia on efforts to reduce vessel and port air emissions and greenhouse gases as well as support the use of alternative fuels and energy sources. Several MARAD efforts are underway to address emissions reductions, specifically through development of planning and modeling tools and in-situ testing of alternative fuels. MARAD recognizes the limited Federal funding opportunities specific to the maritime section for emission reduction projects and will enter into up to three cooperative agreements with funding to assist in offsetting costs. The total amount of funding under the RFP will be \$1,500,000.00

MARAD is seeking to provide cost share funding through cooperative agreements for US flagged vessels that operate on inland or coastal waterways. Eligible applicants include vessel owners, operators, or sponsors. Awardees must demonstrate a reduction of emission of nitrogen oxides (NO_x), sulfur oxides (SO_x), particulate matter (PM), or carbon through an approved emission testing scheme. Data collected under the cooperative agreement, including that related to costs, emissions, and fuel consumption must be made available to MARAD and can be used publically. Shore side equipment upgrade or shore power projects are not eligible for funding.

MARAD will use the results and data to support further air emission reduction research and demonstration projects and to demonstrate the public benefits of future incentives to improve vessel related environmental stewardship. Projects that will be funded under the RFP Include engine repowers, retrofits, the use of alternative fuels, or the use of alternative technologies such as hybrid engines and other emissions reduction technologies. MARAD will not fund more than 75% of the total cost of the project. MARAD strongly encourages collaboration among private, public, and academic organizations.

ARTICLE 4 – EFFECTIVE DATE AND PERIOD OF PERFORMANCE

The effective date of this Agreement shall be the date of the last signatory on the Agreement. The Period of Performance covered by this Agreement commences upon the date of the last signatory to this Agreement and will extend for thirty-six (36) calendar months, from that date unless terminated sooner as provided for herein.

ARTICLE 5 – DEFINITIONS

As used throughout this Agreement, the following terms shall have the meaning set forth below:

- (1) The term "Head of the Agency" or "Secretary" as used herein means the Secretary, the Deputy Secretary, any Assistant Secretary, or the Maritime Administrator or Deputy Maritime Administrator of the Department of Transportation; and the term "duly authorized representative" means any person or persons or board (other than the Agreements Officer) authorized to act for the head of the Agency.
- (2) The term "Agreements Officer" (AO) means the person executing this Agreement on behalf of MARAD, and any other MARAD employee who is a properly warranted Federal Contracting Officer. Delores Bryant is the Agreement Officer who will be signing this Agreement.
- (3) The term "Agreements Officer Technical Representative" (AOTR) means the designated MARAD employee responsible for the technical aspects of this Agreement and technical liaison with the Recipient.
- (4) Covered Federal action, "means any of the following Federal actions: the awarding of any Federal grant; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; the extension, continuation, renewal, amendment, or modification of any Federal grant, loan, or cooperative agreement.
- (5) "Data" means recorded information regardless of form or the medium on which it may be recorded. The term includes technical data and computer software (including computer programs, computer data bases, and documentation thereof). The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing or management information.
- (6) The term "MARAD" means the Maritime Administration.
- (7) The term "Recipient" means the organization(s) participating in and legally responsible for this Agreement; namely, the Foss Maritime Company.
- (8) The term "Subcontractor" means a contractor to the Recipient (Foss Maritime Company) and all tiers of subcontractors hereunder including those of the Program Partners.
- (9) The term "Program Partners" refers to the Recipient's (Foss Maritime Company) partners; either as individuals or organizations, in the Agreement and the technical initiatives being undertaken by the Recipient (Foss Maritime Company).

ARTICLE 6 - SCOPE OF THE AGREEMENT

See attached Statement of work (SOW)

The Maritime Administration point of contact:

Office of Acquisition
Delores Bryant
Agreements Contracting Officer
1200 New Jersey Avenue, S.E. – W26/420
Washington, D.C. 20590
Phone: (202)366-2660
Fax: (202)366-3029
delores.bryant@dot.gov

Technical Program Office
Daniel Yuska
Environmental Protection Specialist
1200 New Jersey Avenue, S.E. - W28-228
Washington, D.C. 20590
Phone; (202) 366-0714
daniel.yuska@dot.gov

The Foss Maritime Company Point of Contact:

Susan Hayman
206-281-3820

ARTICLE 7 - FUNDING RESOURCES AND ACCOUNTABILITY

- a. This Agreement involves the transfer of MARAD funds to Foss Maritime Company based upon accomplishing specific phases.
- b. It is estimated that the total cost for the three (3) year period of performance to the Government will be \$600,000.
- c. Total funds currently available for payment and allotted to this Agreement are \$600,000.
- d. It is estimated that the amount currently allotted (\$600,000) will be expensed under the Agreement through September 30, 2015.

