

AMENDMENT NO. 2
STANDARD AGREEMENT BETWEEN THE SACRAMENTO AREA
COUNCIL OF GOVERNMENTS AND
HUNT & SONS, INC.

This Amendment No. 2 to the October 1, 2014, Standard Agreement (“Agreement”) between the Sacramento Area Council of Governments (“SACOG”) and **Hunt & Sons, Inc.**, a California corporation (“Contractor”) is entered into effective **July 1, 2017**.

WHEREAS, the parties entered into Amendment No. 1 on November 12, 2015, to modify the agreement as it pertains to the Pricing Sheet (Exhibit B), Supplemental Terms and Conditions (Exhibit E), Specifications (Exhibit F), as well as extend to the Time of Performance; and

WHEREAS, SACOG and Contractor now wish to amend the Agreement as it relates to Time of Performance, Price Sheet, Supplemental Terms and Conditions (Exhibit E), and Specifications (Exhibit F).

NOW, THEREFORE, SACOG and Contractor agree as follows:

1. Section 1, (Time of Performance), third sentence only, is modified to read as follows: “Work shall be completed and this Agreement shall expire on September 30, 2018, unless otherwise terminated as provided for in this Agreement or extended by written agreement between the parties.”
2. Exhibit “B-1” (Renewable Diesel Pricing) of the Agreement is replaced by the attached Exhibit “B-2” (Renewable Diesel Pricing). Exhibit “B-2” supplements, but not does replace, Exhibit “B”.
3. Exhibit “E-1”, (Supplemental Terms and Conditions), to the Agreement is replaced by the attached Exhibit “E-2” (Revised Supplemental Terms and Conditions).
4. Exhibit “F-1”, (Specifications), to the Agreement is replaced by the attached Exhibit “F-2” (Revised Specifications).
5. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AMENDMENT AS OF THE DATE HEREIN ABOVE APPEARING:

SACRAMENTO AREA COUNCIL OF GOVERNMENTS



JAMES CORLESS
Chief Executive Officer

APPROVED AS TO FORM:



RENNE SLOAN HOLTZMAN SAKAI, LLP
Legal Counsel to SACOG

HUNT & SONS, INC.:



JOSHUA M. HUNT
General Manager

EXHIBIT "B-2"
RENEWABLE DIESEL PRICING

DESCRIPTION	Bulk Fuel Storage (# of Tanks) - (Gallons)	ULS Diesel #2 SACRAMENTO UNBRANDED DAILY RACK AVERAGE PRICE REPORTED BY OPIS FOR June 30th, 2017.	BIDDER'S MARGIN	DELIVERY POINT DIFFERENTIAL	BOBTAIL DIFFERENTIAL	Estimated Price Per Gallon (excluding taxes)
Renewable Diesel						
County of Sacramento		1.6906	0.0055			\$ 1.6961
Bobtail Differential - County of Sacramento Locations						
Bradshaw 9661 Conservation Road Sacramento, CA 95827	Two - 12,000 (BG)					
North Area Transfer Station 4450 Roseville Road North Highlands, CA 95660	One - 20,000 (BG)					
Kiefer Landfill 12701 Kiefer Blvd. Sacramento, CA 95683						
North County Corporation Yard 5026 Don Julio Blvd.	One - 12,000 (BG)					

EXHIBIT "E-2"

REVISED SUPPLEMENTAL TERMS AND CONDITIONS

1. PRICING

1.1. ALL CATEGORIES

1.1.1. The Contractor's pricing shall be Free-on-Board (FOB) Destination, freight prepaid and assumed by the Contractor, and exclusive of all taxes or surcharges. Contractor shall provide firm, fixed margins, bobtail and delivery point differentials, and unit prices for the bulk fuel and related products listed in this solicitation for the initial contract period of three years from the date this bid is awarded, with the option to negotiate for an additional two years.

