



MODIFICATION TO CONTRACT

This modification consists of 8 pages.

1. RECITALS

- A. The South Coast Air Quality Management District (hereinafter "SCAQMD") and County Sanitation District No. 2 of Los Angeles County (hereinafter "CONTRACTOR") have previously executed a Contract No. C22038 for the replacement of five (5) on-road Class 8 trucks under the Volkswagen Environmental Mitigation Trust Program.
- B. The CONTRACTOR notified SCAQMD staff that they were unable to place the five (5) on-road trucks in service by July 1, 2023, because of manufacturer delays and software installation errors preventing truck operation. As a result, the CONTRACTOR is requesting to extend the replacement vehicles delivery and acceptance and in-service dates to May 1, 2024. Furthermore, a contract language amendment was made to the Statement of Work, adding a clause requiring the new replacement vehicle's vocation and gross vehicle weight rating range to be the same as the existing vehicles awarded for funding. Therefore, a modification to this Contract is necessary to update the Project Milestone due dates, extend the date by which performance must be completed and modify the Statement of Work.

2. MODIFICATION

The parties therefore agree to modify the existing Contract, at no additional cost to SCAQMD, as follows:

- A. The term of this Contract is extended for an additional period commencing February 2, 2027 and terminating December 1, 2027.
- B. Attachment 1 – Amendment 1 - Statement of Work, attached hereto and included herein by this reference, supersedes the original Statement of Work and any modifications thereof.
- C. Attachment 1A – Amendment 1 - Project Milestones, attached hereto and included herein by this reference, supersedes the original Project Milestones and any modifications thereof.
- D. All other provisions of the above-referenced Contract shall remain in full force and effect.

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

COUNTY SANITATION DISTRICT NO. 2 OF
LOS ANGELES COUNTY

By: _____
Wayne Nastri, Executive Officer

By: _____
Name:
Title: Chairperson, Board of Directors

Date: _____

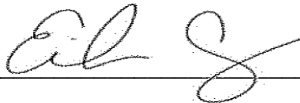
Date: _____

ATTEST:

By: _____
Secretary to the Board

APPROVED AS TO FORM:
Bayron T. Gilchrist, General Counsel

APPROVED AS TO FORM:
Lewis, Brisbois, Bisgaard & Smith LLP

By:  _____



By: _____

Modification
Revised: June 18, 2021; August 17, 2022; February 8, 2023



ATTACHMENT 1 – AMENDMENT 1

**STATEMENT OF WORK ON-ROAD
VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST PROGRAM
COUNTY SANITATION DISTRICTS NO. 2 OF LOS ANGELES COUNTY**

This Contract is intended to mitigate the excess nitrogen oxides (NOx) emissions caused by Volkswagen (VW) vehicles utilizing illegal defeat devices in certain 2.0 and 3.0-liter vehicles. The project involves the replacement or repower of in-use, older vehicle/engine with a new vehicle/engine certified by the California Air Resources Board (CARB) to meet the 0.02 g/bhp-hr NOx optional standard or cleaner, or with a zero-emission vehicle, as specified in Table 1, funded by the VW Environmental Mitigation Trust. The South Coast Air Quality Management District is the Program Administrator for this Contract.

Accordingly, CONTRACTOR agrees to replace or repower the existing vehicle/engine identified in Table 1 with a vehicle/ engine certified by CARB at or below the 0.02 g/bhp-hr NOx optional standard or with a zero-emission vehicle, and surrender the existing vehicle/engine to a Program Administrator approved dismantler for scrapping as specified in Task 4 of this Attachment. The new vehicle/engine must be certified or approved by CARB or eligible for voucher incentives through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Low NOx Engine Incentives to be an eligible vehicle or engine for VW funds. **Also, consistent with VW Program requirements, each new replacement vehicle's vocation and gross vehicle weight rating range must be the same as one of the existing vehicles listed in Table 1 below.**

Notwithstanding the above, CONTRACTOR is responsible for determining that the new vehicle/engine to be purchased complies with all VW Program requirements and applicable federal, state, and local air quality rules and regulations. Each replacement or repowered vehicle shall be subject to the terms and conditions set forth in Tasks 1 through 5 of this Attachment, the milestone dates specified in Attachment 1A, as well as all other provisions of the Contract.

Table 1 - Approved Project List

Project Type	Existing Vehicle					Replacement/Repowered Vehicle	
	GVWR	Vehicle Vocation	License Plate Number	VIN	Engine S/N	Technology Type ¹	Minimum % Operation in CA
Replacement	>33,000	Waste Hauler	1017616	1FUPBEDB2XLB34708	8YS06644	ZE	75
Replacement	>33,000	Freight Truck	1056880	1XKDD99X3WR760068	34865637	ZE	75
Replacement	>33,000	Waste Hauler	1187322	1XKDD09X65R096116	35113462	ZE	75
Replacement	>33,000	Freight Truck	1056876	1XKDD99X1WR760070	34866256	ZE	75
Replacement	>33,000	Dump Truck	1056877	1XKDD99X6WR772179	34883322	ZE	75

¹ Verified by CARB Executive Order or eligible for voucher incentives through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Low NOx Engine Incentives.

