

To be filed with Clark County Auditor

INTERLOCAL AGREEMENT

Between

THE CITY OF VANCOUVER, WASHINGTON

And

CLARK COUNTY FIRE AND RESCUE

And

PORT OF ASTORIA

THIS IS AN INTERLOCAL AGREEMENT ("Interlocal"), entered into under the authority of the Interlocal Cooperation Act, Chapter 39.34 RCW and OSR 190.110(1) and ORS 190.420(2), between Clark County Fire and Rescue, a municipal corporation of the State of Washington ("Clark"), The Port of Astoria ("Astoria") and The City of Vancouver Washington, a municipal corporation of the State of Washington ("City"), to provide for the disbursement of certain grant funds by City ("Recipient") to Clark and Astoria ("Sub-Recipients") for the procurement and distribution of equipment, supplies and professional services in accordance with the Columbia Snake Willamette River System Port Security Grant Program ("Grant".)

WHEREAS, the Port Security Grant Program ("Program") awarded \$2,665,322.00 to the City of Vancouver, as grant administrator for the grant through April, 2014; and

WHEREAS, the City as grant administrator will coordinate the funding for three vessels capable of supporting the current resources on the Columbia River, as well as provide much needed assets with quick response capability in keeping the shipping channel open; and

WHEREAS, the parties are obligated, on behalf of themselves, and any other entity with whom they enter an agreement (such as the Program Sub Grantee Award Agreement between City and Merchants Exchange of Portland, Oregon) regarding these grant funds or equipment, supplies and purchased services therewith, to comply with all terms of the grant including, but not limited to, obligations regarding reporting, access to records, and supplanting of funds; and

WHEREAS, pursuant to Chapter 39.34 RCW (Interlocal Cooperation Act) and ORS 190.110(10 and ORS 190.420(2), one or more public entities may contract with one another to perform government services which each is by law authorized to perform; and

NOW, THEREFORE,

THE CITY and the SUB-RECIPIENTS agree as follows:

SECTION 1. PURPOSE. The purpose of this Interlocal is to permit the distribution of funds through a re-imbusement program by Recipient to sub-recipients for the acquisition of equipment, supplies and professional services to address certain events in a manner that fully complies with the provisions of the FY 2009 Port Security Grant Program for Regional CBRNE Quick Response Vessels.

SECTION 2. TERM. The term of this Interlocal shall be effective from the date last signed below and shall continue in effect until all mutual covenants expressed herein have been fully satisfied or until terminated as set forth below.

SECTION 3. TERMINATION. The City may terminate this Agreement in the event that a Sub-Recipient fails to comply with its obligations under this Agreement. If such termination is effected by the City, Sub-Recipient will be liable for the full cost to the Parties for any equipment or services provided for by those effected parties. The City will notify the Sub-Recipient, in writing, of its intention to terminate this Interlocal Agreement and the reasons therefore. Sub-Recipient shall have fourteen days, or such other time as the parties may agree, from the date of the notice, in which to correct its compliance failure. If compliance is not achieved, within such time, termination will take effect.

SECTION 4. OBLIGATION OF THE PARTIES. The parties agree as follows:

a. Recipient agrees as follows:

That it shall disburse grant funds received from the Grant for the acquisition of equipment, supplies and services, as provided for in Exhibit (1)

b. Sub-Recipients agree as follows:

(1) To meet all terms and conditions and to assume all applicable risks of this intergovernmental agreement Exhibit (1) hereto and incorporated herein by this reference, as to any and all funds disbursed or distributed by City to Sub-Recipients under this Interlocal Agreement.

(2) To indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all risks, liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the performance of this Interlocal; and further, to comply with all the obligations, and be bound by any limitations, applicable to Recipient under the Grant.

In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the City, the City retains the right to participate in said suit if any principal of public law is involved.

This indemnity and hold harmless shall include any claim made against the City by an employee of either Sub-Recipient or subcontractor or agent of Sub-Recipients, even if Sub-Recipients are thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW or ORS 30.265.

By signing this Agreement Sub-Recipients state that they have each read the Award Conditions and Certifications and are authorized to be and are in agreement therewith.

SECTION 5. AMENDMENT. This Agreement may only be amended by written agreement of the parties approved by their respective legal representatives.

SECTION 6. ORGANIZATION. No separate legal or administrative entity is created by this Agreement and this Interlocal Agreement does not affect the organization or functions

of the parties, except as may be provided herein. The City and each Sub-Recipient shall be generally responsible to and for their own legislative authority and personnel.

SECTION 7. BUDGET AND FINANCE. Except for the disbursement of funds through a re-imbusement program or the distribution of equipment, supplies or services as listed in Exhibit (1), this Agreement does not affect the authorized budgets of the parties.

SECTION 8. DISPOSITION OF PROPERTY. Upon completion or termination of this Interlocal Agreement, all property or supplies acquired by any party under this Agreement shall remain the property of that party, with a continued obligation to the federal government until a request for unconditional transfer of title is approved by the DHS FEMA GSPG..

SECTION 9. NOTICE. Any notices to be given under this Agreement shall at minimum be delivered, postage prepaid and addressed to:

To the City:

CITY OF VANCOUVER
P.O. Box 1995
Vancouver, Washington 98668-1995
Attention: Steve Eldred

To Clark County Fire and Rescue:

CLARK COUNTY FIRE AND RESCUE

Attention:

To the Port of Astoria:

PORT OF ASTORIA

Attention:

The name and address to which notices shall be directed may be changed by each party giving the other notice of such change as provided in this section.

SECTION 10. WAIVER. No waiver by either party of any term or condition of this Interlocal shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach, whether of the same or different provision.

SECTION 11. INTERLOCAL COOPERATION ACT COMPLIANCE. This is an Agreement entered into pursuant to Chapter 39.34 RCW and ORS 190.110(1) and ORS 190.420(2). This Interlocal sets forth the purpose, duration, costs, term, termination and extensions as required by statute. No property shall be acquired pursuant to this Interlocal which will need to be disposed of upon partial or complete termination of this Interlocal.

SECTION 12. ENTIRE AGREEMENT. This Interlocal contains all of the agreements of the parties with respect to the subject matter covered or mentioned therein, and no prior Agreements shall be effective to the contrary.

SECTION 13. GOVERNING LAW. All disputes between the parties shall be resolved under the laws of the State of Washington and in the courts of Clark County unless otherwise agreed, in writing, by the parties.

SECTION 14. SUCCESSORS IN INTEREST. The terms of this Agreement shall be binding upon the successors and assigns of each Party hereto.

SECTION 15. DOCUMENT EXECUTION AND FILING. The parties agree that there shall be three (3) duplicate originals of this Agreement procured and distributed for

signature by the necessary officials of each party hereto. Upon execution, the executed duplicate of this Agreement shall be returned to the Vancouver City Clerk and one shall be retained by each party hereto. The Vancouver City Clerk shall cause a copy of this Agreement to be posted on the City web site pursuant to RCW 39.34.040. Upon execution of the signed originals and posting of a copy on the City's web site, each such duplicate original shall constitute an agreement binding upon all parties hereto.

SECTION 16. RATIFICATION. Acts taken in conformity with this Interlocal prior to its execution are hereby ratified and affirmed.