ARTICLE 8 - INVOICE REQUIREMENTS/METHOD OF PAYMENT

a. MARAD will make payment by electronic funds transfer (EFT) under this Agreement. Payment will be due on the 30th calendar day after the date of actual receipt of a proper invoice in the office designated to receive the invoice. The date of the EFT issued in payment shall be considered to be the date payment is made.

b. Invoices shall be submitted monthly in an original and two copies to DOT/Enterprise Services Center (ESC), MARAD A/P Branch, AMZ-15, Oklahoma City, OK 73125, email invoices to: MARADInvoices@faa.gov

To constitute a proper invoice, the invoice must include the following information and/or attached documentation:

- (a) Name of the Recipient and invoice date
- (b) Cooperative Agreement Number
- (c) Description, price, and quantity of property and services actually delivered or rendered
- (d) Shipping and payment terms
- (e) Other substantiating documentation or information as required by the Agreements Officer

Sub Article 8 - Method of Payment

Payments under this Agreement will be made by wire transfer through the Treasury Financial Communications System at the option of the Government. The Foss Maritime Company shall forward the following information in writing to the Agreement Officer no later than seven (7) days after receipt of notice of award:

1. Cooperative Agreement Number
2. Full name (where practicable), title, phone number, company's Taxpayer ID (if applicable), and complete mailing address of responsible officials, and who may be contacted concerning the bank account information requested below
3. The following bank account information for wire transfer of payments is required:
 - a. Name, address, and telegraphic abbreviation of receiving financial institution
 - b. Receiving financial institution's nine (9) digit American Bankers Association (ABA) identifying number for routing transferred funds
Note: Provide this number only if the receiving financial institution has access to the Federal Reserve Communications System.
 - c. Recipient's name and account number at receiving financial institution to be credited with the funds
 - d. If the receiving financial institution does not have access to the Federal Reserve Communications system, provide name of the correspondent financial institution through which the receiving financial institution receives electronic funds transfer messages. If a correspondent financial institution is specified, also provide:
 - Address and telegraphic abbreviation of the correspondent financial institution
 - The correspondent financial institution's nine (9) digit ABA identifying number for routing transfer of funds

Any changes to the information furnished under the above paragraphs of this sub-article shall be furnished to DOT/Enterprise Services Center (ESC), MARAD A/P Branch, AMZ-15, Oklahoma City, OK 73125, in writing at least thirty (30) days before the effective date of change. It is the Recipient's responsibility to furnish these changes promptly to avoid payments to erroneous addresses or bank accounts.

The document furnishing any of the above information required must be dated and contain the signature, title, and telephone number of the Recipient (official authorized to provide it), as well as the Recipient's name and Cooperative Agreement number.

ARTICLE 9 – AGREEMENTS OFFICER TECHNICAL REPRESENTATIVE (AOTR)

- a. Mr. Daniel Yuska is hereby designated as the AOTR for this Agreement. The AOTR is located at the Department of Transportation, Maritime Administration (MAR-410)1200 New Jersey Ave., SE, Washington, DC 20590. He may be reached at (202) 366-0714 or at daniel.yuska@dot.gov
- b. The AOTR is responsible for the technical aspects of this Agreement and is the primary MARAD technical liaison with Foss Maritime Company.
- c. The AOTR is not authorized to make any commitments or otherwise obligate the Government or authorize any changes which affect the Agreement terms or conditions. Any Recipient request for changes shall be referred to the Agreements Officer directly or through the AOTR. No such changes shall be made without the expressed prior authorization of the Agreements Officer. The AOTR may designate assistant AOTR(s) to act for her by naming such assistant(s) in writing and transmitting a copy of such designation through the Agreements Officer to the Recipient.
- d. The Government at any time may change the AOTR, but the Agreements Officer in writing will promptly provide notification of the change, including the name and address of the successor AOTR, to the Recipient.

ARTICLE 10 – ADDRESS OF CORRESPONDENCE

All correspondence except as otherwise specified shall be directed to the Agreements Officer at the following address:

Department of Transportation
 Maritime Administration
 Office of Acquisitions, MAR-380
 1200 New Jersey Ave., SE – W26-420
 Mail Stop W28-201
 Washington DC 20590
 Attn: Ms. Delores Bryant
 Agreements Officer

ARTICLE 11 – DELEGATION OF INSPECTION/ACCEPTANCE AUTHORITY

The AOTR shall be delegated the responsibility and authority to conduct inspection and acceptance duties for this Agreement, if applicable (See Article 9).

