

Exhibit A
CSX Transportation, Inc. Scope of Work for
Switch-Duty Locomotive Conversions
in Atlanta, Georgia

Scope of Work

Upon execution of the contract and continuing through 24 months, unless terminated early under provisions of agreement, Contractor will perform tasks as described in Exhibit B to reduce emissions from locomotives used for switching in Atlanta for purposes of improving air quality in Georgia. These tasks include:

- A. Within 45 days of execution of agreement, Contractor shall provide to the Division a project schedule with specific dates for completing each project related task that is consistent with timeline provided in Contractor's project application;
- B. Contractor shall convert, as described more fully in Section 2 Locomotive Rail Yard Location and Operation and the "Locomotive Conversion" paragraph therein of Exhibit B, 6 locomotives from Tier 0 or a lower rating as described in the Project Proposal (Exhibit B) to 3000 horsepower locomotives meeting EPA Tier 3 Line-haul and Tier 2 Switch emission standards or better (i.e. with lower emissions);
- C. The contractor shall maintain the locomotives sufficiently to assure the technology remains operational for at least ten years and operate the locomotives at least 80% of their operating time in the Atlanta PM2.5 urban core nonattainment counties, as depicted in Figure 1 on page 8 of the July 13, 2012 Request for Applications unless the locomotive is damaged beyond repair or becomes permanently inoperable. The contractor shall inform the Division of all locomotives that are converted as part of this agreement that are removed from the fleet due to damage or inoperability. The ten-year period will start on the date that the converted locomotives are operational in their assigned yards and all tasks in this Scope of Work have been completed other than submission of the required reports. The contractor shall not sell the equipment until the ten-year operational period has passed or Division deems equipment non-operational.
- D. Reporting requirements for each converted locomotive will include:
 - (1) An initial report before the locomotive is converted,
 - (2) A report within one month after completion of the conversion(s),
 - (3) A report each 6 months for the first two years of operation of the converted locomotive (within one month of completing the six-month period) and
 - (4) A report once per year for the remaining period of commitment (within one month of completing the year period).

The Contractor shall submit reports to the Division by electronic mail (e-mail) and shall provide two copies of the reports in the e-mail with one in Microsoft Word format and

the second in a PDF format. The Contractor shall submit a hard copy of the report upon the Division's request.

E. The reports will include the following components:

- (1) Initial report:
 - a. The initial report will contain manufacturer's data regarding the activity, emissions, and fuel use for the locomotive to be converted/replaced.
- (2) Post conversion report:
 - a. A description of expected emission levels based on the equipment installed.
 - b. Certification/assurance that the equipment was properly installed and is in working condition and confirmation of proper maintenance of locomotives and conversion equipment.
 - c. A description of the provisions that ensure enforcement of warranty claims against vendors if problems arise.
 - d. If the proposed time for completing the conversion is exceeded, provide a description and explanation of the delay.
- (3) Six months descriptive operation reports (four reports; one each six months for the first two years of operation).
 - a. Contractor will make reasonable, good faith efforts to track and compile, to the extent available, the following:
 - i. Activity, emissions, and estimated fuel use information for the converted/replaced locomotive.
 - ii. Description or confirmation of operating patterns, including confirmation of the use of the converted locomotives in the designated areas during the reporting period.
 - iii. Certification/assurance of proper operation and maintenance of the locomotive and emissions control equipment.
 - b. In the event of tracking system failure, Contractor will provide the information gathered, averaged over the length of the reporting period.
- (4) Annual normal operation reports (beginning in year three):
 - a. Activity, emissions, and estimated fuel use information.
 - b. Description or confirmation of operating patterns, including confirmation of the use of the converted locomotives in the designated areas during the reporting period.
 - c. Certification/assurance of proper operation and maintenance of the locomotive and emissions control equipment.

Contractor must report if there have been any changes in operating patterns that would cause significant differences in activity data, deviance from the contractual agreements, or need for unexpected maintenance or repair beyond normal expectations that would cause the locomotive to be removed from service for extended periods of time and must detail the cause. If the locomotive became inoperable and was unable to be repaired, it must be reported within sixty (60) business days after the final determination by the locomotive owner (Grantee). To the extent the reporting requirements set forth above differ from the reporting elements as described in the July 13, 2012 Request for Applications, the provisions in this Scope of Work control.

- F. Contractor will take reasonable measures to protect its rights under any applicable vendor warranties in accordance with contractual rights and federal regulations. Funds must be returned to the Division if Contractor fails to complete the conversion of the locomotive(s).
- G. Within 30 days after completing all project tasks as described in the Contractor's project schedule and after startup of the six converted locomotives, but no later than twenty-four (24) months after the effective date of this contract, the Contractor shall submit a Post Conversion Summary report that includes the overall project description, final pictures of the locomotives, verification that the provisions of this CONTRACT have been met, success stories related to this project, shortcomings or obstacles that had to be overcome to make this project successful, and lessons learned while completing this project. The Contractor shall submit this report to the Division by electronic mail (e-mail) and shall provide two copies of the reports in the e-mail with one in Microsoft Word format and the second in a PDF format. The Contractor shall submit a hard copy of the report upon the Division's request.
- H. Contract funds will cover up to 70% of the total locomotive conversion cost and will be distributed to the Contractor incrementally (not more than once per annual quarter) following completion of conversion task(s), provided the match has been satisfied for the incremental distribution.
- I. The Contractor shall only invoice the Division for expenses eligible for award funding. As part of the invoice, the Contractor shall certify each task that has been completed and provide picture updates of any significant visible progress. Upon completion of the project, the Contractor shall submit a final invoice requesting up to the remaining funds for any unpaid task expenses for work completed during the project period, provided that the total grant distribution for this project does not exceed \$7,560,000. The final invoice shall provide all the information as requested in Method of Payment section of contract.
- J. The Contractor shall only invoice the Division for eligible expense resulting from the locomotive conversions as part of completing tasks as described by the Contractor's project schedule (Exhibit B).
- K. The Contractor may not seek reimbursement or cost share consideration for certain ineligible cost, which would include management or similar fees used to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs. The Contractor may not seek fees for consultants in excess of five hundred eighty-seven dollars and twenty cents (\$587.20) per day nor seventy-three dollars and forty cents (\$73.40) per hour