SECTION 17. SEVERABILITY. If any section or part of this Interlocal is held by a court to be invalid, such action shall not affect the validity of any other part of this Interlocal.

IN WITNESS WHEREOF, the City, Clark County Fire and Rescue and the Port of Astoria have caused this Interlocal to be executed in their respective names by their duly authorized officers and have caused this Interlocal to be dated as of the 1ST day of December, 2012.

FOR CLARK COUNTY FIRE AND RESCUE

Approved as to Form:

By: SIGNATURE ON FILE

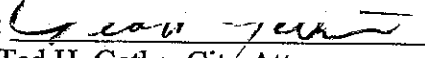
By: [Signature]

CITY OF VANCOUVER, a municipal corporation

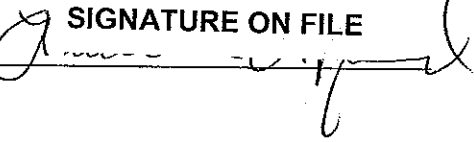
By: SIGNATURE ON FILE
Eric Holmes, City Manager

By: SIGNATURE ON FILE
Lloyd Tyler, City Clerk *Carme Sewellen*
Approved as to form: *Deputy City Clerk*

SIGNATURE ON FILE

By: 
Ted H. Gathe, City Attorney


PORT OF ASTORIA,

By:  **SIGNATURE ON FILE**

Approved as to Form:

By: _____

Exhibit A

| | | | | |
|---|--|--|-----------------------------|------------------------------|
|  Department of Homeland Security FEMA Grant Programs Directorate | | Cooperative Agreement | | PAGE 1 OF 3 |
| 1. RECIPIENT NAME AND ADDRESS (Including Zip Code) Merchants Exchange of Portland 200 Southwest Market Street, Suite 190 Portland, OR 97201 | | 4. AWARD NUMBER: 2009-PU-T9-K050 | | |
| | | 5. PROJECT PERIOD: FROM 06/01/2009 TO 05/31/2012 BUDGET PERIOD: FROM 06/01/2009 TO 05/31/2012 | | |
| | | 6. AWARD DATE 07/17/2009 | 7. ACTION Initial | |
| 1A. GRANTEE IRS/VENDOR NO. 930224840 | | 8. SUPPLEMENT NUMBER 00 | | |
| | | 9. PREVIOUS AWARD AMOUNT \$ 0 | | |
| 3. PROJECT TITLE FY 09 Port Security Grant Program | | 10. AMOUNT OF THIS AWARD | | \$ 3,238,369 |
| | | 11. TOTAL AWARD | | \$ 3,238,369 |
| 12. SPECIAL CONDITIONS THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS ARE SET FORTH ON THE ATTACHED PAGE(S). | | | | |
| 13. STATUTORY AUTHORITY FOR GRANT This project is supported under Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. No. 110-329 | | | | |
| 15. METHOD OF PAYMENT PARS | | | | |
| AGENCY APPROVAL | | GRANTEE ACCEPTANCE | | |
| 16. TYPED NAME AND TITLE OF APPROVING DHS OFFICIAL W. Ross Ashley, III Assistant Administrator, Grant Programs Directorate | | 18. TYPED NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL Elizabeth Wainwright Executive Director | | |
| 17. SIGNATURE OF APPROVING DHS OFFICIAL SIGNATURE ON FILE | | 19. SIGNATURE OF AUTHORIZED GRANTEE OFFICIAL SIGNATURE ON FILE | | 19A. DATE 07/20/09 |
| AGENCY USE ONLY | | | | |
| 20. ACCOUNTING CLASSIFICATION CODES FISCAL FUND BUD. DIV. YEAR CODE ACT. OFC. REG. SUB. POMS AMOUNT 9 T PU 10 00 00 3238369 | | 21. PU09V40090 | | |

09



Department of Homeland Security, FEMA
Grant Programs Directorate

July 17, 2009

Washington, D.C. 20531

Ms. Elizabeth Wainwright
Merchants Exchange of Portland
200 Southwest Market Street, Suite 190
Portland, OR 97201

Dear Ms. Wainwright:

I am pleased to inform you that the Grant Programs Directorate has approved the application for funding under the FY 09 Port Security Grant Program in the amount of \$3,238,369 for Merchants Exchange of Portland. As part of the Department of Homeland Security's (DHS) Infrastructure Protection Activities (IPA), the FY 2009 Port Security Grant Program is an important component of a coordinated, national effort to strengthen the security of America's critical infrastructure.

Enclosed you will find the Grant Award and Special Conditions documents. This award is subject to all administrative and financial requirements, including the timely submission of all financial and programmatic reports, resolution of all interim audit findings, and the maintenance of a minimum level of cash-on-hand. Should you not adhere to these requirements, you will be in violation of the terms of this agreement and the award will be subject to termination for cause or other administrative action as appropriate.

If you have questions regarding this award, please contact:

- Program Questions, Kathleen Baker, Program Manager at (202) 746-5652;
- Financial and Payment Questions, Grants Management Division (GMD) at (866) 927-5646, or send an email to ask-GMD@dhs.gov.

Congratulations, and we look forward to working with you.

Sincerely,

W. Ross Ashley, III
Assistant Administrator, Grant Programs Directorate

Enclosures



Department of Homeland Security
FEMA
Grant Programs Directorate

**AWARD CONTINUATION
SHEET**
Cooperative Agreement

PAGE 2 OF 3

PROJECT NUMBER 2009-PJ-T9-K050

AWARD DATE 07/17/2009

SPECIAL CONDITIONS

1. The grantee and any subgrantee shall comply with the most-recent version of the Administrative Requirements, Cost Principles, and Audit Requirements. A non-exclusive list of regulations commonly applicable to DHS grants are listed below:

A. Administrative Requirements

1. 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
2. 2 CFR Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110)

B. Cost Principles

1. 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87)
2. 2 CFR Part 220, Cost Principles for Educational Institutions (OMB Circular A-21)
3. 2 CFR Part 230, Cost Principles for Non-Profit Organizations (OMB Circular A-122)
4. Federal Acquisition Regulations (FAR), Part 31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations

C. Audit Requirements

1. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
2. Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of FEMA.
3. The recipient agrees that all allocations and use of funds under this grant will be in accordance with the FY 2009 Port Security Grant Program guidance and application kit.
4. The Department of Homeland Security (DHS) has elected to enter into cooperative agreements with FY 2009 Port Security Grant Program (PSGP) funding recipients for projects taking place within port areas identified as Group I or Group II ports within the FY 2009 PSGP Guidance and Application Kit. The nature of the Federal involvement in the execution of this program may include joint conduct of a Group I or Group II project. Other examples of prospective substantial Federal involvement include the following:
 - Collaboration, participation, and/or intervention in any Group I or Group II activity covered by the cooperative agreement;
 - Approval from DHS prior to the selection of a new Group I or Group II project or commencement of the next phase of an approved Group I or Group II project;
 - Authority for DHS to halt a Group I or Group II activity if detailed performance specifications are not met;
 - Authority for DHS to direct or redirect the scope of work of a Group I or Group II project based on new circumstances; and,
 - Authority for DHS to require Group I or Group II award recipients (including Sub recipients) to participate in a port wide risk management planning project



Department of Homeland Security
FEMA
Grant Programs Directorate

**AWARD CONTINUATION
SHEET**
Cooperative Agreement

PAGE 3 OF 3

PROJECT NUMBER 2009-PJ-T9-K050

AWARD DATE 07/17/2009

SPECIAL CONDITIONS

5. The grantee is prohibited from obligating, expending or drawing down funds provided through this award until a Budget Review is completed and approved by the Grants Management Division (GMD) and an official notice has been issued removing this special condition.
6. The grantee is prohibited from obligating, expending or drawing down funds provided through this award until all applicable programmatic documents are provided to and approved by the program office and an official notice has been issued removing this special condition.
7. The grantee is prohibited from obligating, expending or drawing down funds provided through this award until all applicable programmatic documents are provided for and approved by a DHS/FEMA Environmental and Historic Preservation review and an official notice has been issued removing this special condition.
8. Radiological detection equipment must be compliant with applicable national guidelines adopted by the U.S. Department of Homeland Security, including ANSI N323B-2003, ANSI N42.32-2003, ANSI N42.33-2003, and ANSI N42.35-2004.