1.2. PROVISIONS SPECIFIC TO BULK GASOLINE AND DIESEL FUEL, #2 RED-DYED DIESEL FUEL

1.2.1. The contract pricing shall be based on two factors: the average Sacramento daily rack price reported by the Oil Price Information Service (OPIS) and the Contractor's margin (along with any applicable bobtail and delivery point differentials). The formula below outlines the contract price per gallon to be paid by the Participating Agencies.

OPIS "Rack Average" + Contractors Margin = Total Price Per Gallon.

1.2.2. The Contractor's margin, including bobtail and delivery point differentials, shall represent purchases that are FOB Destination, freight prepaid and assumed by the Contractor to the Participating Agencies' delivery locations.

The Contractor's margin and differentials shall be exclusive of all taxes and surcharges. Applicable taxes and surcharges shall be listed separately in the Contractor's response as well as on the resulting invoices. Some agencies are exempt from Federal Excise Tax for purchases of unleaded and diesel fuels. The Contractor shall be responsible to provide the Participating Agencies with any necessary exemption certificates to be completed prior to the award of the sub-agreement(s).

1.2.3. The Contractor shall be solely responsible for distributing an electronic copy (via email) of the daily OPIS report to each of the Participating Agencies. The daily OPIS report shall show at a minimum the daily average rack prices for the gasoline and diesel products specified herein for the Sacramento area.

1.2.4. In the case that shipment or delivery of Renewable Diesel is delayed or unavailable for distribution, Contractor must identify unavailability within 24 hours through written or electronic notice on the Participating Agency's billing invoice. Once Renewable Diesel product is available for shipment Contractor must provide written or electronic notice of availability on Participating Agency's billing invoice. Contractor must notify the SACOG Contract Administrator in the case shipment or delivery of Renewable Diesel is delayed by 5

business days or more to any Participating Agency.

1.3 RENEWABLE DIESEL PRICING

1.3.1. Pricing will be based on two factors: Oil Price Information Service (OPIS) spot 'Rack Average' and Hunt & Sons Inc.'s margin (along with any applicable bobtail and delivery point differentials) for each location. The contractor margins and delivery locations are shown attached within the amended Hunt & Sons Inc. Pricing sheet which includes a Renewable Diesel tabulation.

The OPIS RACK AVERAGE WITH CAR price per gallon of R-99 Renewable Diesel is based on the wholesale "OPIS GROSS CARB NO. 2 ULTRA LOW SULFUR DISTILLATE PRICES WITH CAR COST" for Sacramento, CA, at "Early Day (9:00 am EST). Contract Price Daily Issue of the Oil Price Information Service (OPIS). During the term of this Contract, the prices for the R-99 Renewable Diesel furnished hereunder may be adjusted only in the manner set forth herein. Prices shall be adjusted automatically on a daily basis. Said adjustments shall be made based on the "RACK AVERAGE WITH CAR" price of "OPIS CARB NO. 2 ULTRA LOW SULFUR DISTILLATE PRICES WITH CAR COST" for Sacramento, CA, as shown in the 9 AM Contract Price Daily Issue of the OPIS issued on the date of delivery, plus Contractor's margin.

OPIS price sourcing ULS Diesel #2 + ULS Diesel #2 Contractor's Margin = Composite Price

If the OPIS publication is modified to include R-99 renewable diesel fuel, then SACOG reserves the right to re-establish the base price calculation method.

1.3.2 Those agencies who have signed Exhibit G Form of Agency Participating Sub-Agreement and all departments associated may opt to procure Renewable Diesel as an alternative to Petroleum Diesel on request at the locations identified within the Petroleum Diesel tabulation of the Hunt & Sons Inc. Pricing Sheet. Those Participating Agencies will have the ability to begin deliveries of Renewable Diesel after the scope of work is first approved by Contractor. Once approved, SACOG will add the delivery location information under the Renewable Diesel tabulation. All locations not identified on the original Hunt & Sons Inc. Pricing Sheet must first be approved by Contractor before any delivery begins.