PROJECT REQUIREMENTS:

Task 1: Inspections

- 1.1 CONTRACTOR shall make each existing vehicle/engine identified in Table 1 available to the Program Administrator or their designee(s) for inspection or remote inspection prior to destruction in accordance with the Inspections/Remote-Inspections clause of this Contract. If a required pre-inspection has not yet been completed on the vehicle/engine to be replaced and it is stolen or destroyed such that it cannot be repaired, or is registered as inoperable with the Department of Motor Vehicles (DMV), then such vehicle/engine is not eligible for funding under this Contract. Each vehicle must be roadworthy and in operational condition. CONTRACTOR shall provide access to vehicle identification number, engine serial number, and other application information to verify eligibility of each vehicle/engine.
- 1.2 CONTRACTOR shall be disqualified from receiving VW funds if the pre-inspection by the Program Administrator reveals a discrepancy with the application submitted by CONTRACTOR that would affect the project's ranking or eligibility status with respect to the VW Consent Decrees, Beneficiary Mitigation Plan (BMP), or Program Announcement.
- 1.3 CONTRACTOR shall ensure each existing vehicle/engine identified in Table 1 is delivered to a Program Administrator approved dismantler within 60 calendar days after the replacement or repowered vehicle is entered into service.
- 1.4 CONTRACTOR shall notify the Program Administrator in writing upon delivery of the existing vehicle/engine to a Program Administrator approved dismantler. Upon notification, the Program Administrator will conduct the required dismantle inspection to verify the frame rails were completely severed and the engine was destroyed in accordance with the Inspections/Remote-Inspections clause of this Contract.
- 1.5 CONTRACTOR shall make each replacement or repowered vehicle identified in Table 1 available to Program Administrator or designee(s) for inspections in accordance with the Inspections/Remote-Inspections clause of this Contract.
- 1.6 CONTRACTOR shall complete and submit all inspection forms, documentation, and photographs requested by the Program Administrator or their designee(s).

Task 2: Procurement of Vehicle(s)/Engine(s)

- 2.1 CONTRACTOR shall provide a copy of the purchase order to the Program Administrator within 90 calendar days of the execution of the Contract, unless otherwise approved by the Program Administrator.
- 2.2 CONTRACTOR shall provide documentation of procurement of replacement vehicle/engine. This documentation shall include, at a minimum: (1) invoice/payment information including but not limited to an itemized invoice, including identification of any taxes, delivery fees, and other costs, with sufficient details to ensure that only completed and eligible projects costs are reimbursed,

identification of other sources and amounts of funding (if any); (2) vehicle information including but not limited to vehicle identification number, manufacturer, model, model year, and fuel type; (3) engine information including but not limited to manufacturer, model, model year; (4) other information including but not limited to warranty coverage, and a copy of the CARB Executive Order for the procured vehicle/engine. This documentation shall be submitted to the Program Administrator at the time of invoice submittal. The requirements for the invoice package are specified in Payment Schedule, Attachment 2.

- 2.3 Notwithstanding the above requirement, CONTRACTOR is responsible for determining that the vehicle or engine to be purchased complies with all applicable federal, state, and local air quality rules and regulations. The replacement vehicle/engine must be certified or approved by CARB.
- 2.4 If CONTRACTOR determines that it will be unable to procure or implement the vehicle/engine identified in Table 1, CONTRACTOR shall inform the Program Administrator in writing as soon as possible so that the Program Administrator may re-evaluate the project and determine if a modification to the Contract is needed.
- 2.5 In the event of an accident resulting in total loss of the replacement or repowered vehicle or where the vehicle has been stolen, CONTRACTOR will, at the discretion of the Program Administrator, be responsible either for returning to the Program Administrator a pro-rated share of the funds already paid under the Contract, in an amount to be determined by the Program Administrator, or for providing a substitute vehicle that meet the specification of the replacement vehicle specified in Table 1. The substitute vehicle cannot have more miles than would have been accumulated based on the mileage used to determine the funding amount, and no more than 600,000 miles.

Task 3: Operation of Vehicle(s)

- 3.1 CONTRACTOR shall place each VW Mitigation Trust funded replacement or repowered vehicle into regular operating service and shall notify the Program Administrator in writing of the in-service date and where the vehicle is domiciled within the geographical boundaries of the state of California within 14 calendar days after the replacement or repowered vehicle is entered into service.
- 3.2 CONTRACTOR agrees to operate each VW Mitigation Trust funded replacement or repowered vehicle within the geographical boundaries of the state of California for the percentage of time specified in Table 1 during the project life.
- 3.3 CONTRACTOR agrees to make operational information for each vehicle identified in Table 1 available within 14 calendar days upon written request by the Program Administrator or CARB staff during the life of the project. This information may include annual mileage.
- 3.4 The expected annual usage of the vehicle and estimated annual NOx emission reductions are specified in Table 2 below.