ARTICLE 12 – LIABILITY

- (a) Each party to this Agreement shall be liable for the acts and omissions of its own employees.
- (b) MARAD shall not be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under the Federal Tort Claims Act [28 U.S.C. §1346(b)], or pursuant to other Federal statutory authority. Similarly, the Recipient shall not be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under state law without regard to conflicts of law principles.

ARTICLE 13 – THIRD PARTY RIGHTS

The Agreement does not confer any rights or benefits on any third party.

ARTICLE 14 - PERMITS, LICENSES AND RESPONSIBILITIES

Foss Maritime Company shall, without expense to MARAD, be responsible for obtaining any licenses and permits and for complying with any Federal, state, and municipal laws, codes and regulations applicable to performance of any work under this Agreement. Foss Maritime Company shall also be responsible for all damages to persons or property that occur, and shall take proper safety and health precautions to protect the work, the workers, the public, and the property of others.

ARTICLE 15 – AMENDMENT OF AGREEMENT

This Agreement may be amended by deletion or modification of any provisions, provided that such amendment is in writing and is signed by all parties to the Agreement.

ARTICLE 16 – CHANGES AND MODIFICATIONS

- (a) The Agreements Officer may make changes requested by the Recipient, within the general scope of this Agreement, relative to the services to be performed.
- (b) The Agreements Officer may at any time, by written order make changes to the scope of work, within the general scope of this Agreement, in the services to be performed, including reporting requirements related thereto.
- (c) Foss Maritime Company shall, within thirty (30) days after receipt of a written change order, or within such additional periods as may be allowed by the Agreements Officer in writing or otherwise approved by the Agreements Officer, submit a written statement with supporting details as to whether or not the change order impacts the period of performance or the costs or the intended technical efforts to be performed under the Agreement.
- (d) Foss Maritime Company shall promptly provide such additional, supporting details as may be requested by the Agreements Officer. In the event of failure by the Foss Maritime Company to submit such written statement or details, the Agreements Officer may determine, on the basis of available information, the appropriate remedies including the possibility of termination of the Agreement.

Such right of determination shall not excuse Foss Maritime Company from complying with the submission requirement.

- (e) As a result of meetings, annual reviews, or at any time during the term of the Agreement, Minor project changes do not require prior MARAD approval. The following are changes that would require MARAD approval by written modification:
1. changes that impact the period of performance,
 2. any material or substantial change to the relationships of Foss Maritime and its partners participating in the project efforts or
 3. changes that would substantially affect either party to the Agreement as well as the Foss Maritime Company partners and their contributions to the project efforts.

ARTICLE 17 – NOTICE OF DELAY

If the Recipient becomes unable to complete or comply with the requirements under this Agreement because of technical difficulties, notwithstanding the exercise of good faith and diligent efforts in the performance of the work called for hereunder, Foss Maritime Company shall give the Agreements Officer written notice of the anticipated delay and the reasons therefore. Such notice and reasons shall be delivered promptly after the cotion creating the anticipated delay becomes known to Foss Maritime Company but in no event less than forty-five (45) days from when Foss Maritime Company knew or should have known of the delay. When notice is so required, the Agreements Officer may extend the time specified for such period as deemed advisable.

ARTICLE 18 – DISPUTES

All disputes shall be submitted to the Agreements Officer for a decision.

(a) All disputes of fact or of interpretation under this Agreement not disposed of by mutual agreement shall be decided by the Agreements Officer who shall reduce the decision to writing and mail a copy thereof to Foss Maritime Company. Within thirty (30) days of receipt of such written decision, Foss Maritime Company may appeal in writing to the Associate Administrator for Administration, Maritime Administration. The Associate Administrator for Administration will fix a date for written submissions or oral presentations, or both, by Foss Maritime Company and the Agreements Officer, or their representatives.

(b) The Associate Administrator for Administration shall hand down a written decision. The Contract Disputes Act of 1978 does not apply to this Agreement. Compliance with this Article does not preclude use of any other legal remedies by the Parties.

ARTICLE 19 – LIMITATIONS

The terms of this Agreement are not intended to alter, amend, or rescind any current Agreement or provision of Federal law now in effect. Any provision of this Agreement which conflicts with Federal law will be null and void, but the remaining terms and conditions shall remain in full force and effect.