1.3.3 In the instance the Renewable Diesel is unable to be sourced by Contractor, standard petroleum diesel will be distributed to those sites regularly scheduled for Renewable Diesel deliveries. Contractor will contact the Participating Agency before any delivery begins. Pricing for the petroleum diesel will be based off the original margins displayed within the Hunt & Sons Inc. Pricing Sheet.

2. ACCOUNT SET-UP AND PAYMENT INFORMATION

2.1. The Contractor shall establish and maintain individual accounts with unique account numbers for each Participating Agency, and its departments and divisions at the time they execute a separate sub-agreement with the Contractor.

2.2. At a minimum, all invoices shall include the following information: the blanket

purchase order number, customer account number (refer to Section 2.1 above), location of delivery, invoice number, invoice date (Month/Day/Year), date (Month/Day/Year) that fuel or related products were delivered, number of gallons delivered/dispensed or quantity of each product, Contractor's margin with differentials shown or unit price for each product with the extended amounts clearly shown, applicable discount for each product, and applicable sales tax and all other taxes/surcharges/fees. All invoices must include the name of the agency employee that placed the order. The Contractor must invoice each account separately. The Contractor shall not consolidate multiple accounts onto the same invoice or billing statement unless specifically requested by Participating Agency.

2.3. The Participating Agency shall pay the Contractor only the margins/pricing specified in the Contractor's response. Such amount will be due and payable upon receipt of an invoice by the Participating Agency with the appropriate information specified in Section 2.2, above. The Contractor shall provide a copy of the daily OPIS price information sheet for each order delivered with each billing statement. Participating Agencies will not accept or pay any emergency response premiums, administrative surcharge costs, or any other surcharges not identified in the Contractor's response. Charges imposed by the State of California or the Federal Government after the proposal has been awarded will be honored.

3. QUALITY ASSURANCE PROVISIONS

3.1. The Contractor shall provide traceability on all shipments back to the refinery or within five (5) business days upon request from the Participating Agency.

3.2. The Contractor shall ensure that all trucks, railcars, and vessels shall be drained, cleaned, and inspected prior to loading if the previous load contained other petroleum product(s) that would contaminate the desired fuel product.

4. PRODUCT LABELING AND EMERGENCY RESPONSE

4.1. Prior to the first delivery of product or fuel, the Contractor shall provide each Participating Agency with a Material Safety Data Sheet (MSDS) provided for each of the products awarded to the Contractor and all other chemicals intentionally added into the fuel including additives. The Contractor shall be responsible for immediately providing the Participating Agency with any updated or revised MSDS sheets throughout the term of the resulting agreement(s).

4.2. Twenty-four (24) hour emergency response must be provided by the Contractor. Prior to the first delivery, the Contractor shall provide each Participating Agency with a list of emergency contact persons and a 24-hour company telephone number in the event that a fire or other event occurs and the Participating Agency is in need of telephone consultation regarding the Contractor's product(s).

4.3. The Contractor shall be responsible for any spills or other incidents involving its product(s) during delivery, up to and including the off-loading process, when the

Contractor's product is transferred into the Participating Agency's fuel tank(s). The Contractor's drivers shall be fully trained by the Contractor in chemical safety.

5. SAFETY REQUIREMENTS

The Contractor agrees to perform all fuel dispensing and delivery tasks in such a manner as to meet all accepted standards for safe practices throughout the term of the contract and to safely maintain stored equipment, machines and materials or other hazards consequential or related to the work. The Contractor also agrees to accept the sole responsibility for complying with the supplemental terms and conditions specified herein as well as all local, County, State or other legal requirements at all times. These requirements may include but are not limited to, full compliance with the terms of the applicable O.S.H.A. and CAL. O.S.H.A. Safety Orders so as to protect all persons, including Participating Agency employees, agents of the Participating Agency, vendors, members of the public and others from foreseeable injury, or damage to their property.

During performance and upon completion of services, the Contractor shall remove all unused equipment, supplies, instruments of service, all excess or hazardous material, trash, and legally dispose of them. The Contractor shall leave the Participating Agency's fuel tanks and fuel delivery location in a neat, clean, and acceptable condition to the Participating Agency's satisfaction.

