



Mesa Associates, Inc.
10604 Murdock Drive
Knoxville, TN 37932

090007-EI

REDACTED

Attention: Tim Cutshaw

CONTRACT NO. 221186
WORK AUTHORIZATION NO. 24
EFFECTIVE February 1, 2009

Under the terms of the above-referenced Contract, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Florida, Inc. (hereinafter "Owner") offers the following work to your company:

Scope of Work

Contractor shall furnish all labor, tools, materials, equipment, transportation, and supervision necessary engineering and design services to support the construction of New EPU Cooling Tower Project, hereinafter known as the "Work." A general description of the Work is provided below, and a complete description is contained in Exhibit 1 - "Point of Discharge Statement of Work".

- **EPU Cooling Tower Basin & Foundations** - The scope of this Work is to engineer & design the new EPU cooling tower cold water basin and foundations as defined below. Construction will be completed under a separate contract. The detailed requirements for this work are stated in Section 3 of this document and the DCM. The basin and foundations are defined as all concrete components and structures necessary to support the installed cooling tower and to facilitate proper hydraulic operation of the cooling tower system. The technical requirements for this work include:
 - o Design of the basin and foundations subject to the following boundary conditions:
 - Contractor will base their design on the cooling tower Contractor's loading diagram and mounting & support requirements. The design and engineering details of all interfaces between the cold water basin and the cooling tower structure will be developed by the cooling tower contractor
 - one physical boundary of this scope is up to and including the first flanged connection (with isolation valve & controls)
 - a second physical boundary of this scope is up to & including the first electrical box off the cooling tower maintenance area
 - this scope includes the 40' maintenance area around the circumference of the cooling tower basin
 - the cooling tower basin height will be adequate to allow gravity drain back to the Discharge Canal
 - o the cooling tower and basin design will allow for easy access and cleaning of marine growth from the basin and cooling tower structural members
 - o maintenance area (approximately 40' perimeter around the cooling tower basin)

COM _____
 ECR I
 GCL _____
 OPC _____
 RCP _____
 SSC _____
 SGA _____
 ADM _____
 CLK _____

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27802

(P4 10F 3)
DOCUMENT NUMBER-DATE
10152 OCT-18

PEF-POD4-00001

FPSC-COMMISSION CLERK



Mesa Associates, Inc.
10604 Murdock Drive
Knoxville, TN 37932

Attention: Tim Cutshaw

CONTRACT NO. 221186
WORK AUTHORIZATION NO. 24
EFFECTIVE February 1, 2009

Under the terms of the above-referenced Contract, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Florida, Inc. (hereinafter "Owner") offers the following work to your company:

Scope of Work

Contractor shall furnish all labor, tools, materials, equipment, transportation, and supervision necessary engineering and design services to support the construction of New EPU Cooling Tower Project, hereinafter known as the "Work." A general description of the Work is provided below, and a complete description is contained in Exhibit 1 – "Point of Discharge Statement of Work".

- **EPU Cooling Tower Basin & Foundations** – The scope of this Work is to engineer & design the new EPU cooling tower cold water basin and foundations as defined below. Construction will be completed under a separate contract. The detailed requirements for this work are stated in Section 3 of this document and the DCM. The basin and foundations are defined as all concrete components and structures necessary to support the installed cooling tower and to facilitate proper hydraulic operation of the cooling tower system. The technical requirements for this work include:
 - Design of the basin and foundations subject to the following boundary conditions:
 - Contractor will base their design on the cooling tower Contractor's loading diagram and mounting & support requirements. The design and engineering details of all interfaces between the cold water basin and the cooling tower structure will be developed by the cooling tower contractor
 - one physical boundary of this scope is up to and including the first flanged connection (with isolation valve & controls)
 - a second physical boundary of this scope is up to & including the first electrical box off the cooling tower maintenance area
 - this scope includes the 40' maintenance area around the circumference of the cooling tower basin
 - the cooling tower basin height will be adequate to allow gravity drain back to the Discharge Canal
 - the cooling tower and basin design will allow for easy access and cleaning of marine growth from the basin and cooling tower structural members
 - maintenance area (approximately 40' perimeter around the cooling tower basin)

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

- electrical and instrumentation panels, conduits, cable trays, supports and restraints, for components mounted on the cooling tower basin or maintenance area
 - the design will include appropriate maintenance handling equipment and systems,
 - some geotechnical soil characterization has been done by Owner. Contractor is responsible for reviewing this information and finalizing the characterization as necessary to complete the cooling tower design.
- **Intake & Discharge Structures** – The scope of this Work is to engineer & design the intake and discharge structures. The scope of work for the intake and discharge structures are further detailed in Section 3 of this document, the DCM, and specifications for equipment within this scope of work (i.e., S-4 – Trash Racks & Traveling Screens, S-5 Concrete, S-6-1 Fiberglass Reinforced Piping, S-6-2 – HDEP Piping, and others). The boundary of this task is defined as follows:
 - Design requirements and drawings of termination detail for high voltage cables on the cooling tower equipment
 - Design requirements and drawings of termination detail for low voltage wiring at the first panel off the cooling tower
 - Design of cable and wire ways to the cooling tower basin and to the cooling tower
 - Design requirements and design for electrical power from the substation to the distribution center in the intake structure
 - Design requirements and design detail of instrumentation and controls to the Unit 1 / 2 control room DCS.
 - Piping to and from the cooling tower basin,
 - The scope of this work also includes all geotechnical sampling required to complete the final design of the intake and discharge structures.
- **Monitoring & Control Software & Hardware** – The scope of this Work is to design and develop the software and hardware for the equipment monitoring and control system for the new cooling tower equipment. The monitoring and control system must be compatible with the existing cooling tower Distributed Control System (DCS). The features of the monitoring and control system must be similar to the existing equipment. Contractor will work closely with Owner personnel in completing this work.
 - Contractor will provide the technical and engineering expertise to design and develop the procurement specifications for the cooling equipment and systems identified above and further described in section 3 of this document and in the Design Criteria manual.
 - Contractor will develop & implement the associated calibration and test procedures to demonstrate proper equipment capabilities during equipment and component startup.
 - Contractor will supply all management, supervision, labor, equipment, materials, tools, consumable supplies, and each and every item necessary to perform the Work describe in this Work Authorization.
 - Contractor will perform both on-site and off-site activities necessary to complete the stated design and develop procurement specifications.
 - On site activities require preapproved access. Contractor will submit site access forms 48 hours before expected CREC access unless otherwise approved by the Designated Representative.

The result of this Work Authorization will be the final design for the construction and operation of Discharge Canal cooling equipment that provides a minimum of 2.33 B BTU/Hr of Discharge Canal heat removal.

Quality Assurance

The Work has been determined to be not Nuclear Safety Related.

The Contractor will not be required to perform work in radiation areas.

Contract Invoicing and Acceptance of Deliverables



[Redacted]	
[Redacted]	
[Redacted]	[Redacted]

1
2
3
4
5
6
7
8
9
10
11

12
13
14
15
16
17
18
19
20
21
22



23
24
25
26

Contractor shall submit a monthly invoice for the actual hours worked that month. The invoice shall include a statement or be accompanied by time sheets showing each employee's name, classification, hours worked, applicable rate of compensation to Contractor. If any special equipment has been used, the invoice must also specify the equipment used, hours of usage, and rate of reimbursement for use.

Each monthly invoice will state the amount of fee included in that month's invoice, the percentage of fee charged that month, and the accumulated total amount of fee charged up to that point.

Invoices for Work performed under this Work Authorization should be sent to

Crystal River Nuclear Plant Unit 3
15760 West Powerline Street
Crystal River, FL 34428-6708
Attn: Accounting Representative (SA2I)

Schedule

[REDACTED]

1
2
3
4

Locations

The awarded Work shall be performed at Owner's Crystal River Energy Complex located near Crystal River, FL, and Contractor's offices located in Chattanooga, TN.

Designated Representative

Mark Hickman
mark.hickman@pgnmail.com
phone: 352-563-2943 ext 4233
Crystal River Unit 3 Nuclear Plant
15760 West Powerline Street (SA2C)
Crystal River, FL 34428-6708

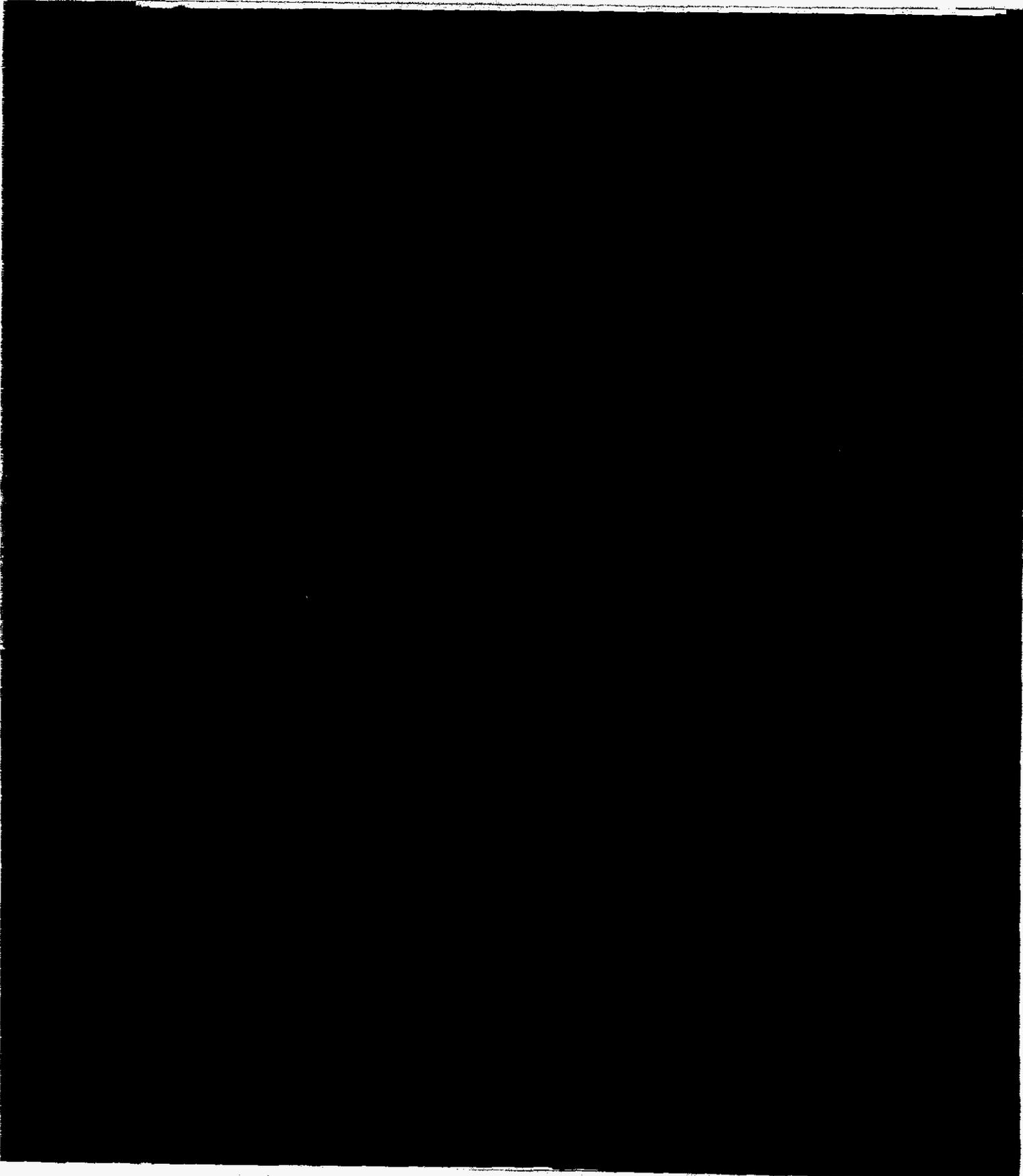
is appointed as Owner's Designated Representative for the administration of this Work Authorization.

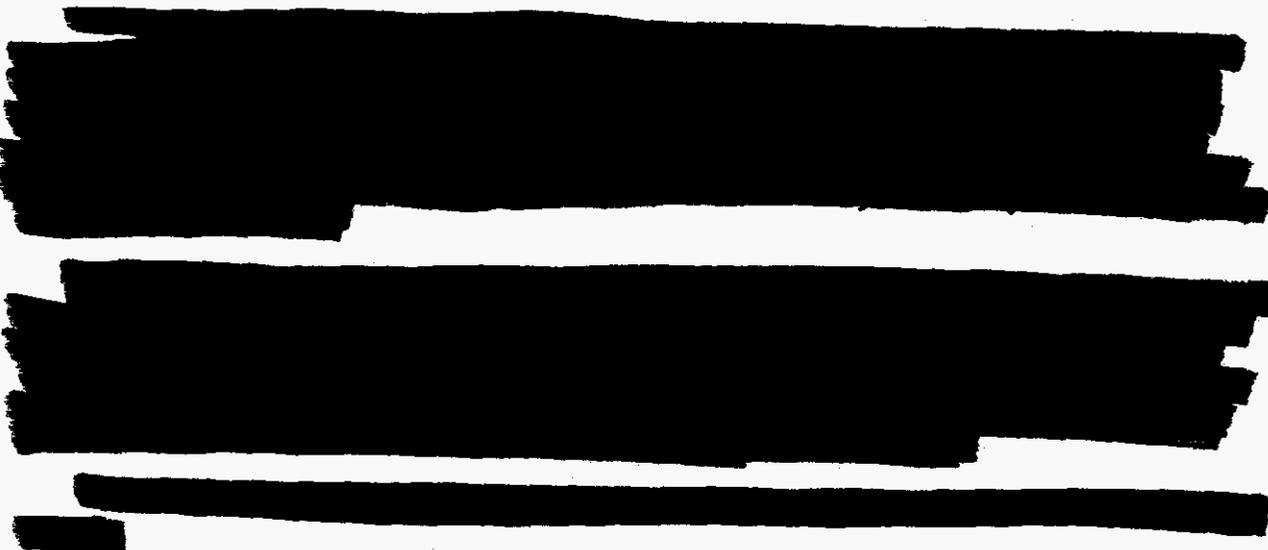
All Work shall be performed as directed by Owner's Designated Representative.

Target Price

[REDACTED]

5
6
7
8
9
10





1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

Taxes

Contractor assumes exclusive liability for all sales or use taxes applicable to any materials, supplies, equipment or tools purchased, rented, leased, used or otherwise consumed by Contractor in conjunction with the performance of the Work.

Retention

Owner will not withhold retention from Contractor's invoices (excluding any increases in fee earned as a result of early delivery of Project Milestones as detailed above, and the final invoice as detailed below) as long as the following conditions are met:

- **Schedule:** Contractor has met all schedule milestones such that major (30%, 70%, final) engineering packages are delivered on schedule
- **Safety:** Contractor has met the safety target of zero accidents.
- **Cost:** The current accumulated project cost at the time of any monthly invoice, is less than one hundred ten percent (110%) of the estimated accumulated project cost for that month.

If these conditions are not met, then a deduction of ten percent (10%) shall be retained from all amounts invoiced, except the invoice for retention and the invoice for final payment. Subject to the above conditions, payments will be made not later than thirty (30) days after receipt of Contractor's invoice.

Owner shall withhold a retention of five percent (5%) of the actual Work Authorization Price from Contractor's final payment in order to cover performance incentives related to the construction of the work designed by Contractor. This retention will be released to Contractor once project construction is substantially complete or within one year from acceptance, by Owner, of Contractor's CFC package.

Note 2: Schedule Incentives only apply to the fee charged on the month's invoice to which the relevant Project Milestones apply. In any month in which fee is either increased or decreased as a result of Schedule Incentives, that month's invoice shall clearly state the percentage of fee applicable to that month, the actual amount of fee included in the invoice, and the difference between the actual amount of fee included in the invoice and the amount fee would have been if Schedule Incentives had not been applied. Any additional fee earned as a result of early delivery of Project Milestones shall be retained by Owner and paid to Contractor as a portion of the final payment.

Note 3: Schedule Incentives shall only be applied if the actual, overall project schedule is affected by the Contractor's early or late delivery and acceptance of Project Milestones. I.E. if Contractor misses a Milestone and thereby reduces his invoice, Contractor can earn the amount of fee deducted from that invoice back if Contractor is able to recover the overall project schedule and meet final deadlines. By the same token, Owner will only pay Contractor any retained amounts earned as a result of increases in fee due to early delivery of Project Milestones if Contractor's early delivery betters the overall project schedule.

Note 4: The maximum decrease to revenue as a result of Schedule Incentives shall not exceed the total fee of 8%.

Taxes

Contractor assumes exclusive liability for all sales or use taxes applicable to any materials, supplies, equipment or tools purchased, rented, leased, used or otherwise consumed by Contractor in conjunction with the performance of the Work.

Retention

Owner will not withhold retention from Contractor's invoices (excluding any increases in fee earned as a result of early delivery of Project Milestones as detailed above, and the final invoice as detailed below) as long as the following conditions are met:

- **Schedule:** Contractor has met all schedule milestones such that major (30%, 70%, final) engineering packages are delivered on schedule
- **Safety:** Contractor has met the safety target of zero accidents.
- **Cost:** The current accumulated project cost at the time of any monthly invoice, is less than one hundred ten percent (110%) of the estimated accumulated project cost for that month.

If these conditions are not met, then a deduction of ten percent (10%) shall be retained from all amounts invoiced, except the invoice for retention and the invoice for final payment. Subject to the above conditions, payments will be made not later than thirty (30) days after receipt of Contractor's invoice.

Owner shall withhold a retention of five percent (5%) of the actual Work Authorization Price from Contractor's final payment in order to cover performance incentives related to the construction of the work designed by Contractor. This retention will be released to Contractor once project construction is substantially complete or within one year from acceptance, by Owner, of Contractor's CFC package.

Retention (of final payment) shall be invoiced separately by the Contractor and payment shall be made not later than thirty (30) days after receipt of the invoice and all of the following have been completed:

- (1) All design Work has been completed and accepted, , and receipt of all required documentation by Owner.
- (2) A correct invoice covering the Work has been presented to Owner. This invoice will clearly state the following:
 - Target Price and the amount of fee included in the Target Price
 - Actual Project Cost and the amount of fee included in the Actual Project Cost
 - Any amounts fee was increased or decreased as a result of Safety, Schedule, or Quality Incentives
 - Any amounts the invoice is increased or decreased by as a result of Shared Savings or Shared Costs

Code of Ethics

Contractor, Contractor's employees, and employees of Contractor's subcontractor(s) performing Work under this Work Authorization shall comply with Owner's Code of Ethics. Owner will make the Code of Ethics available to Contractor in order for Contractor to provide a copy to any employee with (i) a presence for a single period of 15 calendar days or more upon property owned or leased by Owner (except right-of ways) or any of Owner's subsidiaries or affiliates and/or (ii) access to Owner's business critical infrastructure and/or (iii) security badge access to Owner facilities. Each such employee shall sign an Acknowledgment Form (Exhibit 4) in substantially the form set forth by Owner. Contractor shall retain the signed forms for Owner audit purposes for the term of the Contract plus one (1) year. The audit right provided herein shall not be restricted by any other audit provisions of the Contract. Contractor shall not be required to obtain signatures on Acknowledgment Forms for those employees assigned to Owner sites exclusively to provide storm support.

Contractor, Contractor's employees, and employees of Contractor's subcontractor(s) performing Work under this Work Authorization are obligated to comply with all applicable laws and regulations and with all applicable health, safety and security rules, programs and procedures. The Owner Code of Ethics identifies principles concerning lawful and ethical conduct that must be followed by Contractor's employees in the performance of Work. The Code of Ethics also provides for an AlertLine reporting mechanism that enables the reporting of suspected violations of law and of the Code of Ethics as a part of Owner's program to prevent and detect violations of law and criminal or unethical conduct.

Insurance

As required by the Insurance Section of the Contract, before any Work is performed and before any invoices are paid for Work performed under this Work Authorization, written proof of compliance with the insurance requirements of the above-referenced Contract must be on file with Owner on a certificate executed by an authorized representative of Contractor's insurer and identified by the Owner Contract number.

Order of Precedence

If any conflicts exist between the provisions of this Work Authorization and the provisions of the Contract under which this Authorization is let, or any Amendment to this Contract, the provisions of this Work Authorization shall govern the Work described above. All other items in the Contract or Contract Amendments remain unaffected by this Work Authorization.