Department of Homeland Security
FEMA
Grant Programs Directorate

**GRANT MANAGER'S MEMORANDUM, PT. I:
PROJECT SUMMARY**
Cooperative Agreement

PROJECT NUMBER
2009-PU-T9-K050

PAGE 1 OF 1

This project is supported under Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. No. 110-329

1. STAFF CONTACT (Name & telephone number)

Kathleen Baker
(202) 746-5652

2. PROJECT DIRECTOR (Name, address & telephone number)

Elizabeth Wainwright
Executive Director
200 Southwest Market Street, Suite 190
Portland, OR 97201
(503) 228-4361

3a. TITLE OF THE PROGRAM

FY 09 Port Security Grant Program

3b. POMS CODE (SEE INSTRUCTIONS
ON REVERSE)

4. TITLE OF PROJECT

FY 09 Port Security Grant Program

5. NAME & ADDRESS OF GRANTEE

Merchants Exchange of Portland
200 Southwest Market Street, Suite 190
Portland, OR 97201

6. NAME & ADDRESS OF SUBGRANTEE

7. PROGRAM PERIOD

FROM: 06/01/2009 TO: 05/31/2012

8. BUDGET PERIOD

FROM: 06/01/2009 TO: 05/31/2012

9. AMOUNT OF AWARD

\$ 3,238,369

10. DATE OF AWARD

07/17/2009

11. SECOND YEAR'S BUDGET

12. SECOND YEAR'S BUDGET AMOUNT

13. THIRD YEAR'S BUDGET PERIOD

14. THIRD YEAR'S BUDGET AMOUNT

15. SUMMARY DESCRIPTION OF PROJECT (See instruction on reverse)

Through this accord, the Merchants Exchange of Portland will use grant funding in the amount of \$3,238,369 from the Fiscal Year 2009 Port Security Grant Program (PSGP) for costs related to enhancing the Nation's port and maritime infrastructure to prevent, protect, respond to, and recover from threats or acts of terrorism. Projects will be determined by the cooperative agreement and grant award processes. These funds are intended to create a sustainable, risk-based effort for the protection of critical port infrastructure from terrorism, especially explosives and non-conventional threats that would cause major disruption to commerce and significant loss of life.

Project 1 consists of the implementation of projects supporting the approved Port Wide Risk Management/Mitigation Plan with a federal award amount of \$3,238,369.



Department of Homeland Security, FEMA

Grant Programs Directorate

Washington, D.C. 20531

Memorandum To: Official Grant File

From: Jeffrey Hall, GPD NEPA Liaison

Subject: Incorporates NEPA Compliance in Further Developmental Stages for Merchants Exchange of Portland

The recipient shall comply with all applicable Federal, State, and local environmental and historic preservation (EHP) requirements and shall provide any information requested by FEMA to ensure compliance with applicable laws including: National Environmental Policy Act, National Historic Preservation Act, Endangered Species Act, and Executive Orders on Floodplains (11988), Wetlands (11990) and Environmental Justice (12898). Failure of the recipient to meet Federal, State, and local EHP requirements and obtain applicable permits may jeopardize Federal funding. Recipient shall not undertake any project having the potential to impact EHP resources without the prior approval of FEMA, including but not limited to communications towers, physical security enhancements, new construction, and modifications to buildings that are 50 years old or greater. Recipient must comply with all conditions placed on the project as the result of the EHP review. Any change to the approved project scope of work will require re-evaluation for compliance with these EHP requirements. If ground disturbing activities occur during project implementation, the recipient must ensure monitoring of ground disturbance and if any potential archeological resources are discovered, the recipient will immediately cease construction in that area and notify FEMA and the appropriate State Historic Preservation Office. Any construction activities that have been initiated prior to the full environmental and historic preservation review will result in a non-compliance finding.

Exhibit B

FY 2009 PORT SECURITY GRANT PROGRAM (PSGP)

Columbia Snake Willamette River System Investment Justification Template

| | |
|-------------------------------|--|
| Investment Heading | |
| Port Area | Columbia-Snake River System |
| State | Washington |
| Applicant Organization | City of Vancouver Fire Department |
| Investment Name | Regional CBRNE Quick Response Vessels |
| Investment Amount | \$2,665,322.00 |

I. Background

I. Provide an overview of the port system in which this investment will take place

Response

Area of Operations: The proposed investments focus on the Columbia-Snake River System. The geographic area covered by this investment will benefit the tidal and navigable waterways within this region from the mouth of the Columbia River up river to the Bonneville Dam.

The Captain of the Port for the Columbia, Snake River System is Captain Bruce Jones, United States Coast Guard – Sector Columbia River.

The identified eligible port area is the Columbia-Snake River System; This port area incorporates a number of port facilities throughout the Sector which collectively make up a cohesive economic and trade dependent region.

The bi-state infrastructure within this area includes the Bonneville Power Administration's Bonneville Dam, four interstate bridges, a railroad bridge that connects the north, south rail hub to the east. The river is also crossed in multiple locations with overhead power lines that are an integral part of the northwest power grid, underwater communications lines as well as underwater pipelines running between Portland, through Vancouver to northern Washington. In addition the area is served by an international airport on the Oregon shore of the river. The Columbia River is used as a glide path for planes arriving and departing Portland International as well as a designated "ditching location" for planes in trouble.

Organizations Authorizing Official: Chief Joseph Molina, Vancouver Fire Department, 7110 NE 63rd ST Vancouver WA 98661, 360-487-7201

Organization's primary point of contact for management of the project(s):
Division Chief Stephen Eldred, Vancouver Fire Department 7110 NE 63rd ST, Vancouver WA 98661 360-487-7206

Ownership/Operation: The departments involved with this request are member departments of the local consortium of fire jurisdictions, port facilities and the shipping industry that provide support in the event of an emergency that would impact shipping in the area. The City of Vancouver Fire Department, Clark County Fire and Rescue and the Astoria Fire Department will be the recipients of the vessels and provide response as agreed through current mutual aid agreements, regional Homeland Security and UASI agreements.