6. INSURANCE REQUIREMENTS

The Contractor shall furnish evidence of insurance, including required endorsements, to each Participating Agency demonstrating proof of coverage in the amounts as specified in this Agreement, upon request. Each Participating Agency may require different coverage levels than specified in this Agreement, which will only apply to that agency.

THE PROOF OF INSURANCE SHALL INCLUDE A SEPARATE ENDORSEMENT FORM(S), AND SHALL INCLUDE THE GENERAL LIABILITY POLICY NUMBER. BLANKET ENDORSEMENT FORMS MAY BE REJECTED.

Failure to comply with the insurance and endorsement requirements may result in the termination of this Agreement. All costs of complying with the insurance AND endorsement requirements shall be included in Contractor's proposal pricing.

7. ALLOCATION

7.1. It is understood that the Contractor's obligation to perform is subject to modification and reduction in accordance with any federal, state or local government program governing the allocation of products by the seller, which may occur during the term of the contract. The Contractor shall take any necessary measures to ensure delivery of sufficient quantities of fuel and related products to each of the Participating Agencies in accordance with said regulations.

7.2. In the event of such programs, the Participating Agencies reserve the right to terminate their respective sub-agreements on the effective date of the allocation program.

8. RECORDS

The Contractor shall maintain at all times complete, detailed records with regard to each Participating Agency's total number of purchases which can be filtered/sorted by agency department, product, delivery date, and delivery location.

9. LICENSES AND PERMITS

The Contractor will possess and keep in effect for the duration of the Contract any licenses and permits necessary to perform the contracted services. The Contractor shall be licensed to do business in the State of California.

EXHIBIT F-2

REVISED SPECIFICATIONS

1. GENERAL SPECIFICATIONS

1.1. The products listed in this Agreement shall meet all applicable Federal, State, and local government laws and environmental requirements and regulations, including but not limited to, the California Air Resources Board (CARB), the laws, regulations, and standards of the American Society of Testing and Materials, and fuel industries law, codes, requirements, standards, and guidelines currently in force and any of those put in force during the term of the resulting contract period(s). The products shall also conform with the State of California specifications (or applicable updates as they may apply). The contractor(s) shall be responsible for ensuring that the products delivered to each Participating Agency comply with all such laws, regulations, and requirements.

1.2 The Contractor may elect to purchase fuel from major refineries or other reliable sources in order to obtain the lowest available prices. It shall be the Contractor's sole responsibility to manage purchases from its sources so as not to jeopardize its ability to supply fuel to the Participating Agencies.

2. SPECIFICATIONS FOR UNLEADED REGULAR GASOLINE

2.1. Unleaded regular gasoline fuel must be a volatile mixture of liquid hydrocarbons containing small amounts of additives, suitable for use as fuel with spark-ignition, internal combustion engines. The fuel shall conform to California Code of Regulations (CCR) Title 4, Division 9, Chapter 6, Article 5, Section 4140.

2.2. Unleaded regular gasoline fuel shall also meet the requirements of CCR, Title 13, Division 3, Chapter 5, Article 1. Evidence of such facts shall be available to all Participating Agencies in the form of a letter certifying such compliance and signed by a responsible official of the proposer's company to supply this fuel to the Participating Agency.

2.3. Unleaded regular gasoline shall have a minimum Anti-Knock Index of 87 unless otherwise specified herein.

2.4. The finished fuel shall be visually free of un-dissolved water, sediment, suspended matter, and it shall be clear and bright at the ambient temperature or 21°C (70°F), whichever is higher.

2.5. STORAGE LIFE: The fuel shall not deteriorate in ordinary storage and shall not form excessive gum, resin, or deposits.