This Work Authorization and the Contract, as amended, embody the entire agreement between Owner and Contractor for the Work described above. The parties shall not be bound by or liable for any statement, writing, representation, promise, inducement or understanding not set forth within this document, itself. No changes, modifications, or amendments of any terms and conditions of this Work Authorization are valid or binding unless agreed to by both parties in writing and signed by their authorized agents.

Electronic Submittals

Owner and Contractor acknowledge that documents requiring signatures may be transmitted electronically. Owner and Contractor stipulate that if this Work Authorization is transmitted electronically, the electronic transmittal of the original execution signatures shall be treated as original signatures and given the same legal effect as an original signature.

- next paragraph begins on the following page -

All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Work Authorization, retain an original for your file, and return the other original within ten (10) calendar days to Sid Fowler, Progress Energy Service Company, LLC, P. O. Box 1551 (PEB-3C3), Raleigh, NC 27602, or via electronic transmittal to sidney.fowler@pgnmail.com.

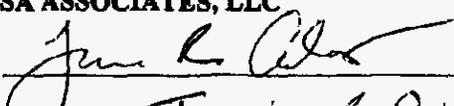
Sincerely,



Tony Owen
Manager, NGG Major Projects
As Agent For
Progress Energy Florida, Inc.

Accepted:

MESA ASSOCIATES, LLC

By: 

Name (printed): Timothy R. Cutshaw

Title: Vice President

Date: 3 / 10 / 09

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- | | |
|---|--|
| <input type="checkbox"/> Certified small business* | <input type="checkbox"/> HUBZone, 8(a) or disadvantaged business* |
| <input type="checkbox"/> Veteran-owned business* | <input checked="" type="checkbox"/> Minority-owned business * • |
| <input type="checkbox"/> Service-disabled veteran-owned business* | <input checked="" type="checkbox"/> Women-owned small business * • • |
| <input type="checkbox"/> Not a Small Business | |

- * As defined by the Small Business Administration (SBA): www.sba.gov
- * • Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

Work Authorization No. 221186-24

Exhibit 1

Statement of Work

Contractor's Scope of Work shall consist of the entirety Tasks 6a, 7a, 8a, and 10a, Tasks 1, 2, 3, and 4 as relative to the performance of Task 5a, and all planning and interfaces as necessary to fully perform the Work.

STATEMENT OF WORK

TABLE OF CONTENTS

1.0	INTRODUCTION / BACKGROUND	3
2.0	DESCRIPTION OF WORK - GENERAL	4
3.0	DESCRIPTION OF WORK - SPECIFIC.....	8
3.1	Task 1 Update and Maintain the Design Criteria Manual	9
3.2	Task 2 Update & Maintain Procurement Specifications	9
3.3	Task 3 Update & Maintain Project Design Drawings.....	9
3.4	Task 4 Provide Construction Guidelines & Test Procedures	10
3.5	NOT USED	
3.6	Task 5a Design & Construct the EPU Cooling Tower..... and Update Calculations (Clarifier Pond Location)	11
3.7	NOT USED	
3.8	Task 6a Design the EPU Cooling Tower Basin and	14
	Surrounding Laydown Area (Clarifier Pond Location)	
3.9	NOT USED	
3.10	Task 7a Design Intake Structure and Related Systems (Clarifier	18
	Pond Location)	
3.11	NOT USED	
3.12	Task 8a Design Discharge Structure and Related Systems (Clarifier	20
	Pond Location)	
3.13	NOT USED	
3.14	NOT USED	
3.15	Task 10a Design Software & Hardware to Interface	21
	with Existing DCS (Clarifier Pond Location)	
3.16	NOT USED	
3.17	Special Requirements	22
3.18	Organizational Interfaces	22
3.19	Work Not Included.....	22
3.20	Owner Furnished Materials and Equipment.....	23
3.21	Site Conditions and Known Hazards.....	23

Exhibit 1 – Work Authorization No. 221186-24

4.0	TECHNICAL REQUIREMENTS AND ACCEPTANCE CRITERIA.....	23
4.1	Design Interfaces	24
4.2	Codes and Standards	25
4.3	Specifications	25
4.4	Drawings	25
4.5	Exhibits.....	27
4.6	Electrical Safety Requirements	27
4.7	Hoist and Rigging Requirements	27
4.8	Fire Prevention Requirements.....	28
4.9	Acceptance Criteria	28
5.0	PERSONNEL REQUIREMENTS.....	32
5.1	Training and Qualification	32
5.2	Security and Badging Requirements	33
5.3	Site Access and Work Hours.....	33
6.0	ENVIRONMENTAL, SAFETY, HEALTH, AND QUALITY REQUIREMENTS	33
6.1	Environmental Requirements	35
6.2	Safety Requirements.....	37
6.3	Quality Assurance and Control	39
6.4	Quality Assurance/Inspection Requirements	39
6.5	Software Products and/or Services Where Software is Used.....	46
7.0	MEETINGS, SUBMITTALS, WORK & PROJECT CONTROL REQUIREMENTS ...	50
7.1	Meetings	50
7.2	Request for Information	52
7.3	Submittals.....	52
7.4	Work Control Requirements	53
8.0	DELIVERABLES, MILESTONES AND PERFORMANCE SCHEDULE.....	53
8.1	Deliverables.....	53
8.2	Milestones	54
8.3	Performance Schedule.....	54

ATTACHMENTS

- A SUBMITTAL REGISTER
- B SITE COORDINATION REQUIREMENTS, FACILITIES AND UTILITIES
- C NOT USED
- D PHASE 2 CONCEPTUAL DESIGN REPORT
- E REQUEST FOR INFORMATION FORM

STATEMENT OF WORK

INTRODUCTION / BACKGROUND

Owner's Crystal River Nuclear Unit 3 (CR3) is part of the larger Crystal River Energy Complex (CREC) located in Citrus County, Florida. The CREC is comprised of 4,738 acres and includes a single nuclear unit (CR3) and four coal-fired units, CR 1, 2, 4, and 5. CR3 and the four coal-fired units lie in the developed area of the site.

Cooling water for CR 1, 2, and 3 is withdrawn from an intake canal which connects to Crystal Bay and the Gulf of Mexico and returned to the Gulf via a common Discharge Canal. The Florida Department of Environmental Protection (FDEP) Issued a National Pollution Discharge Elimination System (NPDES) permit (FL0000159) with limits on the combined condenser flow from CR 1, 2, and 3 to 1,898 million gallons per day (MGD) during the period of May 1 through October 31, and 1,613.2 MGD during the remainder of the year.

The 14-mile-long intake canal is dredged to a depth of approximately 20 feet (ft) to also accommodate coal barges which unload and dock on the south side of the Intake Canal, just west of the intakes for CR 1 and 2. The Intake Canal is bermed by northern and southern dikes. The northern dike continues along the channel for another 5.3 miles. There are openings in the dikes at irregular intervals to allow north-south boat traffic in the area of CREC. Movement of water into the canal is tidally influenced. At the mouth of the canal, current velocities ranged from 0.6 to 2.6 feet per second (fps) when last measured in 1983-1984.

Studies have demonstrated that in order to reduce Owner's total fuel cost, increased efficiencies can be realized from technological advancements and system modifications to increase generation capacity from the company's lowest cost fuel source. Following Owner's request, the Florida Public Service Commission (PSC) has determined that a power uprate is an economical option to add capacity and power output to the existing nuclear unit, CR3. The CR3 Uprate Project will result in economic benefits to customers and the community by providing additional clean energy at lower cost to consumers. An increase in the plant's gross output from 900 MW to 1,080 MW can serve the equivalent of an additional 110,700 homes.

The CR3 Extended Power Uprate (EPU) Project will occur over two phases. The first phase (Phase I) will occur during a 2009 planned refueling outage and scheduled steam generator replacement. The improvement to the turbine center line components will increase the efficiency of power production resulting in decreasing consumer costs. The second phase will result in an additional 140 MW of power and will require a large number of smaller yet substantial modifications to assure long term reliability of all plant systems at the conditions necessary to support a higher licensed power level.

The work identified in this statement of work (SOW) is to obtain the services necessary to design, procure, and construct (as identified below) the necessary Discharge Canal cooling

Exhibit 1 – Work Authorization No. 221186-24

equipment to mitigate the increased thermal heat rejected into the Discharge Canal by CR3 and to replace the heat removal capacity of temporary cooling equipment.

DESCRIPTION OF WORK – GENERAL

Owner requires Contractor to design and develop, procure, and construct the New EPU Cooling Tower as defined below so as to provide a minimum of 2.33 B BTUs/Hr heat removal from the Discharge Canal water prior to the water's return back to the Gulf of Mexico as identified below. The heat removal is required in order keep the water temperature below the NPDES three hour rolling average limit of 96.5°F. The Design Criteria Manual and associated specifications, calculations, modeling, studies, and drawings were generated during the Study Phase of this Project. Contractor shall update the Study Phase conceptual design documents such that they will become the final design documents to be used for the Project's procurement of materials and construction.

The Work is broken down into work tasks. For this Work Authorization, Contractor shall perform Tasks 6a, 7a, 8a, and 10a, and the associated Work necessary therefore, including but not limited to Tasks 1, 2, 3, and 4. Task 5a will be performed by a different vendor under a separate contract. However, this task is included in this Statement of Work to provide clarification and guidance relative to Contractor's necessary interfaces and the information Contractor will be required to provide to Owner and the vendor performing these other tasks.

The major tasks are stated below. Details of each work task are provided in Section 3 of this document, in the Design Criteria Manual, and in the appropriate specifications.

- **New EPU Cooling Tower** – This scope includes engineering, procurement, construction of the EPU cooling tower, & startup testing. Performance testing will be done by an independent third party under a separate contract. The cooling tower Contractor will support the performance testing. The cooling tower is defined as the support structures and associated equipment attached to and located above the cooling tower cold water basin. The cooling tower is further detailed in Section 3 of this document, the DCM, and Specification S2a, incorporated herein as Exhibit 5 of this Work Authorization.
 - The boundary of the EPU cooling tower is at the cold water basin. The Contractor completing the cooling tower must:
 - provide the engineering detail for each interface point of the cooling tower with respect to the cooling tower basin,
 - complete the mechanical work up to and including the first flange off the cooling tower,
 - the first flange connection includes the flange, gaskets, and isolation valve and operator,
 - complete all the design, procurement and construction for low voltage electrical (<480 v circuits) components, including wiring terminations at the first electrical panel off the cooling tower (including providing and installing the first electrical panel off the cooling tower),

Exhibit 1 – Work Authorization No. 221186-24

- complete all the design & procurement specifications for electrical work supporting high voltage (≥ 480 v circuits) components located on the cooling tower. The cables to the high voltage equipment will be pulled to the cooling tower and terminated at the equipment by the intake structure work scope.
- complete the design, procurement and construction of all support systems located on the cooling tower (i.e. lighting, etc.).
- Complete the design for monitoring and controls of cooling tower fans, pumps, and related equipment.

- **EPU Cooling Tower Basin & Foundations** -- The scope of this work is to engineer & design the new EPU cooling tower cold water basin and foundations as defined below. Construction will be completed under a separate contract. The detailed requirements for this work are stated in Section 3 of this document and the DCM. The basin and foundations are defined as all concrete components and structures necessary to support the installed cooling tower and to facilitate proper hydraulic operation of the cooling tower system. The technical requirements for this work include:
 - Design of the basin and foundations subject to the following boundary conditions:
 - the Contractor that is awarded the basin and foundation design work will base his design on the cooling tower Contractor's loading diagram and mounting & support requirements. The design and engineering details of all interfaces between the cold water basin and the cooling tower structure will be developed by the cooling tower Contractor,
 - one physical boundary of this scope is up to and including the first flanged connection (with isolation valve & controls),
 - a second physical boundary of this scope is up to & including the first electrical box off the cooling tower maintenance area,
 - this scope includes the 40' maintenance area around the circumference of the cooling tower basin,
 - the cooling tower basin height will be adequate to allow gravity drain back to the Discharge Canal.
 - the cooling tower and basin design will allow for easy access and cleaning of marine growth from the basin and cooling tower structural members.
 - maintenance area (approximately 40' perimeter around the cooling tower basin),
 - electrical and instrumentation panels, conduits, cable trays, supports and restraints, for components mounted on the cooling tower basin or maintenance area,

Exhibit 1 – Work Authorization No. 221186-24

- the design will include appropriate maintenance handling equipment and systems,
 - some geotechnical soil characterization has been done by Owner. The Contractor is responsible for reviewing this information and finalizing the characterization as necessary to complete the cooling tower design.
-
- **Intake & Discharge Structures** – The scope of this work is to engineer & design the intake and discharge structures. The scope of work for the intake and discharge structures are further detailed in Section 3 of this document, the DCM, and specifications for equipment within this scope of work (i.e., S-4 – Trash Racks & Traveling Screens, S-5 Concrete, S-6-1 Fiberglass Reinforced Piping, S-6-2 – HDEP Piping, and others). The boundary of this task is defined as follows:
 - Design requirements and drawings of termination detail for high voltage cables on the cooling tower equipment,
 - Design requirements and drawings of termination detail for low voltage wiring at the first panel off the cooling tower,
 - Design of cable and wire ways to the cooling tower basin and to the cooling tower,
 - Design requirements and design for electrical power from the substation to the distribution center in the intake structure,
 - Design requirements and design detail of instrumentation and controls to the Unit 1 / 2 control room DCS.
 - Piping to and from the cooling tower basin,
 - The scope of this work also includes all geotechnical sampling required to complete the final design of the intake and discharge structures.
-
- **Monitoring & Control Software & Hardware** – The scope of this work is to design and develop the software and hardware for the equipment monitoring and control system for the new cooling tower equipment. The monitoring and control system must be compatible with the existing cooling tower Distributed Control System (DCS). The features of the monitoring and control system must be similar to the existing equipment. The Contractor will work closely with Owner personnel in completing this work.

Exhibit 1 – Work Authorization No. 221186-24

The Contractor will provide the technical and engineering expertise to design and develop the procurement specifications for the cooling equipment and systems identified above and further described in section 3 of this document and in the Design Criteria manual.

The Contractor will develop & implement the associated calibration and test procedures to demonstrate proper equipment capabilities during equipment and component startup.

The Contractor will supply all management, supervision, labor, equipment, materials, tools, consumable supplies, and each and every item necessary to perform the Work describe in this Work Authorization.

The Contractor will perform both on-site and off-site activities necessary to complete the stated design and develop procurement specifications.

On site activities require preapproved access. The Contractor will submit site access forms 48 hours before expected CREC access unless otherwise approved by the Designated Representative.

The result of this Work Authorization will be the final design for the installation and operation of Discharge Canal cooling equipment that provides a minimum of 2.33 B BTU/Hr of Discharge Canal heat removal.

DESCRIPTION OF WORK – SPECIFIC

The design criteria for this section is contained in the Design Criteria Manual (DCM) included in this Work Authorization as Exhibit 6. The Contractor will maintain the DCM up to date as the final design is completed.

The Contractor will design the equipment and systems described below. The Contractor will also review and update the specifications for all the project materials. New specifications may be required to be generated by the Contractor to meet this requirement. The Contractor will also generate a list of potential vendors for each specification.

Task 1 Update and Maintain the Design Criteria Manual

The Design Basis of the DCM must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

The Design Basis was developed from information evaluated during the Study Phase of the Project. During the Project's Study Phase two important activities were completed. First, an Alternatives Analysis was completed. The Alternatives Analysis identified potential thermal mitigation technologies that could be used to reduce the thermal energy of the Discharge Canal water. The Alternatives list was then narrowed to the technologies that could be used at Crystal River. The technologies were then run through heat balance modeling to determine the optimal solutions and to provide a recommendation for further development in the second Study Phase task (conceptual design). The conceptual design further refined the alternatives analysis decision, defined the location of the cooling equipment, identified the equipment support utilities, stated the design standards for further design, developed design specifications for long lead items, and generated conceptual design drawings.

Exhibit 1 – Work Authorization No. 221186-24

The Design Basis contains the Project's Design Requirements Section. The other DCM sections are developed based on the Design Requirements. As the final design evolves, the Contractor must revise the DCM Design Basis to maintain the design requirements in line with the current project directions.

Task 2 Update & Maintain Procurement Specifications

The Project Specifications of the DCM must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

The DCM also contains the Project's draft procurement specifications for long lead items. The procurement specifications for items identified as long lead were drafted during the study phase. The Contractor must update the long lead procurement specifications as soon as is feasible and identify potential vendors for each specification.

Task 3 Update & Maintain Project Design Drawings

The Project Drawings (contained in the DCM) must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

The Project drawings of the conceptual design are currently attached to the DCM. These drawings are to be revised and new drawings added during the final design effort.

Task 4 Provide Construction Guidelines & Test Procedures

The Construction Guidelines and Test Procedures (to be contained in the DCM) must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

All the construction guidelines, test procedures and special instructions generated for and implemented for the construction effort are to be maintained in the DCM. The construction guidelines and special instructions will be revised by the Contractor as the final design is completed.

Not Used

Task 5a Design & Construct the EPU Cooling Tower & Update Calculations (Clarifier Pond)

The Contractor must comply with specification (S2a) and the below requirements in designing and constructing the EPU cooling tower. The Contractor will update design calculations (C2 & C2a) in completing this work. The cooling tower specification incorporates the design requirements for the EPU cooling tower. The desired mechanical draft cooling tower design requirements are summarized as follows:

- complete tasks 1 through 4 as they relate to this task,
- revise specification S-3 – lift pumps, as an early task,
- the cooling tower will be a circular counterflow multi-fan design,

Exhibit 1 – Work Authorization No. 221186-24

- the cooling tower will be located where the percolation clarified pond is now located,
- the cooling tower will provide a minimum heat rejection capability of 2.33 BBTU/Hr at an approach temperature of 11.0°F to an ambient wet bulb temperature of 79.0°F and a flow capacity of 320,000 gpm.
- the cooling tower fill is to be splash or trickle fill material that provides for easy maintenance and reliability,
- the cooling tower will have drift eliminators that limit drift to $\leq .0005\%$,
- the construction material will be concrete with corrosion resistant coated rebar or pultruded composite FRP with high strength stainless steel fasteners or other material that withstand the harsh saltwater environment over a 30 year operating life,
- individual cooling tower fan cells must be capable of being taken out of service without shutting down the remainder of the cooling tower (isolation of air and water to individual cells)
- the cooling tower and maintenance area must fit within the area currently occupied by the clarifier pond and adjacent roads. The adjacent roads will become part of the maintenance pad around the new cooling tower.
- fans will be monitored and normally controlled from the control room,
- fan local operation will be available for fan testing,
- local and remote control room monitoring instrumentation will provide operating status, fan current, fan vibration, bearing temperature, motor temperature,
- fan local instrumentation will have operating status motor & fan oil level,
- local and remote control room instrumentation for equipment controls will provide operating functions for the cooling tower pumps, fans, and valves,
- the cooling tower will be supplied with visual observation ports to observe the cooling tower fans,
- the cooling tower and basin must be designed to provide easy access for cleaning of marine life from the basin and cooling tower structural members,
- cooling tower riser isolation valves will have 480 volt motor operators. The valves will normally be remotely controlled but, will be capable of local and manual operation,
- the cooling tower will have a walkway that allows personnel access to the cooling towers inter ring header area from grade level,
- the cooling tower will have a permanent personnel walkway access to the spray nozzles for maintenance and inspection,
- the cooling tower will have personnel access to one of the cooling tower cells for thermal performance monitoring,

Exhibit 1 - Work Authorization No. 221186-24

- the cooling tower will have an internal ring header to direct water to the cooling tower risers. The ring header (provided with this scope of work) will mate with supply header piping and flanges installed by another Contractor.
- the cooling tower will have a fire detection system that reports back to the remote control room.

Not Used

Task 6a Design the EPU Cooling Tower's Basin and Surrounding Laydown Area (Clarifier Pond Location)

The Contractor will complete the cooling tower basin scope as follows:

- Complete tasks 1 through 4 for the affected sections, related to this task.
- Subsurface Investigation - All soil investigation work shall be the responsibility of the Contractor
 - Borings in soil, recovery of samples, tests on samples, or other soil investigations and exploratory procedures shall be performed as necessary for the design and construction of the EPU cooling tower foundations.
 - The number and size of soil samples, the methods of obtaining samples, and the field and laboratory tests and records for determining and recording the soil data shall be those that are usual and customary in the field of foundation engineering and are necessary and appropriate for the safe design of the foundations. As a minimum, the soil parameters that affect the stiffness and lateral load capacity of the deep foundation components shall be determined and strength and settlement parameters shall be determined for the design of foundations on soil.
- Cooling Tower Site Preparation
 - Contractor shall prepare the cooling tower site, providing backfill, excavation, grading and compaction as required to stabilize the sites.