The Role of the Agency in Providing Layered Protection of Regulated Entities: The ports and related areas of the Lower Columbia are a significant economic importance to the cities and regions it serves. A recent article in Digital Communities magazine stated that, "when Portland and Vancouver are viewed as one regional entity, their ports make up the ninth most trade-dependent economy in the United States (Beard 2008)". The port area of the Lower Columbia River has developed a unique yet very functional consortium of fire jurisdictions, port facilities and the shipping industry to provide support in the event of an emergency that would impact shipping in the area. Maritime Fire Safety Association (MFSA) has virtually every fire agency on the Columbia from its mouth at Astoria Oregon up river to Portland and Vancouver has agreed to automatic mutual aid for vessel or port-based incidents. With the help of MFSA pooled equipment a coordinated response plan has been implemented and is practiced annually. Although MFSA has no self propelled vessels of its own, with firefighting, rescue or security capabilities, it maintains pollution control equipment and supplies as well as firefighting equipment at several sites along the Columbia. Just as with fire incidents, however, the MFSA member fire agencies are expected to provide the initial response and mitigation measures. As with other river and port problems, mobility on the water is key to quick response.

Important Features (Nature of Operations): The Portland and Vancouver port area is a busy seaport that impacts commerce in the area and on the river from Idaho to the mouth of the Columbia, any disruption of service on the river can have lasting affect to the region. Disasters be they man made or natural are a significant risk to the area. On May 18th 1980, Mt. St. Helens erupted causing a mud and debris flow that reached the shipping channels of the Columbia River. These flows closed all shipping on the river and stopped river traffic to the ports of Portland, Vancouver, Kalama and Longview. Mt. St. Helens is still an active volcano and capable of similar eruptions in the future. This region is also considered to be at high risk for major earthquakes. Because of the underlying geology, some areas of Vancouver and Portland near the river are vulnerable to especially severe damage. These areas include both ports of Vancouver and Portland as well as significant downtown core areas of both cities.

The ports of Portland and Vancouver as well as the river system have a significant military presence at times throughout the year. Naval ships use the cities as ports of call for liberty and use local dry dock facilities for repair. Vancouver has recently hosted a 950 foot Navy Military Sealift Command vessel moored in its port. The port of Portland has one of its terminals directly across the Columbia from the port of Vancouver. This facility is a strictly container handling facility and considered a vulnerable target for terrorist threat. In addition the Army Corps of Engineers have recently completed an aggressive channel deepening project that has increased the depth of the river channel from the mouth of the river to the Portland, Vancouver ports. This project alone is expected to not only increase the number of ships in the river but allow

larger heavier ships to navigate the river. The Port of Vancouver is also in the process of significantly expanding the port facility almost doubling its size and capacity. This project will add additional ship berths for on and off loading of cargo. One of the port tenants is also a terminal agent for US Military fuel stock pile storage. In addition a bi-state commission has been working diligently over the past years to develop, design, and implement a new interstate bridge between Portland and Vancouver. This structure is slated to be built on the east boundary of the Port of Vancouver and expected to be 12 lanes wide. This structure is in the Interstate 5 highway system and the primary arterial between Southern California through Oregon, Washington and into Canada and is a primary truck line from the Puget Sound ports and points south. And finally the City of Vancouver is in the process of revitalizing its river front and reclaiming significant water front property. The construction plans have been submitted for significant construction of high rise structures in the area along the water front adjacent to the Interstate 5 bridge and the east side of the Port of Vancouver. The Port of Ridgefield is also involved with a significant expansion and reclaiming of water front property as they build out for the future.

Describe any other operational issues you deem important to the consideration of your application (e.g., interrelationship of your operations with other eligible high-risk ports, etc.) The jurisdictions identified in this proposal are responsible for providing service within the Columbia River system from the City of Camas on the Washington side of the river to the Ridgefield National Wildlife Refuge; to the City of Astoria on the Oregon side of the river some 115 miles down river. A Regional quick response vessel capability should be able to respond to any incident on the river or its shoreline, the boat's design and fittings must afford true multi-mission capabilities to include; fire fighting, EMS, rescue and environmental protection as well as capabilities to support response and recovery to terrorist incidents, atmospheric monitoring and water side security response. Further, the vessels must be truly self-contained; must be able to travel significant distances; and must have the ability to remain on-scene for extended periods of time. This investment also addresses objectives identified in the *Columbia-Willamette-Snake River System Risk Management and Resiliency Planning Project (September 2009)* and *gaps identified by the Columbia River Scoping Project Technical Report (November 2011)*, each commissioned by the AMSC.

Objective 1.2 *Ensure effective coordination of Sector Columbia River Area Maritime Security Plan (AMSP) with other emergency response/recovery plans in effect across the region.*

Gap: Significant improvements and enhancements are necessary to provide a cost-effective and efficient maritime security and emergency response capability within the Marine Transportation System. These improvements and enhancements are in the forms of additional equipment, personnel/training, and administrative actions to promote interagency coordination and provide services to enhance the Department of Homeland Security prevent, protect, respond, and recovery mission elements.

Objective 3.1. *Engage regional MTS stakeholders as an added means of prevention, protection and response.*

Gap: A review and comparison of three alternative strategies and concepts of operation for marine firefighting leads to the conclusion that a combined public/private strategy offers the greatest benefits for a regional response system in terms of practicality, sustainability, cost-effectiveness, and operational effectiveness. Providing these vessels will enable the recipients to be available and on the water more often than they are currently and have a viable resource to support prevention, protection and response.

Objective 3.2. *Enhance the protection of key bridges.*

Gap: The ability of local responders to be on the water also provides an opportunity for regular surveillance of the infrastructures that cross the local waterways and in-turn provides an early response capability to support infrastructures. Land-based capabilities are not sufficient to protect the most vulnerable portions of the Marine Transportation System.

Objective 3.3. *Enhance the protection of key terminals and storage facilities.*

Gap: The current situation on the Lower Columbia has limited availability of vessels that can support waterside security and response.

Objective 3.4 *Enhance law enforcement prevention, protection, and response capabilities within the regional MTS.*

Gap: Providing response capable vessels and partnering with law enforcement agencies provides an added layer of protection and response to the waterside of facilities and enhances security and protection.

Objective 3.5. *Proactively prepare for the introduction of new risks to the regional MTS.*

Gap: Preparing now and providing resources to an ever changing and quickly growing MTS puts resources in place that are available as the area continues to grow. It also puts systems in place that provides training and daily functionality that will have our responders more prepared in a quickly developing economic dependent area. Many of the fire service mission area capabilities identified in the threat planning scenarios currently exist, but in most cases are limited to land-based responses. The Area Maritime Security Committee should focus on enhancing waterside marine firefighting capabilities that will mitigate the identified worst-case firefighting scenario, and the ability to get these resources on scene on the river system with the ability to provide additional fire flow capacity of 12,000 gallons per minute and 6,000 to 12,000 gallons of foam concentrate, depending on the type of foam selected. In addition the number of rapid response assets with appropriate capabilities to manage vessel fires and other emergencies when vessels are not at pier is insufficient.

Objective 3.6 *Enhance the protection of key core infrastructure (i.e., locks and dams) within the regional MTS.*

Gap: Waterside capabilities are not able to adequately address the all-hazards, risk-based threat planning scenarios identified through other studies and reports. Emergency response assets are not able to reach all critical infrastructure and key resources on the Marine Transportation System within reasonable timeframes.