3. SPECIFICATIONS FOR DIESEL FUEL

- 3.1.** Diesel fuel must be suitable for on-highway use.
- 3.2.** Diesel fuel must be suitable for use in diesel engines operating in industrial and heavy mobile (vehicle) service. The fuel shall conform to California Code of Regulations (CCR) Title 4, Division 9, Chapter 6, Article 5, Section 4143.
- 3.3.** Diesel fuel shall also meet the requirements of CCR, Title 13, Division 3, Chapter 5, Article 2, Section 2281 (sulfur content) and Section 2282 (aromatic hydrocarbon). Alternative diesel formulations must be certified by CARB. Evidence of such facts shall be available to all Participating Agencies in the form of a letter certifying such compliance and signed by a responsible official of the Contractor's company to supply this fuel to the Participating Agency.
- 3.4.** Diesel fuel shall have a minimum Cetain rating of 53 unless otherwise specified herein.
- 3.5.** The finished fuel shall be visually free of un-dissolved water, sediment, and suspended matter.
- 3.6.** STORAGE LIFE: The fuel shall not deteriorate in ordinary storage and shall not form excessive gum, resin, or deposits.

4. SPECIFICATIONS FOR ETHANOL E-85 FUEL

- 4.1.** Ethanol E-85 fuel covers a fuel blend, nominally 85 volume % denatured fuel ethanol and nominally 15 volume % hydrocarbons for use in ground vehicles with automotive spark-ignition engines.
- 4.2.** Ethanol E-85 fuel shall meet the CARB requirements of CCR Title 13, Division 3, Chapter 5, Article 3, Section 2292.4, Specifications for E-85 Fuel Ethanol, or the Contractor shall obtain a test program exemption from the California fuel specifications for E-85 from CARB.
- 4.3.** STORAGE LIFE: The fuel shall not deteriorate in ordinary storage and shall not form excessive gum, resin, or deposits.

5. SPECIFICATIONS FOR AUTOMOTIVE OIL AND LUBRICATION PRODUCTS

- 5.1.** All automotive oil and lubrication products offered by proposers shall meet the American Petroleum Institute (API) Service CH-4, CG-4, CF-4, CF/SJ ratings, unless otherwise noted, and be rated for both diesel and gasoline engines with or without turbochargers.

6. R-99 RENEWABLE DIESEL FUEL SPECIFICATIONS

6.1 The fuel delivered must be at least 99% renewable diesel and meet the latest versions of the following specifications and standards:

6.2 “Renewable Diesel” means a diesel fuel that is produced from non-petroleum renewable sources but is not a mono-alkyl ester and which is registered as a motor vehicle fuel or fuel additive under 40 CFR Part 79.

6.3 The renewable diesel fuel shall conform to California Code of Regulations (CCR) Title 4, Division 9, Chapter 6 Article 5, Section 4149.

The renewable diesel fuel shall also meet the requirements of the California Code of Regulation, Title 13, Division 3, Chapter 5, Article 2, Section 2281 (sulfur content) and section 2282 (aromatic hydrocarbon).

The renewable diesel fuel must meet a CARB approved Certified Pathway with a carbon intensity (CI) no more than 40 gCO₂e/MJ as determined by the Low Carbon Fuel Standard (LCFS), Title 17, Division 3, Chapter 1, Subchapter 10, Article 4, Subarticle 7, of California Code of Regulations (CCR), Section 95486. The CI is a method of quantifying the overall carbon impact of a fuel as defined by the California Air Resources Board Low Carbon Fuel Standard (LCFS). It is the supplier’s responsibility to provide documentation acceptable to the participating agency.

6.4 SACOG and Participating Agency may, at any time, take a sample of the delivered product to be inspected and tested according to the methods specified in active standards, ASTM D5453 for sulfur, D5186 for aromatics and other test methods specified in ASTM D975 and ASTM-D6866 utilizing Carbon 14 dating to verify the percentage of bio-based of a fuel and petroleum.

6.5 The finished fuel shall be visually free of un-dissolved water, sediment, and suspended matter.

6.6 STORAGE LIFE: The fuel shall not deteriorate in ordinary storage and shall not form excessive gum, resin, or deposits.