Basin Outlet Structure -

- The cooling tower cold water basin shall be a watertight structure. The height of the cooling tower basin and outlet structure curb shall be sufficient to prevent splash-over during normal operation. Water stops shall be installed at all construction and expansion joints to prevent leaks. Contractor shall have a geotechnical survey performed to establish foundation requirements.
- The cold water basin shall be designed for control of cracking. The average calculated crack width under service conditions shall not exceed 0.013 inch. The average crack width shall be computed from:

$$W = 0.076 R f_s \sqrt[3]{d_c A}$$

where:

Exhibit 1 – Work Authorization, No. 221186-24

- W** = The average crack width in units of 0.0001 inch
R = Ratio of distances to the neutral axis from the extreme tension fiber and from the centroid of the tension reinforcement
f_t = Calculated stress in the reinforcement at service, ksi (including temperature and shrinkage loads)
d_c = Thickness of concrete cover measured from the extreme tension fiber to the center of the bar located closest thereto which is perpendicular to the crack
A = 2d_c times the spacing of the reinforcement

Basin Foundation –

- The foundations for the EPU cooling tower shall be completely suitable for the structure, the loads, the subsurface conditions and the service.
- Foundation settlements shall be investigated and their effects provided for in the structural design and in the construction details.
- If piling is to be used for the basin, fill, and water distribution system foundations, at least one satisfactory load test shall be made for each size pile at each tower location.

Construction Guidance

- Forms shall conform to the lines and dimensions called for on approved Contractor's drawings. They shall be substantially and properly braced and supported so as to maintain their position during thorough compaction of the concrete with internal vibrators and shall be sufficiently tight to prevent leakage of water.
- No construction load shall be supported upon, nor any shoring removed from, any part of the structure under construction until that portion of the structure has attained sufficient strength to adequately support its weight and the loads placed thereon.
- Forms shall be removed and reset in such a way as to avoid damage to the concrete and to avoid disturbing reinforcement projecting above any concrete section to such an extent as to break the bond between this reinforcement and the recently placed concrete.
- Forms shall be designed to permit uniform spacing of horizontal and vertical joints where practical.
- Forms for exposed surfaces shall be such as to provide a smooth plane concrete surface equivalent to rough or board form finish as specified in Section 10.2 of ACI 301.
- gravity return of cooled water to the Discharge Canal,
- cooling tower basin allows for easy access and maintenance for marine growth removal

Exhibit 1 – Work Authorization No. 221186-24

- relocate electric utility as necessary to provide for safe construction and maintenance, Owner will provide direction for new routing,
- the maintenance area has a minimum of 40' width surrounding the cooling tower basin to the edge of the paved maintenance area,
- the maintenance area will provide for traffic around the cooling tower when maintenance is not being performed,
- a retention wall will be designed to maintain the necessary separation from the percolation pond and the cooling tower area however the wall will allow for the necessary over flow from the percolation pond,
- the percolation over flow will be directed around the cooling tower basin to the Discharge Canal, Task 8a will direct the water from the cooling tower basin to the discharge structure,
- the Contractor will include a storm water run-off design that maintains the existing storm water collection basin (east of the cooling tower) operational. The storm water will be collected and pumped to the percolation pond system,
- the cooling tower basin design will include pipe support saddles, tie down straps, for a water supply ring header to be supplied and installed by the cooling tower Contractor, the support saddles will be constructed on a concreted pad within the cooling tower basin.

Not Used

Task 7a Design Intake Structure and Related Systems (Clarifier Pond Location)

The Contractor must use the conceptual design information in the DCM & complete the design of the intake structure and related equipment and systems for the cooling tower. The following is a summary of the intake structure design requirements:

- Complete tasks 1 through 4 for the affected sections, related to this task.
- The intake structure will be located on the discharge canal just north of the cooling tower,
- This task will develop procurement specifications (many draft specifications are drafted and need to be completed/updated) for all the material required to support this task.
- Defined as the intake structure on the Discharge Canal and the piping (with valves, expansion joints, restraints, and supports) between the intake structure and the cooling tower basin. This scope includes items listed below.
- The physical structures at the discharge canal,

Exhibit 1 – Work Authorization No. 221186-24

- The maintenance and equipment handling equipment required off the cooling tower maintenance area (i.e. breaker handling removal, traveling screen removal, pump maintenance & isolation).
- The piping fill & priming system,
- The AC electrical system from the CREC substation to the electrical transformers, through the electrical distribution panels, and to the equipment or to the first electrical panel off the cooling tower maintenance area (including ETAP analysis),
- The DC electrical system,
- The instrumentation monitoring & controls system from the equipment or the first instrumentation panel off the cooling tower maintenance area, back to the local and remote control rooms,
- The local area lighting,
- Service water system,
- Compressed air system,
- the intake structure will have dual flow traveling screens to filter the water, one traveling screen for each lift pump, the traveling screen will have:
 - through screen velocity of < 0.5 feet per second flow at mean tide level,
 - Local and remote control room operation functions (primary operation will be from the remote operating console),
 - Control room instrumentation that indicates operating status, operating current, lift pump intake temperature, and differential screen pressure,
 - Local instrumentation that includes operating status, operating current, and differential screen pressure, and visual observation window to view the traveling screen surface. (see DCM for additional requirements),
- the intake structure will have a dual flow traveling screen wash system,
 - the screen wash system will be operated remotely with the capability of local operation,
 - the screen wash system will have appropriate wash material handling equipment, return piping, baskets and containers,
 - screen wash system instrumentation will include pump operation status & spray header pressure,
- the intake structure will have lift pumps (the number and size to be calculated by the cooling tower Contractor), the lift pumps will:
 - normally operate 3 to 4 pumps that have the capacity to provide the total amount of cooling tower flow,

Exhibit 1 – Work Authorization No. 221186-24

- have excess lift pump capability that can supply 100% backup capacity of normally operating lift pumps,
 - be normally operated from the control room but have remote operation capability for testing,
 - Configured with instrumentation to remotely monitor bearing temperatures, motor temperature, motor current, and pump flow.
- The Contractor's intake structure design will have a weather enclosed and climate controlled housing for transformers & electrical switchgear and distribution panels, the enclosure will have breaker handling equipment, adequate lighting and room to properly maintain the switchgear. The height of the electrical equipment will be above the storm surge level or otherwise protected.
 - The design for this task will include all the electrical equipment procurement specifications, installation details, electrical single line drawings, schematics, and other design documents needed to power all the equipment installed for the cooling tower, intake structure equipment and related system systems.
 - The Contractor's design will also include piping, pipe supports, and restraints between the cooling tower and the intake structure.
 - The water supply to the cooling tower will terminate internal to the cooling tower basin with flanged connections designed to attach to the cooling tower ring header.

Not Used

Task 8a Design Discharge Structure and Related Systems (Clarifier Pond Location)

The Contractor must use the conceptual design information in the DCM & complete the design of the Discharge Structure for the cooling tower. The following is a summary of the Discharge Structure design tasks and requirements:

- Complete tasks 1 through 4 for the affected sections, related to this task.
- The design Contractor will develop a design and cost estimate for piping and supports from the cooling tower basin to the discharge canal structure located west of the Helper cooling tower intake structure.
- The Contractor's discharge structure design will return flow in such a manner that the water will not be entrained with the HCT intake water,
- this design will include the piping, valves, and supports for piping returning water to the discharge canal, the design will be such that the construction and final installation will not interfere with site traffic.

Exhibit 1 – Work Authorization No. 221186-24

- The design must be to return the water such that the water will not erode the canal bank at the local point of discharge or further along the canal flow path.
- The design will include incorporation of flow from the percolation pond over flow from the cooling tower basin to the discharge structure.
- The design for this task includes development of a system to help predict the POD temperature as an operator aid.

Not Used

Not Used

Task 10a Design Software & Hardware to Interface with Existing DCS (Clarifier Pond Location)

The Contractor will develop software and hardware as necessary to allow local and remote monitoring and control of the new equipment installed by this Project.

- Complete tasks 1 through 4 for the affected sections, related to this task,
- To the extent possible the software and equipment should be off the shelf material,
- The monitoring and control display should look and have the same type of control feel as the existing equipment,
- The control system will be for all the newly installed equipment and systems

Not Used

Special Requirements

The Discharge Canal cooling equipment being designed and constructed for this effort will be in a harsh salty environment. The materials of construction must be corrosion resistant in this environment. For example; exposed metal will be monel or 316 stainless steel, & rebar will be coated steel. Other exposed material will be UV protected pultruded composite FRP or equivalent. Electrical distribution equipment should be protected by placing it in an environmentally controlled facility.

The Contractor will identify potential vendors for procurements. The Contractor will identify all the material handling equipment and equipment short term storage requirements.

Organizational Interfaces

The Contractor shall interface with various Owner organizations through the Owner Designated Representative (or designee) as identified in the organization chart and work process plan.

The Contractor will complete the engineering design and provide specific instruction to tie-in new equipment and systems to existing CREC systems. The Contractor will also develop test instructions for component functional testing, startup testing, and performance testing.

Owner Furnished Materials and Equipment & Work Included

The following materials and equipment will be furnished by Owner at no cost to the Contractor:

Exhibit 1 – Work Authorization No. 221186-24

Owner has obtained subsurface characterization and geotechnical testing of the proposed cooling tower location. This information will be provided to the Contractor.

The Contractor is responsible for verification that all procurement specifications are adequate and that they will obtain the correct equipment needed for the project. The Contractor's verification of procurement specifications will be completed during the first 4 months of the engineering phase.

Site Conditions and Known Hazards

The Crystal River Energy Complex (CREC) is an industrial facility with continuing operations other than this project. Potential Hazards associated with this Project are as follows:

- The work area is within a security area. Un-escorted access to the work area requires facility specific training and an authorization badge.
- There are several other projects and operations that will have activities continuing in parallel with this project. Due to the number of site activities the traffic on the CREC facility and nearby areas will make traffic to and from the work area a hazard.

TECHNICAL REQUIREMENTS AND ACCEPTANCE CRITERIA

The Work to be completed as a part of this Work Authorization is defined in Section 3 of this document and in the Design Criteria Manual. The Design Criteria Manual (DCM) will contain the design requirements that are to be used as the project's final design documentation. The design documents will contain construction implementation requirements and standards. Equipment and component specific requirements have been rolled into the drafted procurement specifications attached to the DCM. The DCM will be expanded by the Contractor, during the final design work, to become the design basis document for the Project. The documents generated for and contained within the DCM will become the Project's construction documents.

The scope of the DCM covers all the design elements of the project. The DCM will be expanded from the design basis requirements during the final design and will house all the procurement specifications, engineering calculations, and drawings for the project.

The design criteria manual is divided into 8 design sections and three major Attachment sections as described below:

- Section 1 – Introduction and Plant Description
- Section 2 – General Design Criteria
- Section 3 – Architectural, Civil, and Structural Design Criteria
- Section 4 – Electrical Design Criteria
- Section 5 – Instrumentation and Controls Design Criteria
- Section 6 – Mechanical Design Criteria
- Section 7 – Plant Design Criteria
- Section 8 – Environmental Design Criteria

Exhibit 1 – Work Authorization No. 221186-24

- Attachment 1 – Procurement Specifications and design calculations
- Attachment 2 – Project Drawings
- Attachment 3 – Construction Guidelines and test procedures

Design Interfaces

The design will potentially interface with the following CREC site systems and additional Project personnel:

- Electrical substation
- Electrical building and switchgear at the HCTs.
- Unit 1 Control Room DCS and DCS remote consoles in CRS Main Control Room and existing HCT control room,
- Waste water piping from Unit 1, 2, & 3.
- Potable water system
- Electrical distribution (4.16 KV, 480 V, & .20V, etc.) local to the work facilities
- Telephone distribution system
- The design implementation will require obtaining CREC Operations personnel input.

The design requirements are well defined in the Design Criteria Manual with the exception of the following.

- Equipment monitoring, controls, and display functions. The Contractor will work with Owner's personnel in developing the hardware and software to communicate and interface with the existing Distributed Control System (DCS). The new indication and controls must look and operate similar to the existing control room equipment.
- Additional electrical power will be distributed from the onsite electrical substation. The specific design of the modifications will require close work with the Progress Energy Florida (Owner) Transmission Group. The Owner Transmission Group will design and modify the substation equipment. The Contractor's designed equipment will tie into the substation provided disconnect. Owner Transmission will make the final tie-in at the CREC substation. The Contractor will re-do the ETAP analysis as part of the final design.
- Another design and construction interface is with PMI Ash. PMI Ash loads ash from the southeast tank and transports the ash to another location. A transportation route will need to be maintained open by the Contractor during the construction of the cooling tower. The design for the cooling tower basin and cooling tower must make provisions to maintain PMI Ash transportation capabilities.
- The access around the construction site will also be used by other CREC operations for;
 - Security Patrols,

Exhibit 1 – Work Authorization No. 221186-24

- Access to percolation ponds,
- Access to maritime transportation security administration offices,
- And others.

Codes and Standards

Unless specified otherwise, the current edition or revision of the code in effect on the date of award shall be used. Applicable codes and standards have been identified in the DCM and draft specifications.

Specifications

Specifications for several of the long lead items were drafted during the conceptual design phase of the project. The Contractor is responsible for validation of the specifications as an early part of this work (within 4 months of NTP). The long lead items will then be procured in parallel with completing the final design.

The draft specifications are located in the DCM. New and revised specifications are to be maintained as part of the DCM by the Contractor.

Drawings

The drawings included in the DCM are hereby incorporated into, and made a part of this Work Authorization. The drawings will be revised as necessary to reflect the final design. New drawings shall be made part of the DCM by the Contractor. Site drawing will be updated by the Contractor to indicate the new installations and equipment modifications.

- A. Bidder shall submit with his bid general arrangement drawings; descriptive information covering the design and site layout of the EPU cooling tower, inlet header piping, cold water outlet connections, and ancillary equipment; and an equipment list including manufacturer and model numbers.
- B. After Work Authorization award, Contractor shall submit five copies of each drawing and associated installation and removal instructions to Owner. Drawings and installation / removal instructions submitted to Owner shall be of a quality such that they will be capable of yielding hard copy reproductions with every line, character, and letter clearly legible and useable for further reproduction. Copies of the electronic files for all CAD drawings shall be submitted in AutoCAD Version 2006. Electronic copies of all project drawings shall be submitted to Owner.
- C. All submittals of drawings and installation instructions shall include identifying information such as the Specific Plant Name, Specification number, drawing subject, and drawing number / revision, and the intended use, i.e. "For Construction" or "For Comments", or "For Reference", etc. The intended use shall also be specified on the transmittal letter.
- D. All design drawings and data shall be submitted to Owner for review. Drawings and data submitted for review shall be complete in all respects and thoroughly checked by the Contractor. Drawings that are reviewed by Owner will be returned, properly noted with respect to their status for fabrication / construction; comments shall be incorporated and drawings and data shall be resubmitted to Owner.

Exhibit 1 – Work Authorization No. 221186-24

- E. All design drawings shall be stamped by a Professional Engineer registered in the State of Florida or by a Structural Engineer licensed in the State of Florida as appropriate.
- F. All drawings prepared by the Contractor for this project shall become the property of Owner.
- G. All drawings shall follow Owner's numbering scheme.
- H. All equipment, pipes, valves, junction boxes shown on the drawings shall be labeled on the drawings with identification numbers supplied by Owner.
- I. Drawings shall depict information appropriate to its division:
 - 1. Mechanical (including general arrangement, schematic, and physical drawings)
 - 2. Electrical / Instrumentation / Controls (including schematics, logic diagrams and physical drawings, P & ID)
 - 3. Civil / Structural
- J. An original copy of all calculations needed for completion of the design shall be submitted to Owner for review. Any comments from Owner shall be resolved by the Contractor prior to final acceptance by Owner.
- K. Vendor manuals for all supplied equipment shall be submitted to Owner "For Record". Five copies shall be submitted. Vendor manuals shall include a list of recommended preventive maintenance practices and a list of spare parts for the EPU cooling tower.

Exhibits

The Project's Phase 1 Alternatives analysis and related information will be made available to the Contractor as requested.

The Project's Phase 2 Conceptual Design Report and related information are available with this Work Authorization.

Electrical Safety Requirements

- 1. All electrical equipment and industrial control panels delivered or brought onto the site in performance of this Work Authorization must be labeled by an OSHA approved nationally recognized testing laboratory (NRTL).
- 2. All electrical equipment installed as part of this Work Authorization must comply with the National Electric Code (NEC), NFPA 70 and where applicable ANSI C2 (NEC). The Buyer reserves the right to inspect electrical equipment and installations. Contractor is responsible for notifying Owner when installations are available for inspection.
- 3. Electric motors shall be labeled to be in accordance with NEMA MG-1 or listed by an OSHA approved NRTL.
- 4. Electrical equipment and devices for which there is a NRTL listing category must be Listed or Labeled by UL or another OSHA approved NRTL.
 - a. The Canadian Standard Association (CSA) is not a recognized OSHA approved NRTL marking unless the label includes "US" or "NRTL".

Exhibit 1 – Work Authorization No. 221186-24

- b. The European Union CE Markings Directive 93/68EEC is not a recognized OSHA approved NRTL marking.
- c. The International Electrotechnical Commission (IEC), IEC Standard 60529 for enclosures (IPxx), is not recognized as an acceptable OSHA approved NRTL label.

Electrical equipment for which there is no listing category must be evaluated or tested using a method submitted to and approved by Owner prior to delivery of the equipment.

Electrical equipment is also subject to the "Counterfeit Suspect Item Program."

Hoisting and Rigging Requirements

The Contractor will identify any special hoist or rigging requirements associated with the designed equipment.

Fire Prevention Requirements

No fire prevention system is expected to be required however; the final design will determine the need for fire prevention systems.

Acceptance Criteria

The DCM identifies the engineering and design functions that will need to be completed as a part of the work for this Work Authorization. In addition, the final design, as required by the DCM, will conclude with providing a statement of Construction instructions. The final design documents (including: procurement specifications, Project drawings, and construction instructions) will be used by the Contractor to install the necessary Discharge Canal cooling equipment and support systems.

1.1.1 Acceptance Criteria for Task 1 - Update & Maintain the DCM as the engineering design & procurement specification generation is completed.

- The Contractor will provide a Design Construction Manual that contains a design basis section that:
 - A. Identifies the systems to be installed by the project,
 - B. Identifies the major components and equipment to be installed by this Project,
 - C. Provides the system requirements for each of the systems installed for the project,
 - D. Clearly identify the component design requirements for all the components installed for this Project.
 - E. The DCM will reflect the final design & as built conditions of the modified & newly constructed equipment & systems.

1.1.2 Acceptance Criteria for Task 2 – Procurement Specifications & Design Calculations

Exhibit 1 – Work Authorization No. 221186-24

The Contractor will update the cooling tower specifications and update the other specifications as necessary. The specification will then be provided to Owner with proposed vendors as part of this effort. The acceptance criterion for this work is the development of specifications and support calculations that contain the correct design requirements for the equipment and systems.

1.1.3 Acceptance Criteria for Task 3 – Project Drawings

The Contractor will update the cooling tower drawings and generate new drawings as necessary to support the installation of the Project's equipment and systems. The drawings must be in enough detail to complete the construction as detailed in other sections of this document.

1.1.4 Acceptance Criteria for Task 4 – Construction Guidelines & Test Procedures

The Contractor will provide support information to clarify construction requirements. The Contractor will develop startup, functional testing, and performance test procedures to safely place the constructed equipment & systems into service. The Performance testing is to be completed by a third party.

1.1.5 Acceptance Criteria for Task 5a - The Contractor must use the conceptual design information in the DCM & related specification to complete the design and construction of a cooling tower that meets the design requirements provided in the DCM & section 3 of this document. The cooling tower must meet the performance requirements identified in Specification S2a as appropriate.