Objective 4.1 *Reduce risk to the regional MTS from single points of failure and choke points (i.e., navigation lock)*

Gap: All recommended risk mitigation measures that have been pointed out in vulnerability/risk assessments have been land-based and virtually no waterborne security measures have been taken. There are currently no firefighting vessel capabilities available to any of the locks and dams in the MTS. On-site firefighting capabilities consist of fire extinguishers and land-based firefighting by local fire departments.

Objective 4.4 Refine the process for emergency decision-making following loss or disruption of Aids to Navigation and/or regulated facilities

Gap: Having response capable vessels will aid in response to situations that may occur due to loss of an Aid to Navigation (ATON) as well as provide a resource that is capable of evaluating and reporting to proper authorities the condition of ATONs.

"The enhancement of agencies' with capable response vessels will reduce risk by ensuring that the response vessels of first responder agencies, with marine jurisdiction remains capable and efficient. Enhancement and expansion of first responder agencies' response vessels will also mitigate the risks posed should an incident occur, such as life, safety, economic loss, and environmental damage."

II. Strategic and Program Priorities

II.A. Provide a brief abstract of the Investment

Response

Narrative: This proposal is to fund three vessels capable of supporting the current resources on the Columbia River as well as provide much needed assets with quick response capability. In 2009 the AMSC approved funding to create the *Columbia-Willamette-Snake River System Risk Management and Resiliency Planning Project (September 2009)* also known as "The Plan". In 2011 the AMSC commissioned a second project, the *Columbia River Scoping Project Technical Report (November 2011)* to determine gaps in the Columbia River port area. The Technical report addressed nine (9) objectives identified in "The Plan" and made recommendations to start closing those gaps. This proposal places assets to support the MDA by providing quick response and aid in keeping the shipping channel open. This proposal takes steps to place assets at identified vulnerable locations along the river with jurisdictions that have capabilities to respond to incidents, staff the vessels and provide for long term maintenance of these assets. These resources would fall under current response agreements of MFSA and be subject to respond to member facilities as outlined in the agreement. The Boats would be positioned at Vancouver Fire Department, Clark County Fire and Rescue and Astoria Fire Department. By specifying vessels that are capable to sustain themselves on an initial incident yet be part of a regional tiered response capability. With this proposal a majority of the Lower Columbia River would have access to a quick response vessel. These boats would be able to respond with varying capability to support and sustain each other, ships, ports, cities along the river and vital infrastructures that connect the states of Oregon and Washington. The vessels will be up to current safety and response standards for conducting year-round Homeland Security maritime patrols, enforcement of established USCG safety and security zones and for providing swift response to vessels that present a threat of delivering IEDs against the areas critical infrastructure and provide a resource to aid in the ports recovery after an incident. With the capability of extreme maneuverability and achieving adequate speeds to address potential emergencies as well as having the latest technology to see through the nighttime would provide the responders with a new capability to address many potential incidents. Having these capabilities would also enhance an all hazards response to natural disasters, manmade incidents and hazardous materials incidents and spills.

Proposed Mitigation:

To purchase (1) type IV Response Vessel. This watercraft would be fully equipped to meet NFPA standards and equipped and capable of year-round use, having appropriate equipment, a cabin area with heat and air conditioning, aluminum hull configuration, and enhanced state of the art electronics to include: radar, GPS, thermal, night vision camera capabilities, underwater scanning, and air monitoring capability. This vessel would have response capability from the Portland Vancouver area down river to the mouth of the Columbia River.

To purchase (2) type V Response Vessels that could be utilized for maritime security patrol functions and response to maritime incidents. The vessel would include an electronics package and have the capability of operating in shallow water, thus having the ability to address a small craft threat and would be trailerable for support on the upper Columbia River.

This proposal addresses some first steps toward closing identified gaps in the Columbia Snake River Scoping Project. These assets are identified as part of "Option A" of the scoping project and represent a portion of the equipment and planning identified to complete the project in the future. This investment is part of a continuing project that will be addressed in future grant requests in an effort to continue to close identified gaps.

II.B. Describe how the Investment will address one or more of the PSGP priorities and Area Maritime Security Plan or COTP Priorities (how it corresponds with PRMP for Group I and II)

Response

Enhancement of Maritime Domain Awareness: This Investment reflects a strategic goal to integrate a layered approach throughout the Region which will enhance a well-coordinated response to maritime threats and any all-hazard response.

Enhance Regional Planning and Coordination; Placing these assets requires local responders that receive them to develop coordinated response plans to support a tiered all hazards capability and integrate existing assets into a regional plan that supports the MTS.

Enhancement of prevention, protection, response and recovery capabilities: *The Columbia River Scoping Project Technical Report (November 2011)* concluded the following as primary risk to the MTS and that a tiered response capability with waterside supported assets will have an impact on these areas.

1. Marine accidents and natural hazards present the greatest level of risk to the core infrastructure, followed by terrorism.
2. The types of hazards most likely to impact the MTS are those that would have significant economic consequences. (USACE 2009b)

3. Risk assessments concluded that the potential blockage of the navigation channel on the Lower MTS and the locks on the Upper MTS present the areas of greatest concern within the core infrastructure. The cascading economic consequences of a loss of functionality of the core MTS would have a significant impact on the overall system.

4. The threat planning scenarios from prior studies identify the potential consequences and the fire service related capabilities required to mitigate the consequences. These threat planning scenarios could result in a temporary or long-term blockage of the navigation channel/lock or other significant impact if not mitigated in a timely and effective manner. Funding quick response vessels for the port area will have an impact and affect on each area listed above.

Enhancement of Improvised Explosive Device (IED) and Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE) Prevention, Protection Response and Supporting Recovery Capabilities: The following fire service waterside capabilities are needed to effectively prevent or

mitigate the consequences of the identified threat planning scenarios:

Marine firefighting capabilities are limited and most often rely on one agency to provide this capability throughout the MTS.

Search and rescue capabilities are limited to a few agencies that have adequate vessels and equipment that can be underway within minutes.

WMD/HazMat response capabilities are limited. The resources and personnel to support this capability on the water are available if appropriate vessels were in place to respond to these events.

MDA/security related capabilities are primarily supported with vessels of opportunity. There is a limited availability of resources to support a regular, coordinated capability to MDA.

MTS recovery related capabilities have very limited resources to support and aid MTS recovery within the first few hours to first few days

Enhancement of Regional MTS Resilience and Recovery Capabilities:

By providing the Lower Columbia responders with response vessels that have enhanced capabilities, the consortium of responders will be better prepared to prevent, detect, respond and recover from a terrorist act or all hazards event that occurs throughout the area. This Investment is consistent with efforts directed towards a "Best Practices" approach to enhancing first responder capabilities that are regionally located will benefit the Port area by creating a more prepared and efficient maritime response to prevent and respond to maritime incidents, thereby buying down risk posed by IEDs and other explosive devices." As well as environmental incidents, natural and man made and aiding local ports in recovery after an incident.

Training and exercises: Mitigation of risk to the port area will occur as a result of standardized training provided to local responder with maritime jurisdiction. With the philosophy that the local responders and MFSA (Maritime Fire Safety Association) employ standardization for training and equipment, this Investment will directly support the agency's efforts for regionalization of sufficient assets to address a maritime incident or threat. This Investment calls for the purchase of three response vessels that will incorporate the standardized training and use of these vessels. According to the Department of Homeland Security "Small Vessel Security Strategy" report dated April 2008, "Successful small vessel risk reduction will require close coordination and cooperation between federal agencies, state, local governments." This coordination and cooperation must be grounded in standardized training to allow for the enhanced joint prevention and response efforts directed towards maritime threats. These assets will also integrate into current capabilities and enhance a tiered response and support function.