Table 2 – Annual Usage and Emission Reductions

Existing Vehicle License Plate Number	Existing Vehicle VIN	Annual Usage (miles) ¹	Estimated Annual NOx Emission Reductions (tons/year) ²	Project Life (years)
1017616	1FUPBEDB2XLB34708	946	0.03	3
1056880	1XKDD99X3WR760068	5,954	0.12	3
1187322	1XKDD09X65R096116	4,916	0.12	3
1056876	1XKDD99X1WR760070	5,668	0.12	3
1056877	1XKDD99X6WR772179	416	0.01	3

¹The annual usage is an annual average based on usage data provided by the applicant.

²The expected emission reductions from this project were based on the annual usage.

- 3.5 CONTRACTOR shall be in compliance with all applicable federal, state, and local air quality rules and regulations for the owner’s entire fleet(s).

Task 4: Destruction of Existing Vehicle(s)

- 4.1 CONTRACTOR shall ensure each existing vehicle/engine identified in Table 1 is delivered to a Program Administrator approved dismantler and destroyed within 60 calendar days after the replacement or repowered vehicle is entered into service.
- 4.2 CONTRACTOR is required to provide documentation verifying each existing vehicle/engine was delivered to a Program Administrator approved dismantler.
- 4.3 CONTRACTOR shall not use any of the funding under this Contract to cover costs associated with transporting the vehicle to a dismantler or the dismantling of the existing vehicle.
- 4.4 Dismantler shall completely sever the frame rails of each existing vehicle (replacements only) and puncture an irregularly shaped hole with a diameter at least three inches at the narrowest point of the engine block (replacements and repowers) to ensure that each existing vehicle that has been replaced or repowered will not be used again.
- 4.5 Dismantler shall file a “Non-Repairable Vehicle Certificate” with DMV using an “Application for Salvage Certification or Non-Repairable Vehicle Certification” (REG 488C), or a Notice of Acquisition/Report of Vehicle To Be Dismantled (REG 42) ensuring the VIN can never be registered again in California. Within 90 calendar days after the replacement or repowered vehicle is entered into service, the dismantler must provide verification to the Program Administrator that the existing vehicle has been registered with the DMV as non-revivable with a type transaction code (TTC) L10 or C26 on the DMV reconciliation transaction receipt or other DMV documentation that satisfies this requirement.
- 4.6 CONTRACTOR shall ensure that the Program Administrator approved dismantler take the following photographs and provide to the Program Administrator within 14 calendar days of destroying each vehicle and/or engine:

Replacement Only:

- a. Front of the vehicle with hood down including the license plate
- b. Right side of the vehicle with hood down
- c. Left side of vehicle with hood down
- d. Vehicle Identification Number (VIN) Tag (showing GVWR)
- e. Full view of engine with hole in engine block
- f. Left side of destroyed engine block (in-frame or out of frame)
- g. Right side of destroyed engine block (in-frame or out of frame)
- h. Engine tag with serial number
- i. Completely severed frame rails
- j. Odometer reading

Repower Only:

- a. Full view of engine with hole in engine block
- b. Left side of destroyed engine block
- c. Right side of destroyed engine block
- d. Engine tag with serial number
- e. Odometer reading

Task 5: Reporting

- 5.1 CONTRACTOR shall provide annual reports, as described in the Deliverables, Attachment 1B.
- 5.2 CONTRACTOR shall notify the Program Administrator in writing in advance of any transfer of ownership of the vehicle identified in Table 1 in accordance with the ASSIGNMENT AND TRANSFER OF EQUIPMENT clause of the Contract.

ATTACHMENT 1A – AMENDMENT 1

**PROJECT MILESTONES
VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST PROGRAM
COUNTY SANITATION DISTRICTS NO. 2 OF LOS ANGELES COUNTY**

Milestone

Due Date

Contract Signed by Contractor and Received by Program Administrator:

Within 60 calendar days from when the Contract was electronically delivered to Contractor

Submittal of Purchase Order:
(All purchase orders must be submitted no later than 90 days after Contract Effective Date unless otherwise approved by Program Administrator)

Within 90 calendar days from Contract Effective Date

Replacement/Repowered Vehicles/Engines Delivery & Acceptance Completed By:

~~July 01, 2023~~
May 1, 2024

All Vehicles In-Service No Later Than:
(The Program Administrator shall be notified within 14 calendar days after each replacement or repowered vehicle is entered into service)

~~July 01, 2023~~
May 1, 2024

All Old/Existing Vehicles/Engines Destroyed No Later Than:

60 calendar days after each replacement or repowered vehicle is entered into service

All Invoices Due No Later Than:
(All required inspections must be completed and approved by the Program Administrator prior to any invoice paid by the Program Administrator)

60 calendar days after each replacement or repowered vehicle is entered into service

Annual Project Progress Reports and Annual Certification Regarding Labor Law Violations:

~~August 1, 2024~~
~~August 1, 2025~~
~~August 1, 2026~~
June 1, 2025
June 1, 2026
June 1, 2027