1.1.6 Not Used

1.1.7 Acceptance Criteria for Task 6a – The Contractor must use the conceptual design information in the DCM & Related specification to complete the design and related procurement specifications for the cooling tower basin on which the cooling tower is built and laydown/maintenance area around the cooling tower that meets all the requirements of section 3.0 of this document

- o The cooling tower basin adequately supports and matches up with the cooling tower structure,
- o The cooling tower basin has the capability to direct both cooling tower basin and percolation pond over flow to the Discharge Canal,

Exhibit 1 – Work Authorization No. 221186-24

- The cooling tower basin & percolation pond over flow gravity drain into the Discharge Canal,
- The cooling tower basin allows for easy access and maintenance for marine growth removal,
- The maintenance area surrounding the cooling tower is 40' wide,
- The maintenance area will provide for traffic around the cooling tower when maintenance is not being performed.
- The design incorporates collection and handling of the storm water run-off from the area during construction and operation.

1.1.8 Acceptance Criteria for Task 7a - The acceptance criteria for this task is to design an intake structure that meets all the requirements of section 4.0, the DCM procurement specification, and:

- the intake structure will be located on the discharge canal just north of the cooling tower,
- the intake structure will have dual flow traveling screens to filter the water, one traveling screen for each lift pump, the traveling screen will have:
 - through screen velocity of < .5 feet per second flow at mean tide level,
 - Local and remote control room operation functions (primary operation will be from the remote operating console), in the CRS Main Control Room,
 - Control room instrumentation that indicates operating status and differential screen pressure,
 - Local instrumentation that includes operating status, operating current, and differential screen pressure, and visual observation window to view the traveling screen surface. (see DCM for additional requirements),
- the intake structure will have a dual flow traveling screen wash system,
 - the screen wash system will be operated remotely with the capability of local operation,
 - the screen wash system will have appropriate wash material handling equipment, and an appropriate wash water return configuration,
 - screen wash system instrumentation will include pump operation status & spray header pressure,
- the intake structure will have 3 lift pumps (actual number to be designed as part of this task), the lift pumps will:

Exhibit 1 – Work Authorization No. 221186-24

- normally operate two pumps that have the capacity to provide the total amount of cooling towers flow,
 - have one lift pump that can supply 100% backup capacity of one lift pump,
 - be normally operated from the control room but have remote operation capability for testing,
 - Configured with instrumentation to remotely monitor bearing temperatures, motor temperature, motor current, and pump flow.
- the intake structure will have a weather enclosed and climate controlled housing for transformers & electrical switchgear and distribution panels, the enclosure will have breaker handling equipment, adequate lighting and room to properly maintain the switchgear.

1.1.9 Acceptance Criteria for Task 8a - The acceptance criteria for this task is to design a discharge structure that meets all the requirements of section 4.0, the DCM procurement specification, and:

- the discharge structure will be on the south side of the Discharge Canal
 - return flow is to be directed such that the water will not be entrained with the HCT intake water
- the structure must be designed to return the water such that the water will not erode the canal at the point of discharge and mix with the Discharge Canal flow.

Not Used

1.1.10 Acceptance Criteria for Task 10 - The acceptance criteria for this task is to provide procurement specifications for all the required material and develop a delivery schedule that coordinates the material deliveries such that there is no impact on the construction schedule or other CREC activities.

Not Used

PERSONNEL REQUIREMENTS

Training and Qualification

1.1.11 Contractor shall ensure that the Contractor's personnel meet and maintain the appropriate training, qualification and certification requirements. CREC site-specific training requirements to safely perform this work are identified below.

1.1.12 The following training is required:

- CREC general access training,
- Project specific indoctrination for safety and Project Management,
- Contractor job specific training (to be identified with the specialized tasks to be performed),
- Occupational Safety and Health Administration (OSHA) Training.

1.1.13 CREC required site training will be coordinated through the Designated Representative (DR). Advanced notice (48 hours) must be given the DR to arrange this training. Required OSHA, and Job Specific Training shall be provided by the Contractor.

1.1.14 The required training shall be completed prior to work.

1.1.15 The Contractor must meet the following minimum qualifications:

1. A professionally licensed engineer in the State of Florida is required to approve all of the final design documents to be used for construction.
2. Experience in the areas of general and cooling tower construction. The Contractor will have > 15 years experience with work on similar type, size, and scope projects.
3. The Contractor's Key personnel must be dedicated to this project and cannot be transferred without Owner's DR approval. The following are considered Key Contractor personnel.
 - The Contractor's Project Manager must have > 10 years experience managing work on similar type, size, and scope of projects.
 - The Contractor's Engineering Manager must have > 7 years experience managing work on similar type, size, and scope of projects.

Security and Badging Requirements

- A. The Contractor shall obtain at the Contractor's expense, facility clearance and security badges for employees prior to obtaining access to the job site.
- B. Contractor employees will be required to: submit to vehicle searches, obtain tool and equipment permits prior to entering and leaving restricted areas, and to maintain hard hat markings.

- C. A minimum of 2 days advance notice is needed for visitor badging. CREC badges will be processed for those needing continuous access to the site. Processing for the site access badge is approximately 2 weeks.

Site Access and CREC Work Hours

- A. Work will be done on an 8-9's schedule. The standard work day shall consist of nine (9) hours of work between 7:00 AM and 4:30 PM, with one-half hour designated as an unpaid period for lunch, which may be taken between the hours of 11:00 AM and 1:30 PM, but not to exceed five (5) hours from the start of the shift. An eight (8) hour work day is substituted on alternate working Fridays, and no work occurs on the alternate non-working Friday.
- B. The Contractor will have access to the job site from notice to proceed through August 30, 2009.

ENVIRONMENTAL, SAFETY, HEALTH, AND QUALITY REQUIREMENTS

The Contractor shall perform work safely, in a manner that ensures adequate protection for employees, the public, and the environment, and shall be accountable for the safe performance of work. The Contractor shall comply with, and assist the Buyer in complying with Environmental, Safety, Health, and Quality (ESH&Q) requirements of all applicable laws, regulations and directives.

The Contractor shall flow down ESH&Q requirements to the lowest tier subcontractor performing work on the CREC site commensurate with the risk and complexity of the work.

The Contractor shall evaluate Subcontractors in accordance with Owner procedure SAF-SUBS-00041 or similar process approved by Owner

Integrated Environment, Safety and Health Management System (ISMS)

The Contractor shall exercise a degree of care commensurate with the work and the associated hazards. The Contractor shall ensure that management of ES&H functions and activities is an integral and visible part of the Contractor's work planning and execution processes. As a minimum, the Contractor shall:

- Thoroughly review the defined scope of work;
- Identify hazards and ES&H requirements;
- Analyze hazards and implement controls;
- Perform work within controls; and
- Provide feedback on adequacy of controls and continue to improve safety management.
- Continue pre-job safety evaluations and implement adequate controls for new hazards as they are identified.

The Contractor shall address how the five bulleted items above will be implemented in the Contractor's Project Specific Health & Safety Plan (PHASP).

Environmental Requirements

- 1.1.16 Environmental responsibility is a core value of Owner. We are committed to excellence in our environmental practices and performance. The company acknowledges our responsibility to be a good steward of the natural resources entrusted to our care while providing affordable and reliable energy to our customers. Environmental factors will be an integral part of planning, design, construction and operational decisions.
- 1.1.17 In accordance with this policy the Contractor shall prepare an Environmental Execution Plan which describes how the Contractor will comply with Owner's core value of environmental responsibility. The plan must identify the organizational structure responsible for implementation of the plan; how the plan is to be administered; how environmental information and reporting to Owner will be handled; how worker awareness and environmental training will be implemented; and what additional documents and/or plans will be attached to or referenced by the plan. Examples of these additional documents include but are not limited to: Spill Prevention Control and Countermeasures (SPCC) Plan, Storm Water Pollution Prevention Plan (SWPPP), Waste Management Plan (for hazardous, industrial, and special wastes), and a chemical and petroleum product storage and inventory plan.
- 1.1.18 Contractor is strongly encouraged to incorporate Pollution Prevention practices in the selection of all chemical products required for the project. The contractor must obtain pre-approval for all chemicals brought on site in accordance with the Nuclear Generation procedure CHE-NGGC-0045, Chemical Control Program. The chemical approval process must start as soon as possible and the Contractor should keep in mind that a week approval process may be needed for typical evaluations.
- 1.1.19 Any RCRA hazardous waste created as the result of project activity become the responsibility of the site. The contractor will be responsible for properly containerizing, identifying, and labeling such waste in accordance with RCRA regulatory requirements. Through proper adherence to pollution prevention practices and chemical control procedures the generation of hazardous waste should be greatly minimized or eliminated. It is Owner's expectation that the Contractor will identify and estimate the quantity of hazardous waste anticipated to be generated during the duration of the Project. Records of all hazardous and special waste (e.g., used oil) activities shall be maintained and provided to Owner at least monthly, and/or as requested.
- 1.1.20 Owner is responsible for obtaining all environmental regulatory permits necessary for construction of the project including: PSD Construction permit, Environmental Resource Permit, Florida NPDES storm water permit for construction activity, and Florida Industrial Wastewater NPDES discharge permit. The Contractor is responsible to provide the necessary engineering to support submittal of the permits in a timely manner that supports the Project's schedule.
- 1.1.21 The Contractor must incorporate the requirements of the Crystal River Site Manatee Protection Plan into any "in-water" work conducted in the site discharge canal. The protection is for work completed during the period November 15 through March 31.

Safety Requirements

- A. The Contractor is required to submit a Project Specific Health & Safety Plan that identifies the potential hazards that may be encountered in completing this work scope. The PHASP procedures and processes will address the Owner procedures were applicable. For example the Contractor's Lock Out/ Tag Out process must be consistent with Owner requirements. The Contractor will revise the PHASP as necessary to include new hazards when they are identified. As applicable, the following topics will be covered in the PSHASP and comply with applicable OSHA standards.
- a. INTRODUCTION AND TABLE OF CONTENTS
 - b. GLOSSARY
 - c. PROGRAM GENERAL REQUIREMENTS
 - d. RESPONSIBILITY, AUTHORITY, AND ACCOUNTABILITY
 - e. SAFETY RELATED DISCIPLINE
 - f. TRAVEL SAFETY
 - g. OFFICE SAFETY
 - h. EMERGENCY PREPAREDNESS
 - i. SAFETY AND HEALTH COMPLIANCE INSPECTION AND MANAGEMENT WALKTHROUGHS
 - j. ACCIDENT PREVENTION TRAINING AND EDUCATION
 - k. PREJOB SAFETY PLANNING
 - l. DRUG-FREE WORKPLACE/FITNESS-FOR-DUTY PROGRAM
 - m. EVENT INVESTIGATING AND REPORTING
 - n. CLASSIFYING AND RECORDING INJURY/ILLNESS
 - o. WORK HOUR CONTROL/WORKING ALONE
 - p. WORK RELEASE CONTROL
 - q. PERSONAL PROTECTIVE EQUIPMENT
 - r. FALL PROTECTION
 - s. HAZARDOUS MATERIALS AND FLAMMABLE / COMBUSTIBLE LIQUIDS
 - t. FIRE PREVENTION AND PROTECTION
 - u. HOUSEKEEPING
 - v. MOTORIZED EQUIPMENT PREOPERATIONAL AND PERIODIC INSPECTION
 - w. HOISTING AND RIGGING
 - x. ELEVATING WORK PLATFORMS AND AERIAL LIFTS

Exhibit 1 – Work Authorization No. 221186-24

- y. SIGNS, SIGNALS, AND BARRIERS
- z. SAFETY SHOWERS AND EYEWASHES
- aa. PORTABLE LADDERS
- bb. SCAFFOLDS
- cc. COMPRESSED GAS OPERATIONS
- dd. MATERIAL HANDLING AND STORAGE
- ee. MACHINERY AND MACHINE GUARDING
- ff. HAND AND PORTABLE POWER TOOLS
- gg. WELDING SAFETY
- hh. CONTROLLING HOT WORK
- ii. ELECTRICAL WORK SAFETY
- jj. ELECTRICAL INSTALLATION SAFETY
- kk. EXCAVATION, TRENCHING, AND SHORING
- ll. CONCRETE AND MASONRY CONSTRUCTION
- mm. DEMOLITION
- nn. SAFETY COLOR CODING FOR MARKING PHYSICAL HAZARDS
- oo. LOCKOUT/TAGOUT PROGRAM
- pp. CONTROLLING ORGANIZATION'S CONTROL OF HAZARDOUS ENERGY
- qq. STEEL ERECTION
- rr. CONSTRUCTION AND MAINTENANCE EATING AND SANITARY FACILITIES
- ss. WORKSITE FIRST AID
- tt. FLUSHING AND PRESSURE TESTING
- uu. INDUSTRIAL HYGIENE PROGRAM REQUIREMENTS
- vv. HEARING PROTECTION
- ww. HEAT STRESS PROGRAM
- xx. LEAD CONTROL
- yy. OCCUPATIONAL MEDICAL PROGRAM
- zz. HAZARD COMMUNICATION
- aaa. RESPIRATORY PROTECTION
- bbb. INFECTIOUS DISEASE (BLOODBORNE PATHOGENS)
- ccc. CONFINED SPACE ENTRY

ddd. OCCUPATIONAL ERGONOMICS

- B. The Contractor's PSHASP must be approved by Owner prior to starting the work covered by that practice.
- C. Chemical Management. If hazardous materials and/or chemicals (such as cements, grouts, lubricants, glues, adhesives, explosives, paints, solvents, cleaners and temporary fuel storage containers) will be brought on-site by the contractor in the performance of the work, these items will need to be tracked through the Owner Chemical Management Program using Attachment 2 of CHE-NGGC-0045, NGG – Chemical Control Program.
- D. If the Contractor has more than one employee working on site in performance of this Work Authorization, the Contractor will identify a member of its staff as its "Designated Safety Representative." This individual must have the authority, responsibility and knowledge to identify and correct any unforeseen hazardous or unsafe conditions, acts or instances of noncompliance.

Quality Assurance and Control

- A. Contractor shall be responsible for performing quality workmanship and shall conduct the quality control measures necessary to ensure work conforms to drawings and specifications.
- B. Plans, procedures, and engineering documentation shall be controlled in accordance with the Contractor's and Lower-tier Subcontractor's Quality Assurance Program which may be reviewed by Owner.
- C. Third party as referred in this document shall be a lower-tier subcontractor qualified per ASTM E-329, Agencies Engaged in the Testing and / or Inspection of Materials Used in Construction.
- D. Owner reserves the right to make inspections at any time at the source of supply of materials.
- E. All items and processes are subject to review, inspection or surveillance by Owner at the contractor's facility, or any lower-tier subcontractor's facility.
- F. Equipment requiring calibration shall be periodically calibrated to assure reliable results.
- G. Contractor shall be responsible for the performance of all inspection and testing activities as specified in the Contractor's submittal "Quality Assurance Inspection Plan," provided to Owner for approval within 30 days of Work Authorization award.

Quality Assurance/Inspection Requirements

- A. Quality Assurance Program Submittal and Pre-Award Survey

The Contractor shall submit the quality assurance program requirements that are applicable to the implementation of the designed work. These requirements shall be in a format that can be included in the construction contract for this work. If the Contractor's manual has been previously approved by the Buyer, the manual shall be updated to make it current and resubmitted to Owner with the proposal. If the manual has not changed since its previous approval by Owner, a statement to this effect shall be submitted with the proposal. Owner shall evaluate the Contractor's Quality Assurance program prior to

Exhibit 1 – Work Authorization No. 221186-24

Work Authorization award. This evaluation may include a survey of quality program implementation at the Contractor's facilities. If a program change is required, it will be identified to the Contractor prior to Work Authorization award. A deficient or inadequate program may be used as the basis to deny award of this Work Authorization.

The selected Engineering Contractor will identify the necessary level of quality control during the engineering design process and state QA/QC requirements on the applicable design and procurement documents. The following requirements will apply as identified during the engineering design process.

B. Supplier Quality Program Evaluation

When subcontracting any portion of this Purchase Order/Work Authorization, the Supplier is required to invoke the applicable quality assurance program requirements on the subcontractor.

Owner reserves the right to verify the quality of work at the Supplier's facility, including any subcontractor's facility. Access to a subcontractor's facility shall be requested through the Supplier and verification may be performed jointly with the Supplier.

The Supplier shall, during the performance of this Purchase Order/Work Authorization, submit proposed changes to the quality assurance program to the Contractor & Owner for review prior to implementation.

C. Nonconformance Documentation and Reporting

All nonconformances identified at the Supplier's facility with a proposed disposition of "Accept" or "Repair" shall be approved by the Buyer before any corrective action is taken by the Supplier on the nonconformance.

Accept: A disposition that a nonconforming item will satisfactorily perform its intended function without repair or rework.

Repair: A disposition requiring the processing of a nonconforming item so that its characteristics meet the requirements listed in the disposition statement of the nonconformance report.

Nonconformance shall be documented by the Supplier on the Supplier's nonconformance form or on an Engineering Procurement Waiver, which is provided by the Buyer. After documenting the nonconformance, disposition and technical justification, the form/waiver shall be forwarded to the Buyer.

After the recommended disposition has been evaluated by the Contractor & Owner, the form/waiver shall be returned to the Supplier with a disposition of approval or rejection. The Supplier may take corrective action on the nonconformance only after the form/waiver is approved.

The approved Engineering Procurement Waiver or Supplier's nonconformance form shall be shipped with the affected item.

D. Certified Welds & Inspectors

The Contractor is required to identify the weld and weld inspection requirements for this design. The weld requirements will be included on the appropriate drawings and in the construction guidelines.

E. Identification of items with Part number/Model Number

The Contractor is required to provide procurement and construction requirements to verify material by part number. The requirements will be in the procurement specifications and construction guidelines. For example - All items shall be identified with the part number/model number. Identification shall be on the item or the package containing the item. When the identification is on the item, such marking shall not impair the service of the item or violate dimensional, chemical, or physical requirements.

F. Identification of Items with Product Data Sheet

The Contractor is required to provide procurement and construction requirements for the supplier to submit a legible copy of the product data sheet (e.g., drawing, catalog page, brochure) that provides adequate information to enable the Buyer to verify the form and function of the article procured. One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped. The requirements will be in the procurement specifications and construction guidelines.

G. Identification of Items

The Contractor is required to provide procurement and construction requirements for the items to be identified with the part number/model number. Identification shall be on the item or the package containing the item. When the identification is on the item, such marking shall not impair the service of the item or violate dimensional, chemical, or physical requirements. The requirements will be in the procurement specifications and construction guidelines.

The Supplier shall submit a legible copy of the product data sheet (e.g., drawing, catalog page, brochure) that provides adequate information to enable the Buyer to verify the form and function of the articles procured.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

H. Identification and Traceability of Items

Where necessary the requirements for material traceability will be incorporated into the procurement specifications and construction guidelines. For example: All items shall be identified with the part, heat, batch, or serial number and the Purchase Order and line item number. Identification shall be on the item or the package containing the item. Where identification is on the item, such markings shall not impair the service of the item or violate dimensional, chemical, or physical requirements.

I. Identification of Age Control Items

The requirements for identification of age control will be in the procurement specifications and construction guidelines. For example: The Supplier shall identify each item, assembly, package, container, or material, having limited shelf life, with the cure date or date of manufacture and the expiration date. The Supplier shall specify any storage temperatures, humidity and environmental conditions which should be maintained. Material shall NOT be furnished having less than 75 percent of total shelf life available at time of shipment.

J. Liquid Penetrant Material Certification

The requirements for liquid penetrant material certification will be in the procurement specifications and construction guidelines. For example: A certification of contaminant content shall be furnished for each batch number of penetrant, cleaner, developer, and emulsifier provided. The certification shall include the test results which meet the requirements of ASME Section V, Article 6, and the latest mandatory addenda or Purchase Order/Work Authorization specified addenda. All materials and reports are subject to review and acceptance by the Buyer.

K. Certified Material Test Report

The requirements for certified material test reports will be in the procurement specifications and construction guidelines. For example: The Certified Material Test Report (CMTR) shall include actual results of all chemical analysis, tests, examinations, and treatments required by the material specification and this Purchase Order/Work Authorization. The CMTR shall be legible, reference applicable specification number and year of edition, and be traceable to the material furnished by heat or lot number. All reports are subject to review and acceptance by the Buyer.