III. Impact

III.A. Describe how the project offers the highest risk reduction potential at the least cost.

Response

How this investment will reduce risk in a cost effective manner. (E.g., reduce vulnerabilities or mitigate the consequences of an event) by addressing the needs and priorities identified in earlier analysis and review:

In preparing and planning for response on the Lower Columbia River a significant area below Vancouver to Astoria has been identified as having very limited response capability for river incidents. Each of the agencies identified that have or have had a marine response capability either have an inadequate vessel for response, have a vessel that is not designed to provide response in the environment identified, have significantly dangerous issues with structural integrity, are not adequate for moving of people or equipment or are located in an area that needs the resource to support current infrastructure, planning and response for the region. The area has significant need for response to the shipping channel, infrastructure, air travel and commerce in the area and current assets are stretched due to current and expected growth in

the area. Investing in this justification will provide quick emergency response within the 115 mile Lower Columbia and provide added assets for local authorities in the event of heightened levels of security as well as being able to provide support and response for environmental incidents and port recovery in the event of an incident in the shipping channel or at any of the ports on the Lower Columbia.

III.B. Describe current capabilities similar to this Investment

Response

Describe how many agencies within the port have existing equipment that are the same or have similar capacity as the proposed project.

Marine response services historically have been, and continue to be provided by other agencies with, in some cases, differing missions. For instance, Multnomah County Sheriff's office provides services on the Columbia River in Portland. The Multnomah Sheriff's Office, responds to 911 and radio calls for aid. The majority of the responses involve distress issues and boater safety. The River Patrol has been responding to both shores of the Columbia River for many years. They have seen an increase in requests for service and acknowledge that river incidents are costly to the victims and are likely to cause serious injury or death. They admit that they respond to situations that tax their immediate resources. River Patrol members explained that they usually are first to arrive and if they don't assume fire and first aid rescue practices they'd wait an extended period of time for help to arrive. This help is usually the fireboat from the Portland Fire Bureau, moored at Station 17 on the south side of Hayden Island.

Portland Fire Boat 17 and Rescue Boat 17 are cross staffed with personnel from Engine 17, located on Hayden Island. Fire Boat 17's response time to portions of the Columbia River north of the island require the vessel to maneuver through a slough using a maximum wake speed designed not to harm other vessels at moorage. This speed constraint has the effect of drastically slowing response to the Vancouver side of the Columbia River when traveling at maximum allowable speed in the slough Fire Boat 17 has a 30 minute response to the main channel of the river. Rescue Boat 17 is moored on the river side of Hayden Island and does allow for a slightly quicker response into the river. Rescue Boat 17 is just that, a rescue boat, and has no firefighting capabilities. Station-17 has the ability to respond with only one of the 3 apparatus assigned to that station at a time.

The Clark County Sheriff's Office has a boat moored within the property of the Port of Vancouver. It is staffed, as needed by employees of the Sheriff's Office whose responsibilities also include waterborne patrol of all county navigable waters. The vessel's mission is limited primarily to boater assistance, law enforcement and routine patrol. They do not possess emergency medical response nor firefighting capabilities.

The Port of Portland operates an emergency response vessel in conjunction with the operation of the Portland International Airport. The vessel's mission is to provide emergency rescue services for victims of aircraft accidents on the Columbia River. The Port of Portland vessel will help other agencies perform rescues not associated with airport operations when they do not conflict with their obligation to be on "standby" for the operation of the airport.

The Vancouver Fire Department operates a small rescue boat, RB1. The vessel is cross staffed primarily by an engine or truck company. RB1 is currently moored at Vancouver Landing on the east end of the Port of Vancouver. This boat is a 17 ft AMBAR surplus boat purchased from the US Coast Guard. The vessel is in service as a limited capacity rescue boat which can haul three crew members or two crew and one victim. It has no firefighting capability. This boat would be replaced in this proposal.

Clark County Fire and Rescue has a surplus Sheriffs boat. This boat is moored in the area of the Port of Ridgefield and is capable of rescue response only. The boat has been in service with the Clark County Sheriffs office for 20 years. It has no permanent fire fighting capability and limited ability to treat or transport patients. This vessel is located about 15 miles down river from Vancouver. This is an old patrol boat and has no capability to support port recovery. This boat would also be replaced with this proposal.

Astoria Fire Department has a surplus vessel purchased from the City of Portland. This vessel is currently out of the water with severe corrosion to the hull and propulsion system it is un-sea-worthy and to costly to repair. This vessel is located 90 miles down river from Vancouver. This boat would also be replaced with this proposal.

The Portland UASI encompasses much of the area affected by this proposal and the City of Vancouver is a recipient of assets to support response within the Portland UASI. The UASI region supports regional response and asset sharing to meet the National Preparedness Guidelines to provide an all-hazards vision regarding the Nations preparedness objectives.

The region is also served by Washington DHS Region 4 which includes the four county area of southwest Washington. Washington Region 4 also supports regional response and asset sharing to meet the National Preparedness Guidelines to provide an all-hazards vision regarding the Nations preparedness objectives

The City of Vancouver has also entered into an agreement with DHSP Region 4 to be the regional response agency for USAR, Flood Water and Technical Rescue. Vancouver Fire is also the regional response agency for Hazardous Materials CBRNE response.

IV. Funding & Implementation Plan

- Complete the IV.A. to identify the amount of funding you are requesting for this investment only
- Funds should be requested by allowable cost categories as identified below
- Applicants must make funding requests that are reasonable and justified by direct linkages to activities outlined in this particular Investment

| IV.A. Investment Funding Plan | FY 2009 PSGP Request Total | Match (Cash or In-Kind) | Grand Total |
|---|-------------------------------|----------------------------|-----------------------|
| Maritime Domain Awareness IED and WMD Prevention, Protection, Response and Recovery Capabilities Training Exercises TWIC Implementation Operational Packages (OPacks) M&A | 2,585,000.00 | 0.00 | 2,585,000.00 |
| | 70,082.00 | 0.00 | 70,082.00 |
| | | | |
| | 10,240.00 | 0.00 | 10,240.00 |
| Total | \$2,665,322.00 | \$0.00 | \$2,665,322.00 |

IV.B. Provide a high-level timeline, milestones and dates, for the implementation of this Investment such as stakeholder engagement, planning, major acquisitions or purchases, training, exercises, and process/policy updates. Up to 10 milestones may be provided.

Response

The major milestones that are critical to the success of the Investment include:
This Investment will only have 5 major milestones.

1. Notification of award
2. Develop Purchase Order and deliver to vendor
3. Delivery of the response/patrol craft
4. Train personnel and put into service
5. Dates of milestones are depended on award date and length of manufacture of vessels.