This Agreement does not create any right or benefit, substantive or procedural, enforceable by law or equity, by persons who are not employed by or officials of parties to this Agreement, against any party, their officers or employees, or any other person.

As required by the Antideficiency Act, 31 U.S.C. §§1341 and 1342, all commitments made by parties in this Agreement are subject to the availability of appropriated funds and budget priorities. Nothing in this Agreement, in and of itself, obligates the signatory parties to expend appropriations or to enter into any contract, assistance agreement, interagency agreement, or incur other financial obligations. Any transaction involving transfers of funds between the parties to this Agreement will be handled in accordance with applicable laws, regulations and procedures.

ARTICLE 20 – SUSPENSION OR TERMINATION (Ref: OMB Circular A-110)

(a) As prescribed by OMB Circular A-110, Subpart A, Paragraph 2, the following definitions apply under this Article:

1. Termination – means the cancellation of Federal sponsorship, in whole or in part, under an Agreement at any time prior to the date of completion.
2. Suspension – means an action by a Federal awarding agency that temporarily withdraws Federal sponsorship under an award, pending corrective action by the Recipient or pending a decision to terminate the award by the Federal-awarding agency. Suspension of an award is a separate action from suspension under Federal agency regulations implementing Executive Orders 12549 and 12689 “Debarment and Suspension.”

(b) Notwithstanding the specific terms of this Article, Termination and Enforcement procedures shall be conducted in accordance with OMB Circular A-110, Subpart C, and Paragraphs 60 through 62.

(c) When Foss Maritime Company has failed to comply with the terms of the Agreement and conditions or standards, the Government may, on reasonable notice to Foss Maritime Company, suspend the Agreement, pending corrective action by Foss Maritime Company, or a decision by the Government or Foss Maritime Company to terminate in accordance with the provisions listed below for termination for cause or termination for convenience.

(d) The Government’s provisions for the systematic settlement of termination of grants or other agreements include the following:

- (1) Termination for Cause – the Government may reserve the right to terminate the Agreement in whole or in part any time before the date of completion, whenever it is determined that Foss Maritime Company has failed to comply with the terms and conditions of the Agreement. The Government shall promptly notify the Foss Maritime Company in writing of the determination and the reasons for the termination, together with the effective date. Any recoveries by the Government under grants or other agreements terminated for cause shall be in accordance with the legal rights and liabilities of the parties to this Agreement.
- (2) Termination for Convenience – the Government or Foss Maritime Company may terminate this Agreement in whole or in part when both parties agree that the continuation of the program would not produce beneficial results intended by this Agreement. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, portions to be terminated.

ARTICLE 21 – COVENANT AGAINST CONTINGENT FEES

(a) Foss Maritime Company warrants that no person or agency has been employed or retained to solicit or obtain the Agreement upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, MARAD shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the total price or consideration, or otherwise recover, the full amount of the contingent fee.

(b) “Bona fide agency,” as used in this article, neither means an established commercial or selling agency, maintained by Foss Maritime Company for the purpose of securing business that neither exerts nor proposes to exert improper influence to solicit or obtain Government agreements nor holds itself out as being able to obtain any Government agreement through improper influence.

(c) Bona fide employee,” as used in this article, means a person, employed by Foss Maritime Company and subject to Foss Maritime Company supervision and control as to time, place, and manner of performance, which neither exerts nor proposes to exert improper influence to solicit or obtain Government agreements nor holds out as being able to obtain any Government agreement through improper influence.

ARTICLE 22 – OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit arising from it. However, this provision does not apply to this Agreement to the extent that this Agreement is made with a corporation for the corporation’s general benefit.

ARTICLE 23 – DEBARMENT AND SUSPENSION

Foss Maritime Company shall comply with the non-procurement debarment and suspension common rule implementing Executive Orders 12549 and 12689, “Debarment and Suspension.” This common rule restricts sub-awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs and activities.

ARTICLE 24 – EQUAL OPPORTUNITY

During the performance of this Agreement, Foss Maritime Company agrees as follows:

(a) Foss Maritime Company shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

(b) Foss Maritime Company shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to: employment; upgrading; demotion; transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

(c) Foss Maritime Company shall, in all solicitations or advertisements for employees placed by or on behalf of Foss Maritime Company shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(d) Foss Maritime Company shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(e) Foss Maritime Company shall permit access to its books, records, and accounts by the Government for the purposes of investigation to ascertain Foss Maritime Company compliance with the applicable rules, regulations, and others.