The report(s) shall contain the Purchase Order/Work Authorization number and a description of the item to which the report applies. The report shall be signed by an authorized representative of the Company.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

L. Inspection and Test Report

The requirements for inspection and test reports will be in the procurement specifications and construction guidelines. For example: The Supplier shall submit legible, reproducible copies of Inspection/Test Reports.

The report(s) shall include the following:

1. Identification of the applicable inspection and/or test procedure utilized.
2. Resulting data for all characteristics evaluated, as required by the governing inspection/test procedure.
3. Traceability to the item inspected/tested, (i.e., serial number, part number, lot number, etc.).

Exhibit 1 – Work Authorization No. 221186-24

4. Signature of the Supplier's authorized representative or agency which performed the inspections/tests.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

M. Flame Test Report

The requirements for flame test reports will be in the applicable procurement specifications and construction guidelines. For example: A flame test report shall be submitted. The report shall include the following:

1. Test procedure identification.
2. Resulting data as required by IEEE-383.
3. Traceability to the material tested (i.e., batch number, heat number, lot number).
4. Signature of the authorized representative or agency performing the tests. Reports shall also reference the Purchase Order/Work Authorization number.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

N. Calibration Report

The requirements for calibration reports will be in the procurement specifications and construction guidelines. For example: Certification stating the equipment furnished to the Purchase Order/Work Authorization requirements has been calibrated utilizing standards whose calibration is traceable to the National Institute of Standards and Technology or other documented evidence must be submitted stating the basis of the calibration. In addition, the Supplier shall submit a report of actual calibration results. The report shall be identifiable to the acceptance criteria of the items submitted and shall meet Purchase Order/Work Authorization requirements. The report shall contain the signature of the authorized representative of the agency verifying compliance.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

O. Certification of Calibration

The requirements for certification of calibration records will be in the procurement specifications and construction guidelines. For example: The Supplier shall submit legible, reproducible copies of Certificates of Calibration, which are traceable to the National Institute of Standards and Technology, for each article ordered. Each certificate shall be identified with:

1. The Buyer's Purchase Order/Contract Order number.
2. Identification of the article to which the certificate applies.
3. The standards used for calibration. Each calibration certificate shall be signed by the Supplier's representative that is responsible for the calibration to attest to its authenticity.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

P. Repair and Calibration Services

The requirements for calibration and repair will be in the procurement specifications and construction guidelines. For example: When repair and calibration services are required, the Supplier shall perform the repairs in accordance with the manufacturer's instructions. The report of calibration shall include:

1. Actual calibration or test data
2. The as-found data or condition
3. As-left data (after repair and calibration, before leaving the Lab) if different than the as-found data
4. The scope and description of repairs completed or attempted, if applicable.
5. The instrument identification or serial number

The report shall be signed by the Supplier's authorized representative.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

Q. Supplier Furnished Items

Suppliers shall obtain the items on this Purchase Order/Work Authorization directly from the original manufacturer. The supplier shall provide legible and reproducible documentation, with the delivery, that provides objective evidence that the items were provided by the original manufacturer. These may include the Purchase Order/Work Authorization to the original manufacturer, shipping documentation, or manufacturer invoice; each of which identifies the items obtained from the original manufacturer.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

R. Control of Graded Fasteners

The requirements for control of graded fasteners will be in the procurement specifications and construction guidelines. For example: The provisions stated below are the minimum requirements for high strength graded fasteners produced in compliance with national consensus standards (e.g., SAE, ASTM, ASME).

1. Fasteners shall exhibit grade marks and manufacturer's identification symbols (headmarks) as required in the specifications referenced in the Purchase Order/Work Authorization.
2. Any fasteners supplied with headmarks matching those displayed on the attached Suspect/Counterfeit Fastener Headmark list, or facsimiles thereof, shall be deemed to be unacceptable under the terms of this Purchase Order/Work Authorization.
3. When requested by the Buyer, the Supplier shall provide a legible and reproducible copy of the manufacturer's Certified Material Test Reports (CMTR). These CMTRs shall report the values of the actual chemical and physical tests performed on the represented fastener lot/material heat. Fastener packaging/labeling shall be traceable by lot number or other positive means to the CMTRs.

Exhibit 1 – Work Authorization No. 221186-24

4. Fasteners shall be inspected to verify compliance with the Purchase Order/Work Authorization requirements. Additionally, fasteners may also be subjected to destructive testing.
5. When requested by the Buyer, the Supplier shall provide a Certificate of Conformance which must certify conformance and traceability of supplied materials to the subject Purchase Order/Work Authorization. The document must be legible and reproducible.

S. Procurement of Potentially Suspect or Counterfeit Items

The requirements for procurement of suspect or counterfeit items will be in the procurement specifications and construction guidelines. For example: Supplier shall warrant that "all items furnished under this Purchase Order/Work Authorization are genuine (i.e., not counterfeit) and match the quality, test reports, markings and/or fitness for use required by the Purchase Order/Work Authorization".

The statement shall be on supplier letterhead and signed by an authorized agent of the supplier.

T. Certificate of Conformance

The requirements for certificate of conformance will be in the applicable procurement specifications and construction guidelines. For example: The Supplier/Manufacturer shall provide a legible/reproducible Certification of Conformance. Supplier's/Manufacturer's authorized representative responsible for quality shall sign the Certification of Conformance.

This Certification of Conformance shall, as a minimum:

1. Identify the appropriate Purchase Order/Work Authorization number under which the material, equipment, item or service is being supplied.
2. Supplier/Manufacturer shall warrant that all items furnished meet the requirements of the Purchase Order/Work Authorization.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item shipped. For subsequent shipments on this Purchase Order/Work Authorization, reference may be made to documentation provided with earlier shipments, instead of duplicating such documentation.

Recommended Spare Parts Listing

The Contractor will require that the vendors submit, with or prior to item shipment, a recommended spare parts list. The list shall provide the name and address of the original supplier of the replacement part, and the part's drawings, specification, or catalog identity including applicable change or revision information.

Software Products and/or Services Where Software is Used

A. Design/Development of Custom Software

The Contractor will provide monitoring and controls as identified in this document. If new software is developed by the Contractor the following requirements apply:

Exhibit 1 – Work Authorization No. 221186-24

1. Based on requirements provided to the Contractor, the Contractor shall submit the following information for Owner review for software development:
 - Description of the major components of the software design as they relate to the software requirements.
 - Technical description of the software with respect to the theoretical basis, mathematical model, control flow, data flow, control logic, and data structure.
 - Description of allowable or prescribed ranges for inputs and outputs
 - List of integration points (interfaces)
 - Data model
 - Hardware/Software configuration
 - Design described in a manner that can be translated into code
 - Computer program listing(s)
2. The Contractor shall develop and submit to Owner a Software Management Plan and procedures that describe their computer software development, test, and configuration management process. The plan shall, as a minimum, contain the following:
 - Identify the software products covered by the Software Management Plan.
 - Describe Contractor organizations responsible for performing the work and achieving software quality and their tasks and responsibilities. Clearly identify any Owner interfaces, and requirements.
 - Describe the configuration management methodology.
 - Describe the types of documentation to be prepared, reviewed, and maintained during software design, development, implementation, test and use.
 - Describe the process for reporting and documenting software problems/errors, evaluating the impacts of problems on previous measurements and uses, and determining the appropriate corrective action(s).
 - Identify standards, conventions, techniques, or methodologies that guide the software development, as well as the methods used to ensure implementation of requirements.
 - Provide procedure(s) for establishing and maintaining the integrity of data, embodied mathematical models, and output files.
 - Specify methods to verify and validate developed, acquired, or modified software.
3. A copy of the original program code shall be maintained and submitted to Owner as a Submittal.
4. Configuration management during the development and/or modification of computer software shall be identified and documented.

Exhibit 1 – Work Authorization No. 221186-24

- Uniquely identify each configuration item (e.g., screens, reports, tables, documents, etc.)
 - Configuration status accounting information shall be documented and identify the approved configuration, status of proposed changes to the configuration, status of approved changes, and information to support the functions of the configuration identification, and configuration control.
 - Identify changes to configuration items by revisions. Change control processes shall provide objective evidence of evaluation, coordination, and approval of changes prior to implementation of the change.
 - Provide the ability to uniquely identify each configuration of the revised software available for use.
5. Verification and Validation activities shall be performed to ensure software requirements are correctly specified and implemented in the design criteria, test documentation, and completed code. Such verification shall ensure traceability of test results to specified functional requirement.
- Software testing shall include development testing, validation reviews, verification testing when appropriate.
 - Software shall be acceptance tested when installed, after changes, and periodically during use, as appropriate during the contract.
 - Design verification shall be completed and design outputs released for use, before relying on structures, systems, components, or computer programs to perform their function and before installation become irreversible.
 - The monitoring and control functions will be tested without impacting equipment operation as part of the verification process and prior to equipment operation.
6. The Contractor will supply standard support documents for software products. Standard product deliverables for custom software include: Requirements Document, System Design Description, Test Documents (plan, test cases, and test results), Installation/Operations manual, Installation Plan/Checkout, Acceptance Test Report, and User Documentation.
7. The Contractor will provide for installation assistance, checkout, and training of operators and users.
8. Acceptance of the computer software and hardware is based on the Contractor providing a functioning monitoring and control system that is integrated into the existing Owner system.
- B. Design of Hardware with Software Instrumentation and Controls (e.g., PLCs)**
1. Based on requirements provided to the Contractor, the Contractor shall submit the following information for Owner review for system development:
- Description of the major components of the software design as they relate to the system requirements.

Exhibit 1 – Work Authorization No. 221186-24

- Technical description of the hardware/software with respect to the theoretical basis, mathematical model, control flow, data flow, control logic, and data structure.
 - Description of allowable or prescribed ranges for inputs and outputs
 - List of integration points (interfaces)
 - Data model, associated drawings, diagrams, equipments lists, etc.
 - Hardware/Software configuration
 - Design described in a manner that can be translated into code
 - Computer program listing(s)
2. The Contractor shall develop and submit to Owner a System Management Plan and procedures that describe their computer software development, test, and configuration management process. The plan shall, as a minimum, contain the following:
- Identify the software products covered by the System Management Plan.
 - Describe Contractor organizations responsible for performing the work and achieving software quality and their tasks and responsibilities. Clearly identify any Owner interfaces, and requirements.
 - Describe the configuration management methodology.
 - Describe the types of documentation to be prepared, reviewed, and maintained during system design, development, implementation, test and use.
 - Describe the process for reporting and documenting software problems/errors, evaluating the impacts of problems on previous measurements and uses, and determining the appropriate corrective action(s).
 - Identify standards, conventions, techniques, or methodologies that guide the software development, as well as the methods used to ensure implementation of requirements.
 - Provide procedure(s) for establishing and maintaining the integrity of data, embodied mathematical models, and output files.
 - Specify methods to verify and validate developed, acquired or modified software.
3. A copy of the original program code shall be maintained and submitted to Owner as a Submittal.
4. Configuration management during the development and/or modification of computer software shall be identified and documented.
- Uniquely identify each configuration item (e.g., screens, reports, tables, documents, etc.)

Exhibit 1 – Work Authorization No. 221186-24

- Configuration status accounting information shall be documented and identify the approved configuration, status of proposed changes to the configuration, status of approved changes, and information to support the functions of the configuration identification, and configuration control.
 - Identify changes to configuration items by revisions. Change control processes shall provide objective evidence of evaluation, coordination, and approval of changes prior to implementation of the change.
 - Provide the ability to uniquely identify each configuration of the revised software available for use.
5. Verification and Validation activities shall be performed to ensure software requirements are correctly specified and implemented in the design criteria, test documentation, and completed code. Such verification shall ensure traceability of test results to specified functional requirement.
- Software testing shall include development testing, validation reviews, verification testing when appropriate.
 - Software shall be acceptance tested when installed, after changes, and periodically during use, as appropriate during the contract.
 - Design verification shall be completed and design outputs released for use, before relying on structures, systems, components, or computer programs to perform their function and before installation become irreversible.
 - List expected validation tests, hardware integration tests, and in-use tests to be conducted and the controls to be applied. A validation and verification report shall be submitted to Owner for approval. It will be used in conjunction with Owner acceptance testing/criteria to document successful completion of the Work Authorization.
6. Standard support documents are required for hardware/software products. It must be determined as to which Owner or the Contractor will provide. Standard product deliverables for hardware/software systems include: Requirements Document, System Design Description, Test Documents (plan, test cases, and test results), Installation/Operations manual, Installation Plan/Checkout, Acceptance Test Report, and User Documentation.
7. Contractor must provide installation assistance, checkout, and training of operators and users.
8. Acceptance of the computer software and hardware is based on the Contractor providing a functioning monitoring and control system that is integrated into the existing Owner system.

MEETINGS, SUBMITTALS, WORK & PROJECT CONTROL REQUIREMENTS

Meetings

- A. After Work Authorization award, the contractor shall participate in a Project Kickoff Meeting to be held at CREC. The time, date, and agenda for the meeting will be

Exhibit 1 – Work Authorization No. 221186-24

provided to the Contractor upon Work Authorization award. The kick-off meeting will be within 10 days of Work Authorization award.

B. The person or persons designated by the Contractor to attend all meetings shall have all required authority to make decisions and commit Contractor to technical decisions made during meetings.

C. Weekly Progress Meetings

1. At the weekly progress meeting, Contractor shall submit a written report showing actual man-hours expended versus planned and scheduled progress versus actual progress giving details of Work completed in relation to the approved schedule, together with a two (2) week "look ahead" which provides details of how the Work will be completed.
2. Contractor shall attend a weekly coordination meeting together with various contractors at the jobsite. Attendance can be by telecommunication if approved by PEF Designated Representative.

H. Pre-job / Weekly Safety Meeting

1. All Contractor employees shall attend indoctrination and orientation prior to commencing work at the jobsite. This pre-job meeting will be held at CREC as set up by the Contractor.
2. Additional weekly safety meetings for all craft employees shall be held during active work.

I. Other Meetings

1. Contractor participation in certain additional activities shall also be required. These activities shall include, but are not limited to:
 - a. Indoctrination and orientation of all Contractor's employees prior to commencing work at the jobsite (This includes the entire labor force and all new hires). The meeting will last approximately 3 hours.
2. Weekly gang box safety meetings organized and conducted by Contractor and attended by all of Contractor's employees involved in the field work. Contractor shall be responsible for arranging and conducting these meetings with its craft employees. The meetings should last approximately 1 hour.

Additional Detail

1. The Contractor is responsible to coordinate and conduct all the Project interface meetings discussed in this section. The Contractor will:
 - Consult with the Project's Designated Representative in developing the meeting agendas. The Contractor will provide an agenda to the meeting attendees for each meeting a minimum of 24 hours in advance to the meeting.
 - Start each meeting with a safety topic discussion. This discussion is not meant to last more than 5-10 minutes.

Exhibit 1 – Work Authorization No. 221186-24

- The Contractor will take meeting minutes and distribute the meeting minutes for review within 2 days of the meeting. After allowing 1 day for comments the meeting minutes will be issued as final within 1 week of the meeting.
 - The Contractor will maintain a list of Owner and associated Project personnel for meeting minute distribution. The list is to be approved by the Project's Designated Representative.
- a. The Contractor will participate in a Kick off meeting within 10 days of the Notice to Proceed is issued by Owner's Contract Administrator.
- b. The Kick-off Meeting will be at CREC and include:
- Safety & human performance topics
 - Introductions
 - Owner presentation -- ~ 2 hour
 - Project & CREC Site Safety Expectations
 - Work Authorization overview and deliverables
 - Contractor communications and progress reporting
 - Site access and training
 - Contractor's overview of the Project organization including a discussion of how the Contractor will interface with Owner Personnel.
 - Contractor's safety culture
 - Contractor's Project Organization & Key personnel
 - Contractor's on site work
 - Contractor's approach to contracted work, including engineering & procurement specifications,
 - Contractor's use of design criteria manual
 - Contracted deliverables and milestones
 - Project schedule – Level III
 - Contractor's cost control & earned value system
2. Weekly Status Meetings will be approx. 1 hour, set up and conducted by the Contractor. The meeting will be setup at the same time and location every week. The meeting will consist of:
- Safety & human performance topics
 - Earned value status (cost vs. schedule)
 - Projected estimate at completion cost (E.A.C)

Exhibit 1 – Work Authorization No. 221186-24

- Accomplishments/Milestones
 - Issues/Request for Information forms and status of open requests
 - Scheduled accomplishments for next week
 - Number of personnel working on the project (last week and next week)
 - 4-week look ahead activities and support requirements
 - General discussion – Q&A
3. Monthly cost accounting status meetings will consist of weekly meeting content plus end of month accruals.
4. The Contractor will conduct daily pre-job safety briefings. The briefing will at a minimum include:
- Review of yesterday's activities
 - Overview of planned activities for the day and required PPE
 - Required materials
 - Potential safety issues & concerns
 - Activities being completed by others in nearby areas
 - Support requirements
 - Expected work site conditions
 - Q&A
5. Periodically during management oversight observations.
- The Contractor will have periodic reviews and audits. These reviews will require the Contractor's support.

Request for Information

The Request for Information Form (RFI) will be used to document all formal requests for information or direction. The form is structured to ensure that if the required direction or the request is acted on in a timely manner. In addition, the RFI will ensure that potential impact on the project's cost, schedule, or scope is properly identified and managed.

The Contractor will set up and maintain the RFI log. The Contractor is responsible for the distribution of the RFIs.

Submittals

- A. The Contractor's submittals shall be submitted to Owner in accordance with the instructions contained in the Attachment A, Submittal Register.
- B. The Contractor submittals identified in this Work Authorization and summarized on the Submittal Register shall be submitted by the Contractor using the supplied document submittal form.

Exhibit 1 – Work Authorization No. 221186-24

Work Control Requirements

A. Contractor Work Control Processes

The Contractor shall submit its proposed Work Control Processes for approval within 30 days of contract notice to proceed (NTP). The work control process must cover all field activities including engineering walkdowns. The work process should identify:

- The organization that will be established to control the work,
- State the organizational responsibilities,
- Identify the measures that will be implemented to maintain a safe work environment,
- Housekeeping,
- Traffic control,
- Establishing and removing work boundaries,
- Interface with Owner support and coordination of work (Owner notification of work activities),
- Personal Protection Equipment identification and enforcement,
- Work document development, control, and approval,
- Conduct of pre-job and safety meetings,
- Control of chemicals,
- Work coordination,
- And, incorporation of environmental permit information into the work process.

DELIVERABLES, MILESTONES AND PERFORMANCE SCHEDULE

Deliverables

The Contractor deliverables are as follows:

- Project Quality Assurance/Control Plan
- Project Safety and Health Plan
- Environmental Compliance Plan
- Engineering 30% design package
- Engineering 70% design package
- Final design package (Design Criteria Manual), including:
 - Engineering calculations
 - Engineered drawings
 - Construction instructions
- Completed Procurement Specifications

Exhibit 1 – Work Authorization No. 221186-24

- Testing requirements and test procedures
- Work control process plan
- Construction Estimate
- Final design Criteria Manual, (ready for construction).

Milestones

[Redacted]

1
2

Performance Schedule

[Redacted]

3
4
5
6

[Redacted]

7

[Redacted]

8

[Redacted]

9
10

[Redacted]

11

[Redacted]

12

[Redacted]

13

[Redacted]

14

[Redacted]

15

[Redacted]

16
17

[Redacted]

18

[Redacted]

19
20

[Redacted]

21

ATTACHMENT A

SUBMITTAL REGISTER

Submittal Register Definitions

1. Numerical submittal sequence number: Example: 1, 2, 3, 4, ... (or organized by topics and project assigned coding structure)
2. Number and Type of Copies (No / Type Copies): Example: E (Electronic only), 6 (Six Hard Copies), 1, E (One Hard Copy, and Electronic)
3. Submittal Type:
 - APP = For Approval (the submittal is provided with the intent that Owner will review and approve the submittal prior to the contractor proceeding with work).
 - ACC = For Acceptance (the submittal is provided for information with the intent that Owner will accept the submittal)
 - AFW = Approval for Work (the submittal is provided with the intent that Owner authorizes work to be performed to the submittal)
4. Format: this describes the type of submittal required:
 - DWG An AutoCAD drawing using the CREC standard formatting
 - MFC Microsoft Format Compatible application (Word, Excel, Access, PowerPoint)
 - P3 A Primavera Project Planner schedule
 - GEN General or Open Format/Media
 - PDF Adobe Acrobat (Portable Document Format)
5. Document Family:
 - CON Construction
 - ENG Engineering
 - FAB Fabrication
 - H&S Health and Safety
 - PRO Procurement
 - QAC Quality
 - PROJ Project
 - VI Vendor Information
 - OTHER Other
6. Description / Document Title: Title or general description of the document.
7. Submittal Date: Actual date or number of Calendar Days before or after a milestone that a submittal is due from the Contractor: Example: June 1, 2005 or CD + 60 [60 days after Conceptual Design Complete]
 - CD Conceptual Design Complete
 - PD Preliminary Design Complete
 - FD Final Design Complete
 - M Mobilization
 - SC Start of Construction
 - EC End of Construction
 - A Date of Award

Exhibit 1 – Work Authorization No. 221186-24

8. **Buyer Review Time (Work Days): Example: 3 Days**
9. **Contract Reference: Cross reference to the Contract requirement that defines this submittal: Example: SOW 3.1.2.**

Exhibit 1 – Work Authorization No. 221186-24

Submittal Register:

The Contractor shall meet the required schedule and provide the documents specified in accordance with the following submittals.