Exhibit C

SUB-GRANTEE AGREEMENT
Between
MERCHANTS EXCHANGE OF PORTLAND, OREGON
AS PORT SECURITY GRANT PROGRAM, FIDUCIARY AGENT,
AND DIRECT GRANTEE
And
CITY OF VANCOUVER FIRE DEPARTMENT
AS SUB-GRANTEE

This Sub-Grantee Agreement (the "Agreement") between Merchants Exchange of Portland, Oregon, an Oregon non-profit corporation, as Fiduciary Agent and Direct Grantee (hereinafter referred to as "MEX") and City of Vancouver Fire Department (hereinafter referred to as "Sub-Grantee") is effective September ____, 2012 until November 30, 2012, or such time as the grant award expires as defined by the Federal Emergency Management Agency ("FEMA") deadlines and extensions as applicable.

MEX is a party to a Cooperative Agreement Federal Award with the Department of Homeland Security ("DHS") for the Port Security Grant Program ("PSGP") FY 2009 for the Columbia-Willamette-Snake River Region. A copy of this Cooperative Agreement is attached hereto as **Exhibit A**. Under the Cooperative Agreement, MEX is a Fiduciary Agent ("FA") responsible for the management and administration of the grant extended under the Cooperative Agreement (the "Federal Award") and the disbursement of all program funds as a pass-through agency. FEMA administers the Federal Award in a supervisory capacity on behalf of DHS.

Sub-Grantee understands and agrees that the Sub-Grantee Award made by this Agreement shall expressly be subject to all of the terms and conditions set forth in, and imposed upon, MEX under the Cooperative Agreement. Sub-Grantee shall include provisions appropriate to effectuate the purposes of these conditions, as applicable, in all contracts of employment, consultant agreements and other contracts issued under its approved application.

MEX and Sub-Grantee mutually agree as follows:

I. Authority and Purpose

- A. Authority:** This Agreement is undertaken pursuant to § 46 USC 70107 and the Maritime Transportation Security Act of 2002 to pass through federal preparedness assistance awarded to the USCG Sector Columbia River area by FEMA under the Fiscal Year 2009 Port Security Grant Program.
- B. Purpose and Amount of Federal Award:** This Agreement establishes the terms, conditions, assurances and certifications under which MEX as FA shall award to Sub-Grantee an allocation of funds (the "Sub-Award") from Fiscal Year 2009 DHS Port Security Grant Program (hereinafter FY09 PSGP), Federal Award Number 2009-PU-T9-K050, in the Federal-share amount of \$2,665,322.00, in accordance with the Scope of Work represented within the Project Investment Justification (Exhibit B) and Budget (Exhibit C) approved by the FEMA, which are attached hereto and made a part of this Agreement (for convenience, "the Project").

II. Applicable Rules/Regulations

Sub-Grantee shall comply, as applicable, with all federal statutes, regulations and guidance applicable to administration of the Port Security Grant Program including but not limited to:

- 2 C.F.R. subtitle A
- 44 C.F.R. Part 13
- Office of Management and Budget (OMB) Circulars, as applicable
- A-21 Cost Principles for Educational Institutions
- A-87 Cost Principles for State, Local and Indian Tribal Governments
- A-122 Cost Principles for Non-Profit Organizations
- A-102 Uniform Administrative Requirements for Grants and Agreements with State and Local Governments
- A-110 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- 48 C.F.R. Part 31 et. seq. Contract Cost Principles and Procedures.
- Grant Program Directorate Information Bulletin #350

Sub-Grantee shall assure that these conditions apply to all recipients of funds.

III. Implementation by Sub-Grantee

Sub-Grantee agrees to commence implementation of this Project within sixty (60) days following the effective date of this Agreement as first above set forth, and this Agreement may be cancelled if that does not occur. Evidence of commencement of Project implementation is to be reported within the first sixty (60) days following the effective date of this Agreement, and may include, but is not limited to, issuance of an Request For Proposal, schedule of values or Project timeline, notices to governing boards or agencies of Project Award, advice memorandum, written and/or electronic Project communications, development and issue of solicitation announcements, contracting documents, and purchase orders or similar documents acceptable to the Fiduciary Agent as evidence of compliance.

IV. Additional Requirements

Sub-Grantee shall be additionally guided and governed by all the requirements set forth in the 2009 Plan Implementation and Procedures Manual dated 4/12/12, for the Columbia-Willamette-Snake River system (hereinafter the "Procedures Manual") as the same may be hereafter modified or updated by MEX.

V. Utilization of Funds and Payment

Funds awarded to Sub-Grantee are to be expended only for purposes and activities covered by the Sub-Grantee's Investment Justification and Budget as attached hereto. Project funds may not be expended prior to the effective date of this Agreement. Project funds will be made available through a reimbursement procedure as provided by the Procedures Manual. No payment of funds shall be made to Sub-Grantee during any period of time within which Sub-Grantee is in default on filing any informational or financial reports required by MEX. All claims for payment or reimbursement of expenses incurred by Sub-Grantee must be accompanied with copies of all supporting documentation (*i.e.*, proof of payment, travel vouchers, invoices, narratives to clearly document work achieved for costs indicated on invoice, proof of compliance with the procurement policy, if requested, etc.). Claims for payment or reimbursement should be submitted as incurred. Payments will be adjusted to correct previous overpayment and disallowances or underpayments resulting from audit.

Sub-Grantee may invoice MEX immediately upon receipt of goods or services purchased or performed on behalf of the grant Project. Invoices must be sent to MEX monthly, for amounts paid for the previous month.

MEX will review Sub-Grantee's requests for payment or reimbursement and is authorized to request additional information or clarification from Sub-Grantee. Any such requests shall be answered within a reasonable time by Sub-Grantee, but in no case shall MEX be compelled to pay or reimburse any invoices until the requested clarifications are made or additional information is received, accepted and approved by MEX.

Upon approval of acceptable invoices for services, equipment and work validated and performed, MEX agrees to reimburse Sub-Grantee or the Project vendor for actual expenditures made related to the Project, which in no case may exceed the federal funds amount awarded to Sub-Grantee at the time of approval of Sub-Grantee's Investment Justification by FEMA. It is explicitly agreed that MEX is not under any obligation to reimburse Sub-Grantee for any amounts not received by MEX from FEMA, for whatsoever reason.

VI. Third Party Agreements

No contract or agreement may be entered into by Sub-Grantee for execution of Project activities or provision of services to a grant Project other than purchase of supplies or standard commercial or maintenance services which are not incorporated in the approved application and budget. Any such arrangements shall provide that the Sub-Grantee will retain ultimate control and responsibility for the Project and that these conditions shall bind the contractor. In any case, where the Sub-Grantee enters into a contract with third parties, and when such contracts are not contrary to law, MEX shall not be obligated or liable for any breach of contract or other action by Sub-Grantee or any party contracting with a Sub-Grantee.

VII. Title to Property

Effective control must be maintained by Sub-Grantee for all personal property acquired in whole or in part with funds under this Agreement, in accordance with the applicable grant regulations. Sub-Grantee must adequately safeguard all such property and must assure that it is used solely for authorized grant purposes, in accordance with the applicable grant regulations. Subject to the obligations and conditions set forth in OMB Circulars A-102 and A-110, title to non-expendable property acquired in whole or in part with grant funds shall be vested in the Sub-

Grantee upon termination of the grant. Non-Expendable property is defined as any item having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. At the time the final request for payment is submitted, Sub-Grantee must file with MEX a copy of the FEMA Property Control Record Form, listing all such property acquired with grant funds. Sub-Grantees must exercise caution in the use, maintenance, protection, and preservation of such property during the period of Project use, in accordance with the applicable grant regulations.