(f) If, MARAD determines that Foss Maritime Company is not in compliance with this Article or any rule, regulation, or order of the Secretary of Labor, this Agreement may be canceled, terminated, or suspended in whole or in part and Foss Maritime Company may be declared ineligible for further Government assistance, under procedures authorized in Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor or as otherwise provided by law.

(g) Foss Maritime Company shall include the terms of this Article in every subcontract that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor.

ARTICLE 25 – DRUG-FREE WORKPLACE

(a) Foss Maritime Company shall abide by the rules set forth in 49 CFR Part 29 Subpart F, incorporated herein by reference, with regard to maintaining a drug-free workplace and shall implement this requirement in all sub-awards under this Agreement.

(b) Definitions, as used in this Article:

(1) “Controlled substance” means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. §812) and as further defined in regulation at 21 CFR 1308.11-1308.15.

(2) “Conviction” means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or state criminal drug statutes.

(3) “Criminal drug statute” means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.

(4) “Drug-free workplace” means the site(s) for the performance of work done by Foss Maritime in connection with a specific program, contract, grant or other vehicle/instrument or where employees of Foss Maritime Company are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

(5) “Employee” means an employee of Foss Maritime Company directly engaged in the performance of work under a Government contract.

(6) “Individual” means an offeror, contractor, subcontractor, and/or vendor that have no more than one employee including the offeror, contractor, subcontractor or vendor.

(7) “Directly engaged” is defined to include all direct cost employees and any other Foss Maritime Company employee who has other than a minimal impact or involvement in the performance or work.

- (c) Foss Maritime Company, within thirty (30) days after the effective date of the Agreement, and for the duration of this Agreement, shall:
- (1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Foss Maritime Company workplace and specifying the actions that will be taken against employees for violations of such prohibition;
 - (2) Establish an ongoing drug-free awareness program to inform such employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The Recipient's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - (3) Provide all employees engaged in performance of the Agreement with a copy of the statement required by paragraph (3) (a) of this Article;
 - (4) Notify such employees in writing in the statement required by paragraph (3) (a) of this Article that, as a condition of continued employment on this Agreement, the employee will –
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than five (5) days after such conviction.
 - (5) Notify the Agreements Officer in writing within ten (10) days after receiving notice under subdivision (3)(d)(ii) of this Article, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
 - (6) Within thirty (30) days after receiving notice under subdivision (3) (d) (ii) of this Article of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
 - iii. Taking appropriate personnel action against such employee, up to termination; or
 - iv. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, state, or local health, law enforcement, or other appropriate agency.
 - (7) Make a good faith effort to maintain a drug-free workplace through implementation of paragraphs (3) (a) through (3) (f) of this Article.
- (d) Foss Maritime Company agrees by acceptance of this Agreement to not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this Agreement.
- (e) In addition to other remedies available to the Government, Foss Maritime Company failure to comply with the requirements of paragraph (3) or (4) of this Article may, pursuant to FAR 23.506, render the Recipient subject to suspension of contract payments, termination of the Agreement or default, and suspension or debarment.

ARTICLE 26 – CLEAN AIR AND FEDERAL WATER POLLUTION

(a) During performance of this Agreement, Foss Maritime Company will comply with all applicable Federal, state, and local laws and regulations including, but not limited to: the Clean Air Act (42 U.S.C. §7401 et seq.); and the Federal Water Pollution Control Act as amended (33 U.S.C. §1251 et seq.); the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); and the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act (42 U.S.C. § 651 et seq.)

(d) Any sub-awards in excess of \$100,000 shall contain a provision that requires Foss Maritime Company to agree to comply with all applicable standards, orders, or regulations issued pursuant to the above Acts. Violations shall be reported to the Federal awarding agency and the appropriate regulatory Agency or authority.