Contract Number and Name:						Revision:		
1. Submittal No.	2. No. of Copies*	3. Submittal Type	4. Format	5. Document Family(ies)	6. Description / Document Title	7. Submittal Date (Calendar Days)	8. Buyer Review Time (Work Days)	9. Contract Reference
1	1	APP	PDF	OTHER	Site Access Forms	Prior to access	48 hrs.	2.4
2	1	ACC	GEN	PRO	Earned Value Information	Weekly	2	4.6 4
3	1	ACC	PDF	H&S	Corporate Health & Safety Plan	With Bid	7	4.7
4	1	APP	MFC	H&S	Project specific HASP	After Award	7	4.7, 6.2
5	1	APP	MFC	QAC	Quality Assurance Inspection (Control) Plan	30 days after award	7	6.3 G
6	1	ACC	PDF	QAC	Quality Assurance Program Manual	With Bid	7	6.4 A
7	1	APP	MFC	QAC	Software Management Plan		7	6.4 E
8	1	ACC	MFC	ENG	Work Control Process	30 after NTP	7	6.4 O
9	1	ACC	P3	ENG	Draft Performance Schedule	With Bid	7	6.5 A
10	1	APP	P3	ENG	Detailed Performance Schedule	15 days after Contract Award	7	7.1 C

PEF-POD4-00059

Exhibit 1 – Work Authorization No. 221186-24

Contract Number and Name:						Revision:		
1. Submittal No.	2. No. of Copies*	3. Submittal Type	4. Format	5. Document Family(ies)	6. Description / Document Title	7. Submittal Date (Calendar Days)	8. Buyer Review Time (Work Days)	9. Contract Reference
11	1	APP	GEN	OTHER	Proposed temporary Facilities	Prior to Mob.	5	A 3.0 C
12	5	APP	MFC	ENG	30% Design Review	CD	7	8.1
13	5	APP	MFC	ENG	70% Design Review	CD	7	8.1
14	10	APP	MFC	ENG	Completed Design	FD	7	8.1
	5	APP	MFC	ENG	Environmental Compliance Plan	FD	7	8.1
16	5	APP	GEN	ENG	Estimate for Construction	FD	3	8.1

PEF-POD4-00060

ATTACHMENT B

SITE COORDINATION REQUIREMENTS, FACILITIES AND UTILITIES

General

- A. CREC Survey bench marks are available for setting out the Work. The Contractor is responsible to complete the necessary surveys from the CREC benchmarks to support the Work. The Project drawings will use the CREC site coordinates and elevation.
- B. The Contractor must establish location and extent of service lines in area of Work and notify Owner of findings. The Contractor will identify the utilities and service lines (including abandoned lines) in the design package. The Contractor will take all precautions to ensure that there are no unknown services in the work area.
- C. Where unknown services are encountered, immediately advise Owner and confirm findings in writing. Identify the lines in the construction guidelines.
- D. Record locations, including elevations, of maintained, rerouted and abandoned service(s). Provide these locations to Owner. Owner will provide direction on relocating the service line. Several lines have been identified to be relocated by the Contractor with this Work Authorization. This section is referring to newly identified utility or service lines.
- E. Limited medical services on a "Good Samaritan" basis: Initial first aid shall be provided by the Contractor. Additional support can be obtained by calling the emergency phone number and identifying the emergency, (on site number 311, the off-site call in number is (352) 563-2943 x2126 for CR 1&2 Main Control Room).

Site Coordination Requirements

- A. Another Owner Contractor, PMI Ash, has ongoing operations near the work location. The Contractor must continue to provide access and egress from the PMI work location. The Contractor must provide a design to allow for continued operation by PMI.
- B. Prior to bringing any chemical or hazardous material onto CREC property the Contractor must obtain Owner approval.
- C. Owner will obtain all environmental permits in support of this work. The Contractor is responsible to comply with the environmental permits.

Exhibit 1 – Work Authorization No. 221186-24

- D. The Construction Contractor will work with Owner personnel and shall obtain local construction permits.
- E. Parking facilities. Owner is not financially responsible for any damage or unlawful acts to any Contractor equipment or private vehicles parked in designated parking areas.

Temporary Facilities and Utilities

- A. Contractor shall provide, operate, maintain and dispose of all temporary buildings, including change rooms, port-a-potty, & office trailers.
- B. Construction water and hydrostatic test water will be identified at points on the job site as designated by Owner's Designated Representative (DR). Connections to and disconnections from water supply shall be by Contractor and coordinated through Owner personnel.
- C. The Contractor will be given access, without charge, to limited electrical, and water services in the vicinity of their work site. The quantities and characteristics of these utilities will be limited to that which is available from existing outlets near the work location. The following services will be discussed at the Pre-bid meeting.
 - 1. No electrical power will be provided until the modifications at the CREC substation are complete and the Contractor has brought electrical power to the work location.
 - 2. Non-Potable Water is available within ~¼ mile of the work location.
 - 3. Owner will provide 2 telephone lines and a facsimile line to the Contractors office trailer. This service includes two telephones and local telephone service.
 - 4. The Contractor shall be required to furnish a:l drinking water.
 - 5. The Contractor may bring limited temporary field offices, tool trailers, etc., on-site for use during performance of the Work Authorization, although there is very limited space. Owner will be provided Office area in a nearby location if desired at no cost to the Contractor. The Owner proposed office location will be identified during the pre-bid conference. The Contractor shall submit the number, type, size, and a sketch of the proposed location of each facility for approval by Owner prior to mobilization.

Job Site Perimeter Security Fencing and Access Gates

The Contractor shall provide temporary fencing to secure work areas, temporary facilities areas materials and equipment storage areas as agreed with and approved by Owner.

Telephone Lines

Telephone line(s) will be provided at the Owner identified office location. Contractor shall be responsible for any use charges or periodic charges associated with the lines assigned to Contractor.

Break and Smoking Areas.

Smoking is not allowed within any buildings at CREC. Break areas will be approved by Owner.

Fire Protection.

The Contractor is responsible to identify the need for and provide fire protection of any temporary facilities.

Waste Management.

The Contractor is responsible to remove any construction generated debris. Office waste will be collected and transported to existing dumpsters west of CR2. No hazardous waste is allowed to be removed by the Contractor.

Emergency Eyewash and Showers.

The Contractor must provide eyewash and emergency showers at the required locations.

Trash Disposal.

The Contractor will accumulate and stage trash with and in the Owner trash containers.

Temporary Facilities

- A. Except as otherwise identified, the supply, installation, provision, maintenance, repair, and final removal of all temporary facilities and utilities, necessary for full and complete performance of the Work, is the sole responsibility of the Contractor.
- B. Such items shall include, but not necessarily be limited to, those listed below. The type of facilities, move-in and move-out dates, and locations on the job site shall be subject to and in accordance with the review and approval of Owner.
- C. Asset management program of Contractor's workers, tools, materials, and equipment shall be provided by the Contractor.
- D. Construction Contractor is responsible for landscaping, erosion, dust control; mud, and sand removal are the responsibility of the Contractor. The Contractor shall perform fugitive dust control and submit a Fugitive Dust Control Plan to Owner for review and concurrence.

Temporary Facility and Lay-down Area

- A. Limited roughly graded space near the metrology tower will be provided for Construction material & equipment lay-down.
- B. Upon demobilization, the land previously occupied by Contractor's Temporary Facilities and Lay-down area shall be returned to its pre-construction condition or better. This requirement shall also apply to all Temporary Roads, and Parking, Lay-down areas and Temporary Utilities.
- C. The provision, operation and maintenance of sanitary systems, industrial systems, storm drainage and utility sewage systems for Contractor's Temporary Facilities is the responsibility of the Contractor including collection, holding, processing and disposal.

Storage Compounds

- A. Adequate weather tight storage, for storage of materials, tools and equipment which are subject to damage by weather. The location of storage compounds must be

Exhibit 1 – Work Authorization No. 221186-24

agreed with Owner before materials are brought on site. Such compounds shall be maintained for the storage of the approved materials and for no other purpose.

Construction Power Guidelines

- A. Includes connections to and disconnections from Owner or Owner provided construction power supply, transforming to lower voltage and distribution.
- B. Construction power is for the joint use of all contractors engaged at the job site.
- C. Onsite generation of power is allowed providing that such power is obtained through the use of properly installed, acoustically insulated diesel electric generating units.
- D. Contractor's distribution system, lighting systems and wiring shall be installed in a proper manner and maintained in a satisfactory condition.
- E. No weight shall be imposed upon any electric cable nor staging, ladder or similar equipment shall rest against or be attached to it. Temporary power cables in use by Contractor must be positioned so that they do not cause a tripping hazard (Run 8 ft/2.5 meters overhead or laid neatly out of walkways).
- F. Electrical inspection and oversight will be provided by Contractor.
- G. The Contractor must use of GFI at source for portable tools and equipment / extension cord use.

Temporary Facility Area Power, Lighting and Heating Supply

- A. All electrical installations within temporary buildings shall be in accordance with the NFPA National Electric Code. Inspection and oversight will be provided by a Contractor.
- B. For all equipment the power supply system(s) and components shall meet all National Electric Code (NEC) / National Electric Safety Code (NESC) requirements, and shall be listed by an independent testing laboratory such as Underwriter's Laboratory (UL) or Factory Mutual, suitable for outdoor use when to be used outdoors.
- C. Includes connections to and disconnections from Owner or Owner provided construction power supply, transforming to lower voltage and distribution.
- D. Before Contractor plugs in any electrical appliance to any plug socket belonging to Owner it shall ensure that the appliance is in good condition and is fitted with a suitable cable including fully rated and insulated neutral conductor and protective ground conductor.
- E. Electrical inspection and oversight will be provided by a third party inspector.
- F. Job site excavation rework, and weather repair is the responsibility of the Contractor. Dewatering activities require the prior approval of Owner and a Surface water discharge permit, unless waived by Owner.

Construction Water

- A. Contractor shall provide all temporary water distribution supply lines and water storage facilities. Contractor shall distribute and convey water in an efficient and orderly way. Leaks and waste shall be minimized and care shall be exercised to

Exhibit 1 – Work Authorization No. 221186-24

eliminate the buildup and dispersal of mud resulting from leaks, spills and truck loading operations.

- B. Contractor is also responsible for the safe and proper disposal of water into either local drainage systems or, where these are either not available or water has become contaminated, to off-job-site disposal locations approved by Owner.

Potable Water

The Contractor shall supply potable water, including ice. The Construction Contractor shall coordinate distribution to points of consumption in appropriate receptacles accompanied by suitable drinking vessels.

Testing Water

- A. Construction Contractor shall provide all distribution, supply lines and water storage facilities. Contractor shall distribute and convey water in an efficient and orderly way. Leaks and waste shall be minimized and care shall be exercised to eliminate the buildup and dispersal of mud resulting from leaks, spills and truck loading operations. Contractor shall provide all requisite corrosion inhibitors, antifreeze and other additives required to perform testing in accordance with specification.
- B. Construction Contractor is also responsible for the safe and proper disposal of water into either local drainage systems or, where these are either not available or water has become contaminated, to off construction-site disposal locations approved by Owner.

Water Disposal and De-watering

Construction Contractor shall perform all necessary de-watering and permitted disposal of ground water. Storm drainage, surface drainage and discharge of construction wastes shall be managed to prevent pooling of water on the job site and to prevent interference with the operations of other Contractors and organizations on or adjacent to the discharge areas.

Sanitary Facilities

- A. Contractor shall provide and operate his sewage facilities in a manner that eliminates health risks, and obnoxious odors.
- B. Contractor shall be responsible for all temporary sanitary facilities, including janitorial services, storage and removal of sewage. All temporary toilets shall be kept in a constant sanitary condition and shall be in compliance with all applicable health or other regulations. Portable enclosed toilets may be used in construction and fabrication areas provided they are regularly attended and maintained. Before completion all toilet facilities shall be removed and their areas disinfected and filled.

Fuels and Lubricants

- A. Oils, greases and similar materials must be stored in fire proof bins or buildings or in a fenced compound remote from other combustible materials as approved by Owner.
- B. "No smoking" signs shall be provided by Contractor and prominently displayed in areas where flammable materials are stored. Additionally, Contractor shall provide and maintain suitable fire extinguisher in such areas.

Exhibit 1 – Work Authorization No. 221186-24

- C. Contractor shall provide all fuel for heating, ventilation and air conditioning of Temporary Facilities (unless these are run using free issue power).
- D. The Contractor must use appropriate fire control containments for vessels storing fuels and lubricants.

Communication Facilities

- A. Contractor shall provide and operate all means of communication, including but not limited to telephones, facsimiles, and radios which shall be approved by Owner. Owner shall provide telephone lines in accordance with the provisions of 9.3.

- B. Compressed Air, Steam, and Gases

These services will be provided by the Contractor's design and approved by Owner.

Temporary Roads, Parking, and Traffic Control

- A. The Design Contractor shall design for temporary roads and traffic control.
 - a. The Construction Contractor shall be responsible for providing and maintaining all roads and parking areas deemed necessary by Contractor for access, and parking in Temporary Facilities areas, construction areas, and between areas. Contractor provided roads and parking areas shall be constructed so as to provide for adequate safe movement of light and heavy vehicles, and equipment. Contractor's temporary roads shall be constructed in a manner ensuring the avoidance of damage to all permanent roads, facilities, and underground structures.
 - b. Contractor shall maintain his temporary roads and parking areas regularly, and shall water all his roads as a dust abatement measure.
 - c. Contractor shall remove and restore areas occupied by Temporary roads and parking areas upon completion of the Work.
 - d. Temporary construction steel, decommissioning and miscellaneous equipment supports, platforms, and ladders around equipment are the responsibility of the Contractor.
 - e. Project signs for traffic control, and direction, and for identifying project areas. Signage shall be based where possible on International signage standards and conventions
 - f. Transportation facilities on and off job site. Only Contractor vehicles, as approved by Owner, will be allowed on the job site. Limited personal vehicles will be allowed on site. The Contractor's personnel may be required to use Owner provided shuttle transportation, during specific periods of high activity (i.e. 2009 outage – September through December).
 - g. Equipment delivery slippages in schedule are the responsibility of the Contractor.

Material Handling, Rigging, and Scaffolding

- A. The design Contractor will provide for the following in their design documents:

Exhibit 1 – Work Authorization No. 221186-24

1. Contractor shall provide and operate all cranes and other necessary equipment for handling; hauling, unloading and receiving Contractor supplied materials, tools and equipment.
2. Containers and services for hauling, removal and disposal of construction waste and debris. Contractor shall advise Owner in writing of any need for disposal of hazardous waste prior to generation of the waste. The Contractor is responsible to properly package, label, and turn the waste over to Owner. Owner will dispose of all hazardous waste generated at CREC.
3. Supply, erection, maintenance and dismantling of scaffolding and other means of access to the Work

Weather Protection

Weather Protection of the Work and any methods required to allow continuation of the Work during periods of inclement weather.

The Contractor is responsible for the proper storage of all equipment and material. There is no protected storage currently available for use by the Contractor.

Equipment

A. Small tools

The Contractor will provide all small tools.

B. All standard expendable or consumable construction items and supplies.

The Contractor is responsible for expendable or consumable construction items and supplies.

C. Temporary lighting. Provision and operation to allow the Work to be performed in a safe manner regardless of ambient lighting conditions.

The Contractor is responsible for temporary lighting.

Personnel Protective Equipment

The Contractor is responsible for identifying and providing all personnel protective clothing.

Permits

Owner is responsible for obtaining environmental permits, licenses and government approvals for the Contractor. The Contractor will obtain all local construction permits, (coordinated through Owner). It is the Contractor's sole responsibility to ensure compliance with permits in accordance with all laws and regulations.

First Aid Facilities

CREC has first aid responders and there is a hospital near the site. The Contractor is responsible to provide immediate medical attention and CREC notifications if an emergency condition is identified.

Calibration

The Contractor will identify the instruments to be calibrated. Construction guidelines should contain the requirement that equipment provided and installed by the Contractor shall be calibrated, and maintained by the Contractor until Work Authorization completion or system turn-over.

Spare Parts

- A. Spare parts lists will be provided by the Contractor. The Contractor shall:
1. Provide a list of recommended spare parts to Owner for approval. Include pricing, delivery time, description, etc.
 2. Coordinate delivery of spare parts to the Owner approved location.
 3. Label spare parts, as directed by Owner.

Documentation and Turn-over

- A. The design Contractor will provide for the following in their design documents:
1. The contractor will be required to participate in the project turnover process by assisting Owner in developing and completing the project punch list. The contractor shall notify Owner no later than one (1) day after completing the punch list item(s).
 2. The following construction documentation will be maintained through the construction and turned over during the testing and acceptance period prior to declaring facilities as mechanically or substantially complete:
 - a. Operating manuals,
 - b. Maintenance manuals,
 - c. Spare parts lists,
 - d. Equipment specifications and manufacturers information,
 - e. MSDS library,
 - f. As-built/as-installed verified construction/assembly drawings, and
 - g. Supporting shop-drawings, isometric drawings, weld maps, and inspection and testing records.
 - h. The Contractor must provide input for and assist in development of post construction operating procedures with Owner personnel.

Note: On site construction and start-up support will be included under separate release. No time was estimated for this support outside of Mesa's office. Contractor is required to develop the testing procedures for the equipment and systems in the design phase under this contract.

Construction debris

The design Contractor will provide for the following in their design documents:

Exhibit 1 – Work Authorization No. 221186-24

Construction debris shall be cleaned up by the Contractor and staged in approved waste containers. The Contractor is responsible to remove non-hazardous construction debris.