VIII. Confidentiality and Non-Disclosure

If Sub-Grantee furnishes MEX with confidential information relating to the grant award, and labeled as such, MEX agrees to review, examine, inspect or obtain such confidential information only for the purposes described herein, and otherwise to hold confidential and proprietary information or trade secrets in trust and confidence. MEX agrees not to disclose any such confidential information to any third party, except to the U.S. Government, without the consent of Sub-Grantee.

IX. Grant Adjustments

Sub-Grantee must obtain prior written approval from MEX and FEMA for major Project changes. Major Project changes include, but are not limited to: (a) changes of substance in Project activities, designs, or research plans set forth in the approved application; (b) changes or deviations which might alter the Project scope or intent; (c) changes in the Project director and/or key professional personnel identified in the approved application; (d) changes in the approved budget, with the exception of those changes permitted later in this section, and (e) changes in the length of the grant period. Similarly, equipment not included in the approved budget may not be purchased without prior approval of MEX and FEMA. Sub-Grantee may, however, deviate from quantities of equipment items in the approved budget as long as (i) the total dollar amount of the equipment budgeted is not exceeded, and (ii) written notification is submitted to MEX. Both MEX and Sub-Grantee shall maintain any such notification in the Project file. Sub-Grantee may not add to the specified equipment list without prior approval of FEMA unless the total dollar amount of the equipment budgeted is not exceeded.

X. Activity Reports

Sub-Grantee agrees to submit, at such times and in such form as MEX may request, activity reports on the Sub-Award and the Project. Sub-Grantee shall submit quarterly operational summaries and financial reports no later than the 15th day of January, April, July and October; and Semi-Annual Progress Reports by the 15th of January and July during each year of this Agreement. The final progress report must be filed with MEX within thirty (30) days after the termination of the last year of the Federal Grant. MEX must receive the final progress report prior to the final payment requests being paid.

XI. Accounting Requirements

Sub-Grantee agrees to record all Project costs, both federal and matching share, following generally accepted accounting procedures. A separate account number or cost recording system must separate all Project costs from Sub-Grantee's other or general expenditures. Adequate documentation for all Project costs, both federal and matching share, must be maintained. Federal share documentation must clearly indicate that the funds expended were from the FY09 PSGP federal funds.

XII. Monitoring

Sub-Grantee agrees to allow MEX reasonable access to the Grant Project for the purposes of monitoring programmatic progress and the financial and business management aspects of the Grant Award to ensure that Project objectives are met and funds are spent and accounted for properly. Access shall include inspection of financial and program reports, site visits, teleconferences and/or such other means necessary for MEX to carry out its monitoring obligations.

XIII. Copyrights, Publications and Program Income from Grants

- A. Copyrights:** Except as otherwise provided in the terms and conditions of this Agreement, Sub-Grantee or a contractor paid through this grant is free to copyright any books, publications or other copyrightable materials developed in the course of or under this grant. However, the federal awarding agency reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal government purposes:
1. the copyright in any work developed under this grant or through a contract under this grant; and,
 2. any rights of copyright to which a Sub-Grantee or subcontractor purchases ownership of with grant support.

The Federal government's rights identified above must be conveyed to the publisher and the language of the publisher's release form must ensure the preservation of these rights. Any royalties received from copyrights and patents during the grant period may be retained by Sub-Grantee.

- B. Publications:** Sub-Grantee may publish, at its own expense, the results of grant activity without prior review by MEX provided that any publication (written, oral, or visual) contains an acknowledgement of Port Security Grant Program support. Sub-Grantee agrees that any publication (written, visual, or sound, but excluding press releases, newsletters, and issue analyses) issued by Sub-Grantee describing programs or projects funded in whole or in part with Federal funds, shall contain the following statement: "This project was supported by FY 09 Port Security Grant Program, awarded by the Federal Emergency Management Agency, U.S. Department of Homeland Security."
- C. Program Income:** All program income generated by this Sub-Award during the Project period must be reported to MEX following the month earned and must be put back into the Project to be used to reduce the federal participation in the program in accordance with OMB Circular A-110.

XIV. Indemnity

To the extent allowed by Oregon law, Sub-Grantee shall indemnify, defend and hold harmless MEX and its officers, directors, employees and agents, from and against all liability, loss, cost or expense (including reasonable attorney fees) (collectively, "Loss") by reason of liability imposed upon MEX, arising out of or related to Sub-Grantee's performance under this Agreement, that involves malfeasance, negligent or intentional acts of Sub-Grantee, its officers,

agents or employees or its subcontractors or their agents and employees, unless such a loss is caused by the malfeasance or willful misconduct of MEX, its officers, directors, employees or agents.

XV. Assignability

Sub-Grantee shall not assign any interest in this grant Agreement and shall not transfer any interest, whether by assignment or novation, without the prior written consent of MEX.

XVI. Termination of Agreement

- A. This Agreement will terminate upon the earlier of: (i) the completion of the Project, or (ii) November 30, 2012, or such later date if FEMA extends the expiration of or deadlines for the Federal Award.
- B. Notwithstanding Paragraph XVI A., this Agreement may be earlier terminated or fund payments suspended by MEX where there is a material failure to comply with the terms and conditions of:
 - 1. the Sub-Award application form and attachments;
 - 2. this Agreement;
 - 3. any state or federal law to which compliance is required;
 - 4. an audit report which includes audit exceptions not answered to the satisfaction of MEX.

Upon such finding, MEX shall notify the Sub-Grantee in writing to correct any deficiencies found. If said deficiencies are not corrected within twenty (20) days, MEX will suspend or cancel this Agreement and the Sub-Award after furnishing written notice to Sub-Grantee.

- C. This Agreement may be terminated by the Sub-Grantee in the event there is a failure of MEX to perform any of its obligations under this Agreement.
- D. Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions, wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.
- E. Notwithstanding the termination of this Agreement, Sub-Grantee's obligation to comply with all of the continuing requirements and applicable rules and regulations related to the Sub-Award as set forth in this Agreement, to account for property acquired with grant funds, to maintain and provide access to any records required under this Agreement, and to indemnify MEX as set forth in this Agreement shall specifically survive the expiration or earlier termination of this Agreement.

XVII. Notices

All notices, requests, demands and other communications required or permitted to be made under this Agreement shall be in writing and shall be given by personal delivery, by certified mail, return receipt requested, first class postage prepaid, or by nationally recognized overnight delivery service, in each case addressed to the signing party below at the address specified. Either party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section. Notice shall be deemed to be effective, if personally delivered, when delivered; if mailed, at midnight on the third business day after being sent by certified mail; and if sent by nationally recognized overnight delivery service, on the next business day.

To MEX:

Merchants Exchange of Portland
ATTN: Ms. Elizabeth Wainwright, Executive Director
200 SW Market Street, Suite 190
Portland, OR 97201

To Sub-Grantee (Please complete):

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date below their signatures.

MERCHANTS EXCHANGE OF PORTLAND

By: SIGNATURE ON FILE
Elizabeth Wainwright
Executive Director

Date: September 7, 2012

CITY OF VANCOUVER FIRE DEPARTMENT

By: SIGNATURE ON FILE
Signature of Authorizing Official

ERIC HOLMES
Printed Name of Authorizing Official

CITY MANAGER
Title of Authorizing Official

Date: November 30, 2012