

**Washington State Military Department
AMENDMENT**

GCA 4716-2

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| 1. CONTRACTOR NAME/ADDRESS: WA State Department of Transportation 15700 Dayton Avenue N - PO Box 330310 Seattle, WA 98133-9710 | 2. CONTRACT NUMBER: E06162 900101100 | 3. AMENDMENT NUMBER: B |
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| 4. CONTRACTOR CONTACT PERSON, NAME/TITLE: Morgan Balogh (206) 440-8080 | 5. MD STAFF CONTACT, NAME/TELEPHONE: Sheryl J. [unclear] (253) 512-7469 |
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| 6. TIN or SSN: 91-6001068 | 7. CATALOG OF FEDERAL DOMESTIC ASST. (CFDA) #: 97.067 ODP | 8. FUNDING SOURCE NAME/AGREEMENT #: 2005-GE-T5-0032 |
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9. FUNDING AUTHORITY:
Washington State Military Department (Department), and Department of Homeland Security (DHS)

10. DESCRIPTION/JUSTIFICATION OF AMENDMENT, MODIFICATION, OR CHANGE ORDER:
The Department has recognized the need for increased guidance related to equipment tracking and sub-recipient monitoring. Due to clarification of guidance from DHS-ODP, the language that allows the Contractor to move up to 10% between budget sub-categories is being amended to allow shifting between categories as well to match the language in Article I-Compensation Schedule. This revised language more adequately reflects the ODP Financial Guide. Article VI has been added to the contract Special Terms and Conditions (ST&C) to clarify the Contractor's responsibilities in these areas.
Due to significant changes in the Department's equipment approval and reimbursement procedure, effective May 10, 2006, equipment items approved by the Equipment Sub-committee will no longer be added to Exhibit D. Equipment approvals will still be tracked by the Department and all requests for reimbursement must be tied to an approval. This does not impact contract language related to equipment that the state is purchasing on behalf of the Contractor.

11. AMENDMENT TERMS AND CONDITIONS:
- The contract end date of February 28, 2007 remains **unchanged**.
 - The contract amount of \$647,500 remains **unchanged**.
 - In the Special Terms and Conditions, **add** the attached Equipment Management language as Article VI.
 - In the Original Statement of Work, Exhibit B, **delete** the following language from item #10.
 - The approved equipment item will be added by amendment to the equipment budget sheet.
 - No reimbursement for purchased equipment will occur until the appropriate approvals have been obtained and have been added to the Contractor's contract by amendment.
 - In Exhibit C, Detailed Budget-Notes, **change** Item #1 from "Expenditures may only occur within the categories and sub-categories listed above. However, up to 10% of the total of any one category may be shifted between its sub-categories without prior approval. Changes that exceed 10% require prior approval from the Department and will be changed by amendment." **to read** "Expenditures may only occur within the categories and sub-categories listed above. However, changes that exceed 10% require prior approval from the Department and will be changed by amendment."
 - In Exhibit C, Detailed Budget-Notes, **delete** item #4 which says "No equipment funds can be reimbursed until the equipment has been incorporated into the Exhibit D Approved Equipment List by amendment. Only previously approved equipment will be added."
- No other changes are required. All other terms and conditions of the original contract remain in full force and effect.**

IN WITNESS WHEREOF, the Department and Contractor acknowledge and accept the terms of this contract amendment and attachments hereto and in witness whereof have executed this amendment as of the date and year written below. The rights and obligations of both parties to this contract are governed by this Contract Amendment Face Sheet and other documents incorporated herein by reference or attached and identified in the original contract document. A copy of this contract amendment shall be attached to and incorporated into the original agreement between the Department and the Contractor. Any reference in such contract to the "contract" shall mean "contract as amended."

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| <p>IN WITNESS WHEREOF, the parties hereto have executed this amendment as of the date and year last written below:</p> <p>FOR THE DEPARTMENT: <i>James M. Mullen</i> 10-12-06 Signature Date James M. Mullen, Director Emergency Management Division Washington State Military Department</p> <p>APPROVED AS TO FORM: Spencer W. Daniels (signature on file) 2/19/04 Assistant Attorney General</p> | <p>FOR THE CONTRACTOR: <i>Dave McCormick</i> 10/16/06 Signature Date Dave McCormick, Assistant Regional Administrator for Maintenance and Traffic WA Department of Transportation</p> <p>Signature Date Ann E. Salay Assistant Attorney General</p> |
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1/2

SPECIAL TERMS AND CONDITIONS

ARTICLE VI – EQUIPMENT MANAGEMENT:

All equipment purchased under this contract, by the Contractor or a Sub-Contractor, will be recorded and maintained in the Contractor's equipment inventory system.

1. Upon successful completion of the terms of this contract, all equipment purchased through this contract will be owned by the Contractor. The Contractor shall be responsible for any and all operation and maintenance expenses and for the safe operation of said equipment including all questions of liability.
2. The Contractor shall maintain equipment records that include: a description of the property; the manufacturer's serial number, model number, or other identification number; the source of the equipment, including the Catalogue of Federal Domestic Assistance or CFDA number; who holds title; the acquisition date; the cost of the equipment and the percentage of Federal participation in the cost; the location, use and condition of the equipment at the date the information was reported; and disposition data including the date of disposal and sale price of the property.
3. Records for equipment shall be retained by the Contractor for a period of six years from the date of the disposition, replacement or transfer. If any litigation, claim, or audit is started before the expiration of the six year period, the records shall be retained by the Contractor until all litigations, claims, or audit findings involving the records have been resolved.
4. The Contractor shall take a physical inventory of the equipment and reconcile the results with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the records shall be investigated by the Contractor to determine the cause of the difference. The Contractor shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
5. The Contractor shall develop a control system to ensure adequate safeguards to prevent loss, damage, and theft of the property. Any loss, damage or theft shall be investigated and a report generated.
6. The Contractor will develop adequate maintenance procedures to keep the property in good condition.
7. If the Contractor is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.
8. When original or replacement equipment is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:
 - a. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of by the Contractor with no further obligation to the awarding agency.
 - b. Items of equipment with a current per-unit fair market value of more than \$5,000 may be retained or sold and the Contractor shall compensate the Federal-sponsoring agency for its share.

2/2