ATTACHMENT C

NOT USED

ATTACHMENT D

PHASE 2 CONCEPTUAL DESIGN REPORT

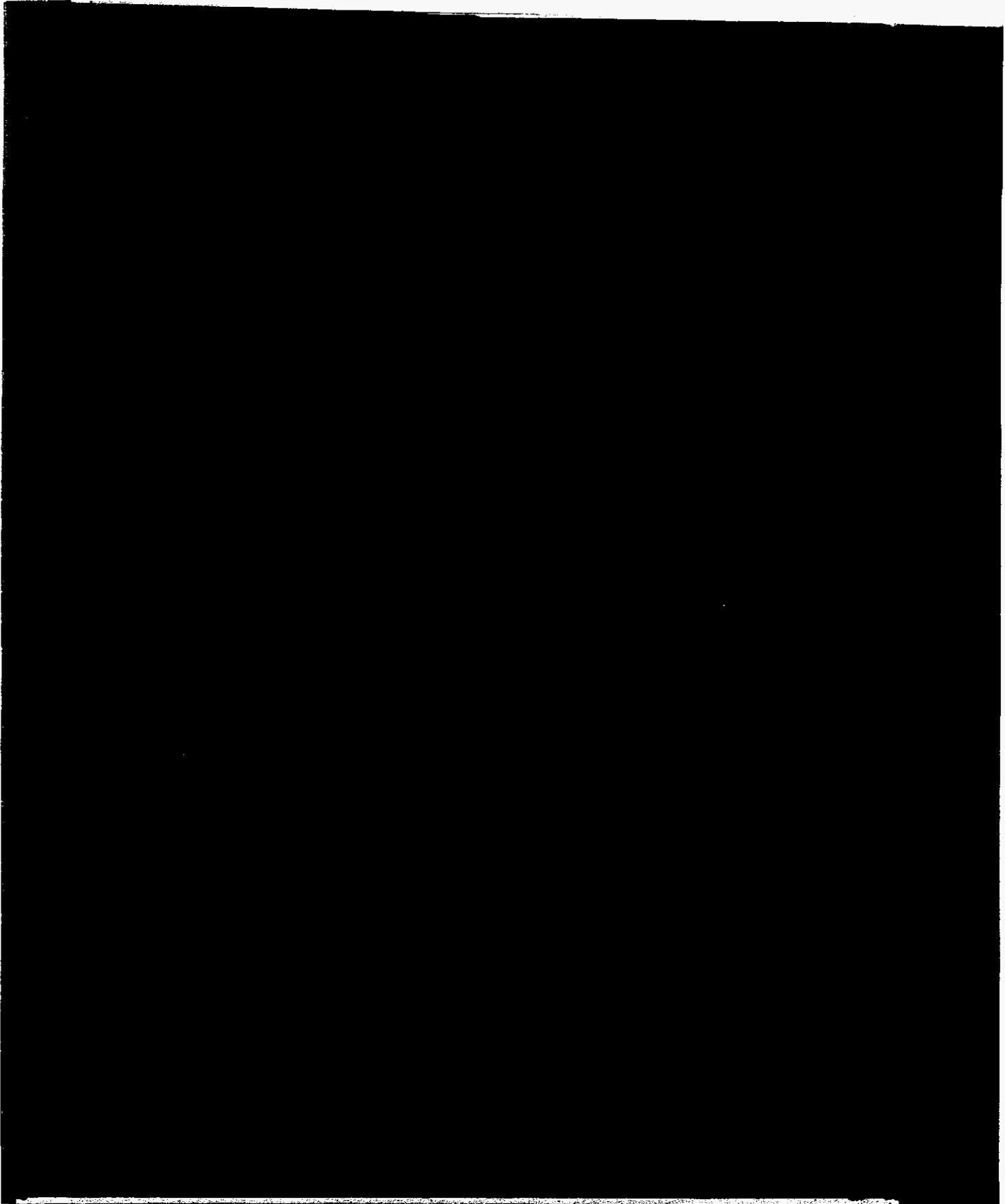
ATTACHMENT E

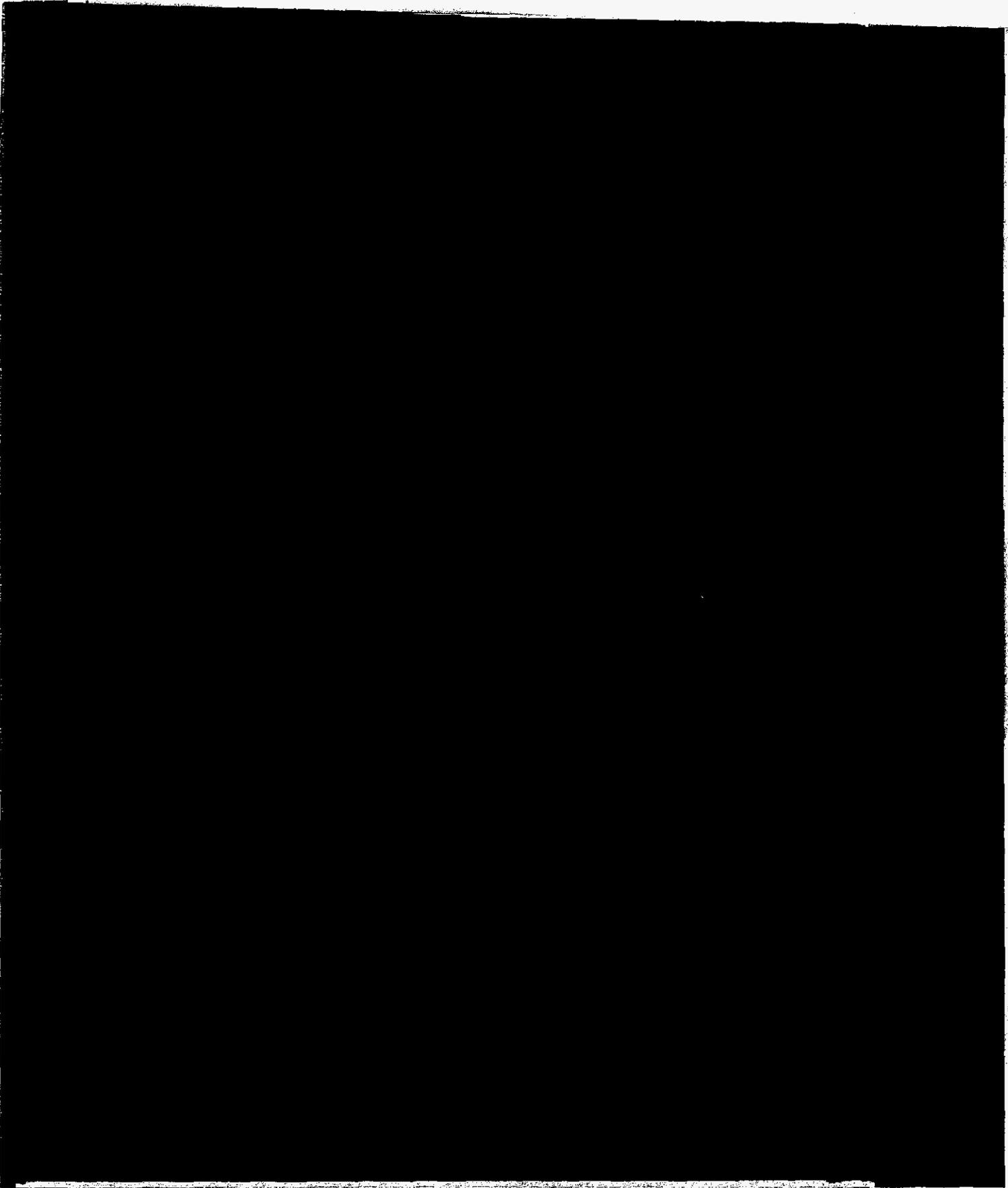
REQUEST FOR INFORMATION FORM

Exhibit 1 – Work Authorization No. 221186-24

RFI Number:									
POINT OF DISCHARGE (POD) PROJECT REQUEST FOR INFORMATION (RFI) FORM									
Date:					Contractor's Project Manager Approval:				
Initiator:									
Suggested resolution:									
Date that response is needed by to prevent Project impact:									
Potential Impact									
Scope		Schedule		Cost		Safety			
Description of Impact:									
Progress Energy Direction, Resolution, Clarification									
Contract Change Required (Yes or No)									
Owner Project Manager Receipt Acknowledgement:									
									Date:
Project Manager Disposition Approval:									
									Date:
EPC Project Manager Disposition Approval:									
									Date:
Contract Change Complete (Yes or No) if Required									
Owner Procurement Specialist Contract Change Complete Acknowledgement:									
									Date:

Exhibit 2 -- Project Milestone Schedule



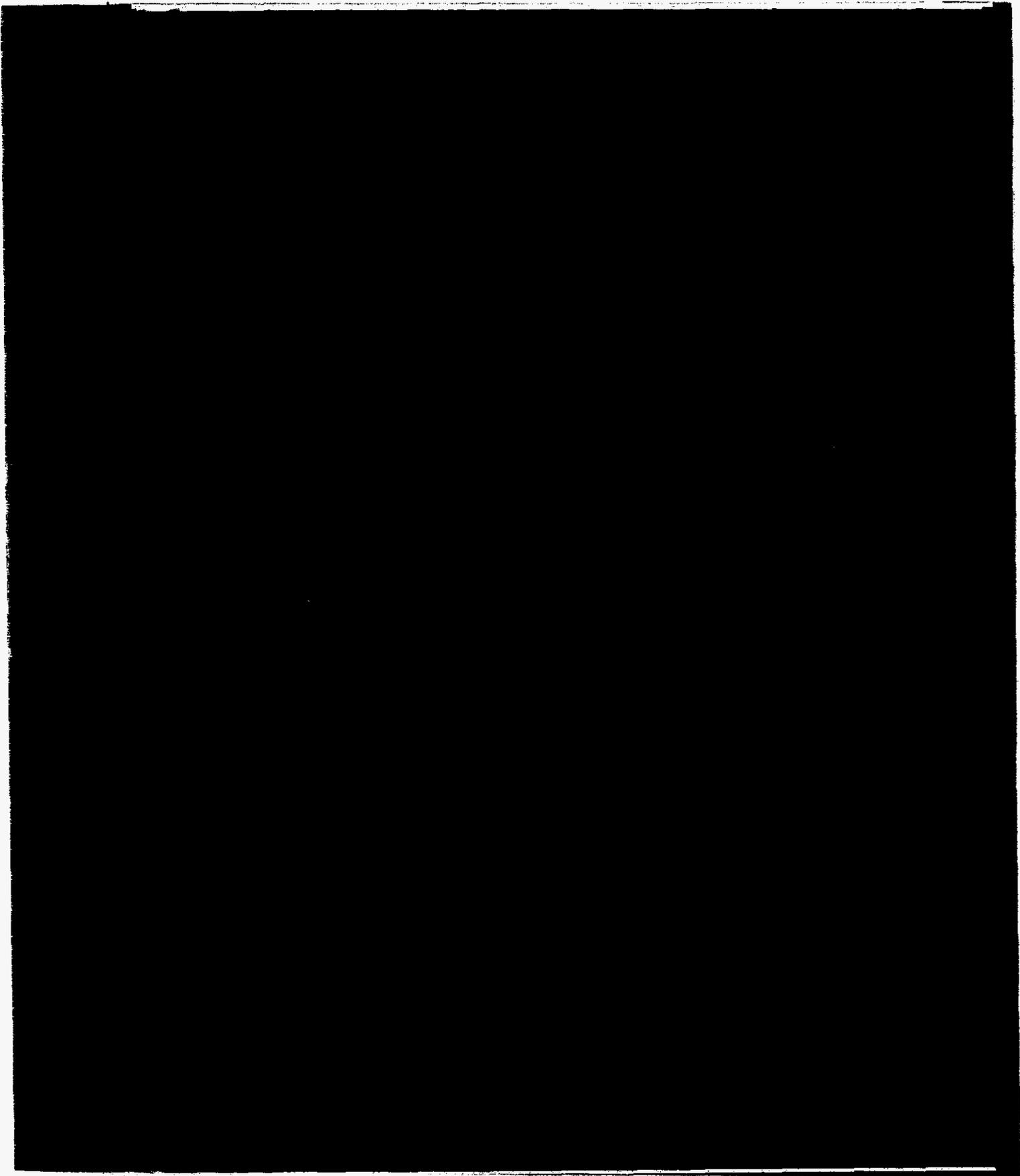


PEF-POD4-00075

2

PEF-POD4-00076

3



**Contract Employee
Code of Ethics Acknowledgment Form**

Please go to the following website to review the Progress Energy Code of Ethics prior to signing this Acknowledgment Form. Hard copies are available upon request.

<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Contractor Organization

Contractor shall maintain completed forms. Do not return completed forms unless they are specifically requested by _____ Owner.

Exhibit 5 – Work Authorization No. 221186-24

Work Authorization 221186-24

Exhibit 5 – Specification S2a

PEF-POD4-00079

Exhibit 6 – Work Authorization No. 221186-24

Work Authorization 221186-24

Exhibit 6 – Design Criteria Manual

PEF-POD4-00080



Mesa Associates, Inc.
 10604 Murdock Drive
 Knoxville, TN 37932

Attention: Tim Cutshaw

CONTRACT NO. 221186
 WORK AUTHORIZATION NO. 24
 AMENDMENT NO. 1
 EFFECTIVE February 1, 2009

This Amendment is governed by the terms and conditions of the above-referenced Contract. By this Amendment, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Florida, Inc., (hereinafter "Owner") offers to change the terms of the above-referenced Contract as follows:

Changes

Scope Changes will be documented via the RFI process explained in Attachment A of the Work Authorization. This process will document, for all changes to the Scope of Work, resources required, schedule impact, costs, and justification. An approved RFI shall be considered valid for authorizing a change. Once cumulative Scope changes, in aggregate or individually, exceed one hundred thousand dollars (\$100,000) then the changes will be formally incorporated into an Amendment to the Work Authorization.

All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Amendment, retain an original for your file, and return the other original within ten (10) calendar days to Sid Fowler, Progress Energy Service Company, LLC, P. O. Box 1551 (PEB-3C3), Raleigh, NC 27602 or via electronic transmittal to sidney.fowler@pgnmail.com

Sincerely,

Sid Fowler
 Associate Sourcing Specialist
 As Agent For
 Progress Energy Florida, Inc.

Accepted:

MESA ASSOCIATES, INC.

By: Jan R. Adelt
 Name (printed): Timothy R. Cutshaw
 Title: Vice President
 Date: 3/27/09

Should the person's title who is executing this document not indicate that he/she is a corporate officer; an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Progress Energy Service Company, LLC
 P.O. Box 1551
 Raleigh, NC 27602



Mesa Associates, Inc.
 10604 Murdock Drive
 Knoxville, TN 37932

Attention: Tim Cutshaw

CONTRACT NO. 221186
 WORK AUTHORIZATION NO. 24
 AMENDMENT NO. 02
 EFFECTIVE August 6, 2009

This Amendment is governed by the terms and conditions of the above-referenced Contract. By this Amendment, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Florida, Inc., (hereinafter "Owner") offers to change the terms of the above-referenced Contract as follows:

Schedule

The schedule is Work is extended to October 1, 2009. As such, all Work shall be completed by Contractor and Accepted by Owner no later than October 1, 2009.

All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Amendment, retain an original for your file, and return the other original within ten (10) calendar days to Sid Fowler, Progress Energy Service Company, LLC, P. O. Box 1551 (PEB-3C3), Raleigh, NC 27602 or via electronic transmittal to sidney.fowler@pgnmail.com.

Sincerely,

Sid Fowler
 Associate Sourcing Specialist
 As agent for
 Progress Energy Florida, Inc.

Accepted:

MESA ASSOCIATES, LLC

By: Timothy R. Cutshaw

Name (printed): Timothy R. Cutshaw

Title: Vice President

Date: 8/7/09

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Progress Energy Service Company, LLC
 P. O. Box 1551
 Raleigh, NC 27602



Mesa Associates, Inc.
 10604 Murdock Drive
 Knoxville, TN 37932
 Attention: Tim Cutshaw

CONTRACT NO. 221186
 WORK AUTHORIZATION NO. 24
 AMENDMENT NO. 03
 EFFECTIVE August 31, 2009

This Amendment is governed by the terms and conditions of the above-referenced Contract. By this Amendment, Progress Energy Florida, Inc., (hereinafter "Owner") offers to change the terms of the above-referenced Contract as follows:

Contractor shall provide general engineering support to assist in developing the Cooling Tower construction Request for Proposal. Contractor shall assist in the review and selection of the construction contractor, provide general engineering support in review of contractor submittals during construction of the cooling tower, and provide other general support as requested by Owner's Designated Representative.

Services shall be provided in accordance with the current Time and Materials Rates outlined in the contract. Total expenditures under this Amendment shall not exceed Sixty Thousand Five Hundred Dollars (\$60,500) without prior written approval of Owner's Designated Representative.

All other terms in the Contract and Amendments remain unchanged.

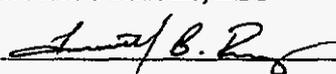
Please execute this Amendment, retain an original for your file, and return the other original within five (5) calendar days to jay_outcalt@pgnmail.com or Jay Outcalt, Progress Energy Florida, Inc., Crystal River 3 Nuclear Plant, 15760 West Powerline Street, Mail Code SA2C, Crystal River, FL 34428-6708.

Sincerely,


 Jay Outcalt
 Lead Contract Management Specialist

Accepted:

MESA ASSOCIATES, LLC

By: 

Name (printed): TIMOTHY B. RAMSEY

Title: ASSOCIATE VICE PRESIDENT

Date: 9/11/09

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

090007-EI

CR No. 830643

REDACTED

CONTRACT

406464

BETWEEN

PROGRESS ENERGY SERVICE COMPANY, LLC
not in its individual capacity, but solely as agent for

PROGRESS ENERGY FLORIDA, INC.

AND

TERRA ENVIRONMENTAL TECHNOLOGIES INC.

(P42 of 3)
DOCUMENT NUMBER-DATE

PEF-POD4-00084

10152 OCT-18

FPSC-COMMISSION CLERK

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>
1	Scope of Work
2	Schedule of Work
3	Commencement of Work
4	Owner's Designated Representative
5	Compensation
	A. Pricing, Pricing Methods, and Conditions
	B. Sales and Use Taxes
	C. Invoices and Payments
	D. Not Used
	E. Overbillings/Offsets/Credits/Refunds
6	Changes
7	Financial Audits
8	Warranty and Inspection of Materials
9	Responsibility for Work
10	Cleanup
11	Termination and Suspension
	A. Termination for Cause
	B. Termination for Convenience
12	Patents and Copyrights
13	Status of Contractor
14	Subletting or Assigning Contract
15	Reports
16	Tools, Materials, and Equipment
17	Not Used
18	Plans, Drawings, Specifications, and Documentation
19	Contractor Personnel Matters
20	Insurance
21	Indemnity
22	Security
23	Fitness-for-Duty Policy

<u>SECTION</u>	<u>TITLE</u>
24	Laws and Project Rules
	A. General
	B. Employment Taxes and Contributions
	C. Drawings and Specifications
	D. Not Used
	E. Environmental Provisions
	F. Federal Subcontracting Requirements
25	Severability
26	Governing Law
27	Confidentiality; Use of Information
28	Public Communication
29	Nonwaiver
30	Merger
31	Background Investigation and Drug Screen
32	Workplace Violence Prevention
33	Electronic Transmittals
Attachment A	Scope of Work
Attachment	Code of Ethics Acknowledgment Form
Attachment	Code of Ethics Compliance Plan
Attachment	Background Investigation and Drug Screen Compliance Plan
Attachment	Supplier Diversity & Business Development Subcontracting Report

CONTRACT NO. 406464

This Contract (hereinafter "Contract"), effective January 1, 2009, by and between PROGRESS ENERGY SERVICE COMPANY, LLC, whose address is 410 South Wilmington Street, Raleigh, NC 27601, not in its individual capacity, but solely as agent for PROGRESS ENERGY FLORIDA, INC. (hereinafter referred to as "Owner"), and TERRA ENVIRONMENTAL TECHNOLOGIES INC. corporation, whose office is located at 600 Fourth Street, Sioux City, Iowa 51102 (hereinafter referred to as "Contractor").

In consideration of the work to be done by Contractor, the payments to be made by Owner, and the other promises set forth below, the parties agree as follows:

SECTION 1. SCOPE OF WORK

Contractor shall furnish all required labor, tools, equipment, material, parts, transportation, and supervision necessary to perform the following work at Owner's Crystal River Units 4 and 5 and includes, but is not limited to, the following:

See Attachment A for a detailed scope of work (hereinafter "Work").

All Work shall be performed as directed by Owner's Designated Representative consistent with the terms of this Contract.

SECTION 2. SCHEDULE OF WORK

[REDACTED]

1
2

SECTION 3. COMMENCEMENT OF WORK

Contractor shall not commence the Work and Owner shall not be obligated to pay Contractor for Work commenced prior to Contractor satisfying the insurance requirements and providing Owner with an acceptable Certificate of Insurance as set forth in Section 20. Insurance.

SECTION 4. OWNER'S DESIGNATED REPRESENTATIVE

As used in this Contract, "Owner's Designated Representative" means Mr. Todd Mills at Owner's Crystal River Plant who is the liaison between Owner and Contractor during performance of the Work. No agreement with Owner's Designated Representative shall affect or modify any of the terms or obligations contained in this Contract, except as provided in Section 6. Changes. A copy of all correspondence concerning the Work shall be sent to Owner's Designated Representative. Owner reserves the right to change its Designated Representative at any time.

SECTION 5. COMPENSATION

A. Pricing, Pricing Methods, and Conditions

Contractor may submit invoices monthly in arrears for performance by Contractor of the Work described above in the previous month, and Owner will pay Contractor, as full compensation for such Work performed to Owner's satisfaction under this Amendment in the period covered by such invoice, in accordance with the Fees described in Section 2 in Exhibit A to Attachment A.