ARTICLE 27 – CERTIFICATIONS AND REPRESENTATIONS

The following Certifications, upon completion and signature by Foss Maritime Company, shall become a part of the Agreement:

(1) Attachment (a) – Disclosure of Lobbying Activities (SF LLL)(2)

FOR THE U. S. DEPARTMENT OF
TRANSPORTATION MARITIME
ADMINISTRATION (MARAD)



Delores Bryant
Agreements/Contracting Officer

Date: 09/26/2012

FOR THE RECIPIENT
FOSS MARITIME COMPANY

(Signature/Title)

Date: _____

STATEMENT OF WORK

Scope of Work for Foss Alta June project

The proposed project will demonstrate a more advanced version of Foss' hybrid retrofit system that will reduce emissions and fuel consumption on a conventional diesel-powered commercial harbor craft. The candidate marine vessel for this project, is the Alta June, a tug which currently assists ocean-going vessels and moves barges in San Pedro Bay. This will be achieved by fitting an existing tugboat with an advanced electric-drive system and associated control systems to create a hybrid diesel-electric propulsion system. The primary project objective is to demonstrate the near-term commercial potential for a hybrid retrofit technology package that could be available to a broad range of commercial harbor craft. Additional important objectives include the reduction of emissions and fuel consumption in two main ways: (1) by allowing the diesel engines to run at maximum efficiencies more often, and (2) by allowing the diesel engines to shut down completely when auxiliary generators are providing sufficient power for low horsepower operations. The project's success will be evaluated through emissions testing, a period of operational demonstration, and summary reports detailing completion of tasks and results.

The Alta June would be retrofitted with a larger auxiliary generator to replace the existing auxiliary generator, motor generators, and control systems. This retrofit design will also include solar panels to test their operational durability in use on a harbor tug. This retrofit design also has simpler control logic, diagnostics, and an additional mode of operation when compared with the first hybrid tug, Carolyn Dorothy. The system installed will be "battery-ready" – meaning that at a later point, batteries could be added and tied into the energy management system with fairly minimal modification. This design will enable the testing of a system that is markedly different than the one used on the Carolyn Dorothy. The Carolyn Dorothy is dependent on all of its power systems to operate – including energy storage in the batteries. The Alta June will demonstrate the use of a system in which energy storage is an optional component. The demonstration of various configurations is necessary to support the adoption of this technology by a highly diverse fleet. Proving an optional battery configuration has tremendous commercial value as both system complexity and cost are reduced in this option. Some operators have also expressed concern over the perceived risks of utilizing batteries in a marine environment. The flexibility offered by multiple configurations will allow tugboat owners to choose an option most closely tailored to their needs.

Once re-commissioned in Oregon, the vessel will be returned to Long Beach for return to regular in-use operation.

Technical Approach -- Emissions Testing

Vessel emissions will be evaluated by the University of California Riverside (UCR) team. These tests will take direct stack samples of emissions during trials both before and after the hybrid conversion as well as a durability test. After conversion the newly installed auxiliary engine will be tested after it has been "de-greened" after 200 operating hours. This engine will be tested again after the boat has been operating for 1,000 hours after conversion for durability to ensure the engine is still performing as expected. Emissions results for specific modes and engine loads

from the testing trials will be applied to the operational profile to calculate overall emission benefits.

Reporting

Status reports will be provided by Foss at three month intervals. The status reports will include such information as completed tasks, potential problems or risks, lessons learned, scheduling issues or challenges and projections for completion to both budget and schedule. A Final report will also be submitted upon project completion.

Tasks and projected Timeline

Key tasks to be completed and anticipated completion dates include the following:

Task	Task Description	Anticipated Dates
1	Contract completion-Notice to Proceed	November 2012
2	Begin machinery layout and system design	December 2012
3	First Quarterly report	January 2013
4	Purchase 350 Kw generator set	April 2013
5	Second Quarterly report	April 2013
6	Purchase Motor Generator sets	May 2013
7	Third Quarterly report	July 2013
8	Baseline Emissions Testing	September 2013
9	Fourth Quarterly Report	October 2013
10	Factory Acceptance testing of hybrid system complete	November 2013
11	Delivery to Shipyard	November 2013
12	Fifth Quarterly report	January 2014
13	Completion of shipyard modifications	January 2014
14	Vessel return to service	February 2014
15	Sixth Quarterly report	April 2014
16	Seventh Quarterly report	July 2014
17	1,000 hour emissions test	August 2014
18	Eighth Quarterly report	October 2014
19	Emissions report complete	November 2014
20	Final report	November 2014

Milestones and Disbursement Schedule

Anticipated Schedule of Grant Disbursements tied to Key Milestones is shown below:

Milestone	Anticipated Date	Disbursement Amount
Baseline Emissions Testing	September 2013	\$50,000
Vessel Delivery to Shipyard	November 2013	\$200,000
Completion of Shipyard Modifications	January 2014	\$200,000
Return to Service in Long Beach	February 2014	\$100,000
Final Emissions Testing	August 2014	\$50,000