B. Sales and Use Taxes

Contractor assumes exclusive liability for all sales or use taxes applicable to any materials, supplies, equipment or tools purchased, rented, leased, used or otherwise consumed by Contractor in conjunction with the performance of the Work.

Owner holds a "Florida Pollution Control Affidavit." This certificate exempts Owner from Florida sales or use tax on purchases of all qualified property and/or labor. The appropriate affidavit is hereby furnished to Contractor for use on this Contract only. Therefore, Contractor shall not include sales or use tax in the Contract price or on its invoices to Owner.

C. Invoices and Payments

When Work is completed and performed in accordance with this Contract, payment of the agreed upon compensation will be made by Owner. All payments are subject to adjustment on the basis of any final accounting which may be made by Owner. Owner may withhold from any payment: (1) any amounts incorrectly invoiced; (2) any amount in dispute; until the dispute is resolved(3) or an amount sufficient to completely protect Owner from any loss, damage or expense arising out of assertions by other parties of any claim or lien against Owner arising in connection with the Work, (4) any amount due under the indemnity provisions of this agreement. The undisputed portion of any invoice will be paid by Owner as hereinafter provided.

Invoices for Work performed under this Contract shall be sent to Mr. Todd Mills at Owner's Crystal River Plant. Each invoice and all supporting documents shall show the Owner Contract number. Invoice items must be identifiable to the pricing schedule in order to be accepted for payment.

If requested by Owner, Contractor shall supply a general release of all third party claims or liens related to the authorized Work excluding direct party to party general liability releases, or affidavits that all bills for materials and labor have been paid and receipts showing the payment of these bills. Failure or refusal by Contractor to comply with such request shall excuse Owner from making any further payments to Contractor until Contractor does comply.

Each invoice shall indicate materials furnished and delivered to the site. Original bills of handling or shipping receipts for materials shall be attached to any invoice requesting payment for materials. When transportation is prepaid, original transportation receipts must also be attached to the invoices.

Subject to the above conditions all payments, excluding final payment, will be made not later than thirty (30) days after receipt of Contractor's invoice. Final payment shall be made not later than thirty (30) days after receipt of Contractor's invoice and all of the following have been completed:

- (1) All Work has been completed and accepted and receipt of all required documentation by Owner.
- (2) A correct invoice covering the Work has been presented to Owner.

D. Not Used

E. Overbillings/Offsets/Credits/Refunds

Owner may charge and collect interest from the Contractor on any overbillings, offsets, credits or refunds that may become due to Owner under this Contract. Interest shall be paid at the rate of the average prime rate of interest as listed in the Wall Street Journal Money Rates Section. Interest shall cover the period of time from the date the overpayment, error or basis for refund or offset occurred to the date the amount is paid. The Contractor may be notified of the overbilling by credit memorandum or by

One-Time Non-Nuclear
Revision 09/09/2008
#5391

invoice. Payment of the total overbilling, offset, credit or refund plus interest shall become due to Owner immediately upon Contractor's receipt.

SECTION 6. CHANGES

As soon as reasonably possible, not to exceed ten (10) calendar days from receipt of a request from Owner's Designated Representative, Contractor shall provide Owner with a fixed price quotation or cost estimate for any change under consideration by Owner, including any necessary adjustments to the schedule. Owner's Designated Representative may, at any time and without notice to any surety Contractor may have, provide Contractor with a written field directive to make changes in, additions to or omissions from the authorized Work or the schedule, and Contractor shall promptly proceed with the performance of this Contract as so changed. Any field directive issued by Owner's Designated Representative shall only change the description of the Work or the schedule and shall not affect or change any other terms or conditions of this Contract. If Contractor becomes aware of a change in the Work or the schedule specified in this Contract that it feels is necessary, it shall request a written field directive for the proposed change. Any claim for equitable adjustment of the compensation as a result of the change, addition or omission must be submitted to Owner within ten (10) calendar days from the date the written field directive is issued.

Any claims submitted by Contractor because of a change by Owner must be itemized and supported with adequate documentation. Work performed outside the scope or schedule set forth in this Contract which is not requested by a written field directive shall not form the basis of a claim for additional compensation. Any increase or decrease in compensation paid for changes in the Work shall not be binding on Owner unless and until a Contract Amendment is executed by both parties.

It is understood and agreed by the parties that Contractor has examined all available records and informed itself about conditions to be encountered, the character of equipment and facilities required to perform the Work, the labor conditions and all other relevant matters in connection with the Work to be performed prior to agreeing to a fixed price on this Contract. It is further understood and agreed that the price is based on Contractor's own knowledge and judgment of conditions, problems, volumes, and other factors and not upon any representations of Owner. Any information or estimates which are made available by Owner to Contractor shall have no express or implied guarantee of accuracy or usefulness. Contractor agrees that it will form its own opinion of the costs it will incur in undertaking the Work. Therefore, Contractor agrees that the fact the actual amount of Work performed or costs incurred differs from estimates made by either Contractor or Owner shall not be a basis for change in compensation.

SECTION 7. FINANCIAL AUDITS

Contractor shall maintain accurate and detailed records, in accordance with generally accepted accounting principles consistently applied, of all expenditures or costs relating to any Work performed under this Contract as may be necessary for Owner to verify pricing of product provided by Contractor hereunder. Owner shall have the right to inspect, examine and make copies of any or all books, accounts, records and other writings of Contractor relating to the performance or cost of the Work. If the Work is being performed on a fixed-price basis only, Owner shall have the above-specified rights only upon termination or suspension of the Work. Such audit rights shall be extended to Owner or to any representative designated by Owner. Audits shall take place at times and locations mutually agreed upon by both parties, although Contractor must make the materials to be audited available within one (1) week of the request for them. Costs incurred in undertaking the audit will be borne by Owner but costs incurred by Contractor as a result of Owner's exercising its right to audit will be borne by Contractor.

SECTION 8. WARRANTY AND INSPECTION OF MATERIALS

Contractor warrants that all Work performed under this Contract shall be undertaken in a good and workmanlike manner and shall conform to the requirements specified. Contractor further warrants that

One-Time Non-Nuclear
Revision 09/09/2008
#5391

the Work shall be of good quality, free from defects in design, material and workmanship, and shall be fit for its intended use. Any professional services provided by Contractor in connection with the Work shall be performed in accordance with generally accepted standards and practices then prevailing in the industry. Contractor warrants that unless otherwise specified all parts, material and equipment it supplies will be new. Work performed, and all parts, material and equipment furnished in connection with this Contract shall at all times, and at all locations, be subject to inspection by Owner or its representatives, regardless of where the Work is being performed.

If at any time Owner's Designated Representative determines that Contractor's methods or equipment are inadequate for ensuring the requisite quality of Work, Owner's Designated Representative may order Contractor to increase its adequacy and Contractor shall improve its methods or change its equipment or work force so as to give reasonable assurance of compliance with the order. Failure of Owner's Designated Representative to make this demand shall not relieve Contractor of its obligation to ensure the quality of the Work.

When any Work fails to conform with the requirements of this warranty, it shall be corrected and made satisfactory to Owner at no cost to Owner. Contractor shall commence correction of defective Work immediately upon notification of the defect, unless a different time is specified by Owner's Designated Representative. Contractor shall continuously and diligently pursue the repair or corrective Work until it is completed to the reasonable satisfaction of Owner. Failure on the part of Owner to refuse or reject Work or materials prior to acceptance of or payment for the Work shall not bar Owner at any subsequent time from requiring the Work to be corrected or from recovering damages arising out of any defective Work.

If Contractor fails to commence and pursue corrective action as hereinabove provided, or in the event of an emergency situation where correction of the defect by Contractor is not practical, Owner may correct the defect itself or hire others to do so, and all reasonable costs incurred by Owner shall be paid by Contractor.

SECTION 9. RESPONSIBILITY FOR WORK

Contractor is responsible for and shall bear all risk of loss or damage to Work, and all materials, tools and equipment delivered to the Work location by Contractor or its suppliers, until the expiration date of the Contract is reached, unless the loss or damage results solely from the negligence of Owner. Owner is not responsible for any loss or damage to the Work, or to materials, tools and equipment of Contractor resulting from a tortious act or omission of any other contractor.

Contractor shall be responsible, at no additional cost to Owner, for taking all precautions necessary to prevent damage or injury to the Work of Contractor, Owner or its contractors, and to the property of Contractor, Owner, other contractors, or any of their employees, and members of the general public.

Asbestos Containing Material (ACM) shall not be used by Contractor or his subcontractors in any Work performed under this Contract unless specifically agreed to in writing by Owner's Designated Representative prior to the start of the Work

SECTION 10. CLEANUP

Contractor shall be responsible for keeping the area where its employees and subcontractors are working clean at all times. If Contractor fails or refuses to maintain a clean Work area, Owner may perform or arrange to have performed a cleanup of the area. If Owner incurs any cost performing cleanup of Contractor's Work, that cost times a factor sufficient to cover Owner's then applicable administrative and general overhead costs shall be paid to Owner or may be deducted by Owner from any amount owed to Contractor.

SECTION 11. TERMINATION AND SUSPENSION

A. Termination for Cause

The following actions by Contractor shall give Owner the right to terminate the Contract after fifteen (15) calendar days' written notice to Contractor:

- (1) Contractor fails to carry forward and complete Work as rapidly as required, or if no deadlines are set, as rapidly as Owner determines is required or that the circumstances will permit.
- (2) Contractor fails to comply with applicable laws, regulations or ordinances.
- (3) Contractor becomes involved in a labor problem which in the opinion of Owner impedes or slows down the Work.
- (4) Contractor fails to commence correction of defective Work immediately after notification of defect or as otherwise specified by Owner and to continuously and diligently pursue correction of defect until the Work is completed to the full satisfaction of Owner.
- (5) Contractor in any way materially breaches the terms of this Contract.
- (6) Contractor makes a general assignment for the benefit of its creditors.
- (7) Contractor has a receiver appointed because of insolvency.
- (8) Contractor files bankruptcy or has a petition for involuntary bankruptcy filed against him.
- (9) Contractor fails to make prompt payments for materials or labor used on Contract Work.
- (10) Contractor fails to comply with Owner's safety standards.

It is agreed that if Owner exercises its right to terminate this Contract for any of the above reasons, the termination shall not prejudice any other right or remedy available to Owner. If Owner terminates for cause, Contractor shall be responsible for all reasonable, documented costs and expenses incurred by Owner in hiring another contractor to complete the Work beyond those agreed to in the pricing section.

B. Termination for Convenience

Owner shall have the right to terminate this Contract in whole or in part at any time, including prior to commencement of any Work, for Owner's convenience. Upon receiving notice of termination, Contractor shall discontinue the Work on the date and to the extent specified in the notice and place no further orders for materials, equipment, services or facilities except as needed to continue any portion of the Work which was not terminated. Contractor shall also make every reasonable effort to cancel, upon terms satisfactory to Owner, all orders or subcontracts related to the terminated Work.

In paying Contractor for Work performed under this Contract when terminated for Owner's convenience, Owner will make payments to Contractor as follows:

- (1) If this Contract is terminated prior to Contractor's having commenced any Work or preparation for Work, no payment will be made to Contractor.
- (2) If this Contract is terminated after the Contractor has commenced mobilization or other off-site activities but prior to any performance of the authorized Work, Owner will pay Contractor the actual cost, including administrative and general overhead, of any preparation to perform the authorized Work that cannot be recovered by Contractor in future Work done for Owner or otherwise. This paragraph does not apply to engineering, design, fabrication or other off-site Contractor expenditures that are actually part of the Work rather than preparation to perform the Work.
- (3) If this Contract is terminated for Owner's convenience after commencement of the authorized Work, then except as provided in (4) below, Owner shall pay Contractor for Work performed prior to termination as follows:

Where Work is to be performed on a fixed-price basis, Contractor will be paid its actually incurred costs, including administrative and general overhead costs and demobilization costs, determined in accordance with generally accepted accounting principles consistently applied, plus an amount equal to ten percent (10%) of those costs to account for profit. Notwithstanding the above, Owner will not pay an amount for costs actually incurred which unreasonably exceeds the percentage of total costs as compared to the percentage of total Work completed prior to termination. In no event will Owner pay Contractor an amount that exceeds the fixed price.

For Work, including demobilization, where payment is on a unit price basis, or a time-and-materials basis, Contractor will be compensated at the rates specified in the Contract. If profit is included in the authorized rates no additional payments will be made for anticipated profits; if profit is not included in the rates, the amount paid will be increased by ten percent (10%) to account for profit. Notwithstanding the above, Owner will not pay for time worked by Contractor's employees which as a percentage of total anticipated hours to be worked unreasonably exceeds the percentage of Work completed prior to termination.

- (4) If (1) at the time of termination Contractor has prepared or fabricated any goods or purchased or leased any materials or equipment intended for subsequent incorporation into the Work, and (2) these goods or materials cannot be incorporated into any other Work for Owner or otherwise, then Contractor will be paid for the actual cost of the goods or materials.
- (5) Contractor agrees that it has an affirmative duty to mitigate all damages to it upon termination of the Contract. In no event shall Owner be responsible to pay Contractor for its anticipated profits or any sales commissions.
- (6) Contractor shall maintain adequate documentation to support its claim for payment. Any part of Contractor's claim that is not supported by adequate documentation will not be paid by Owner. Payment of the amounts specified above shall be Contractor's sole and exclusive remedy for termination of Work for Owner's convenience.

SECTION 12. PATENTS AND COPYRIGHTS

Contractor agrees that in performing this Contract it will not use or provide to Owner, unless specified or directed by Owner, any process, program, document, data, design, device or material which infringes on any patent, copyright, trade secrets, or any other proprietary right of any third party. Contractor agrees to indemnify and defend Owner, at Contractor's expense, against any suit or proceeding brought against Owner for any infringement arising out of Contractor's Work under this Contract, excluding therefrom Work containing any process, program, document, data, design, device or material specified or requested by Owner. Owner will promptly notify Contractor in writing of any such suit or proceeding and will assist Contractor in defending the action by providing any necessary information at Contractor's expense. If use of the Work is enjoined, then Contractor shall obtain a license for Owner to continue using the Work, or modify the Work so that it no longer infringes, without degrading its function or performance.

SECTION 13. STATUS OF CONTRACTOR

It is the intent of the parties to create between them the relationship of owner and independent contractor. It is agreed that nothing shall operate to change or alter such relationship, except a further agreement in writing between them.

SECTION 14. SUBLETTING OR ASSIGNING CONTRACT

Contractor shall not sublet any portion of the Work or assign the Contract without first submitting the proposed subcontract or assignment to Owner's Designated Representative and receiving written consent from Owner's Designated Representative to subcontract or assign, which consent shall not be unreasonably withheld. Any assignment without the consent of Owner shall be void. A request to sublet or assign must contain the name and location of individuals or firms to whom Work will be sublet or to whom the Contract is to be assigned, information on the qualifications and experience of those individuals or firms to perform the Work, and an estimate of the cost of the Work to be performed by the subcontractor or assignee. The general terms and conditions of this Contract and any Contract Amendment regarding the Work to be performed must be incorporated into and attached to any subcontract or assignment. Consent to subletting or assignment will not relieve Contractor of responsibility for the performance of Work in accordance with the terms and conditions of this Contract and any Amendments executed by both parties. In the event of an emergency, contractor may sublet or contract certain services as necessary to restore the Terminal to normal operation without consent. In such case Contractor will inform Owner's Designated Representative of such activity within 48 hours after the start of any subcontracting activity.

SECTION 15. REPORTS

Whenever requested by Owner, Contractor shall furnish within a reasonable period of time, in the manner directed, and at no additional cost to Owner, written reports about the Work. Owner may require these reports to show the progress or status of the Work or any other matter pertaining to it.

SECTION 16. TOOLS, MATERIALS AND EQUIPMENT

Contractor shall equip all employees with all tools and equipment necessary to perform the Work unless otherwise expressly provided in this Contract. All tools and equipment belonging to Contractor or its employees shall be clearly marked as to their owner. Contractor shall provide storage facilities for all tools and equipment at or near the job site, other than those facilities and work shop provided by Owner. Storage facilities on the site shall be located in a place approved by Owner's Designated Representative.

When requested in writing, Contractor agrees to purchase special equipment or tools or furnish them on a rental basis. The purchase price or rental cost of such equipment and/or tools and the basis of payment will be as agreed upon, if not previously established in the Contract Rate Schedule. Any tools specifically purchased for authorized Work and paid for by Owner are the property of Owner and shall be turned over to Owner upon completion of the Work.

SECTION 17. NOT USED

SECTION 18. PLANS, DRAWINGS, SPECIFICATIONS, AND DOCUMENTATION

Contractor shall keep during the Contract term plans, drawings, specifications, or documentation for the Work. Contractor shall keep one copy of the documents at the jobsite and shall produce the copy upon request of Owner's Designated Representative.

Upon expiration of the Contract term, Contractor shall return all listed drawings, specifications, and documentation to Owner

SECTION 19. CONTRACTOR PERSONNEL MATTERS

Personnel provided by Contractor under this Contract shall at all times remain the sole responsibility of said Contractor for purposes of personal and professional liability.

Contractor is solely responsible for all aspects of the labor relations of its personnel, including but not limited to, wages, benefits, discipline, hiring, firing, promotions, pay raises, overtime and job and shift assignments. Owner shall have no responsibility for or power over these areas. Such personnel shall be and remain the employees of Contractor at all times.

All personnel to be provided by Contractor under this Contract shall be employees of Contractor or its approved subcontractors and shall not be independent contractors. Contractors shall withhold from each employee's pay sufficient funds for federal, state, and local income taxes, funds required by the Federal Insurance Contributions Act, and as may otherwise be required by applicable law. Contractor further agrees to defend, indemnify, and hold Owner harmless from any claims, fines, and penalties based on any allegations that such withholdings were not made, or that such withholdings were inadequate.

Contractor shall comply with the Fair Labor Standards Act, and shall pay overtime to its employees as required by all applicable federal, state and local laws, rules, regulations, and ordinances. In the event that Contractor fails to comply with this requirement, Contractor shall be required to indemnify, defend and hold Owner harmless from all claims, actions, fines, penalties, and liabilities resulting from any such failure.

In selecting employees to undertake any Work, Contractor shall select only those persons who are qualified by the necessary education, training and experience to provide a high quality performance of the Work. If Owner determines, in its sole discretion, that any personnel supplied by Contractor are unsuitable for the Work, Owner shall so advise Contractor and Contractor shall remove that employee from the premises and assign other individuals to perform the Work. If Owner determines, in its sole discretion, that the presence on Owner's premises of any employee of Contractor is not consistent with the best interest of Owner, Owner may direct Contractor to remove that employee from performing Work under this Contract. Contractor shall assign another employee to work in place of the unacceptable employee.

Replacement of employees under either of the above circumstances shall be at no cost to Owner. Contractor shall absorb any travel costs or travel time to the site for the replacement employee and from the site for the replaced employee. Contractor shall give Owner advance notice prior to removing Contractor's supervisory or professional personnel from the job.

Contractor recognizes the importance of the safety of all workers at the Work site and agrees that accident prevention shall be an integral part of Contractor's operation. Contractor shall provide and maintain adequate first-aid facilities and shall cooperate with all other contractors at the site and with Owner in their respective safety programs. Contractor shall furnish all reasonable information concerning the safety of its operations as may be required by Owner's Designated Representative, including records of accidents to employees, and time lost due to accidents. In the event that Owner discovers a condition or Work practice that it considers to be unsafe, Owner may suspend the Work in whole or in part without cost until the unsafe condition or Work practice is made safe.

Contractor's employees' vehicles and Contractor's vehicles and equipment shall be parked in areas expressly approved by Owner's Designated Representative, when parking on Owner owned or controlled property.

Contractor's employees shall be properly dressed to Owner's standards at all times while on Owner's Work site. Employees not properly dressed will be refused entry to or will be subject to discharge from the Work site.

When sanitary facilities are furnished by Owner, Contractor's employees shall use only those designated and approved by Owner's Designated Representative.

Use of Non-English Speaking Workers

Prior to the beginning of any task under this Contract, the Contractor shall notify Owner if it anticipates using any non-English speaking personnel at Owner's facilities. If such personnel are used, the Contractor shall provide an on-site bilingual person to translate the site orientation and safety information training. Contractor shall be solely responsible for ensuring that the non-English-speaking workers are fully trained and understand the site orientation and safety information. In addition, any time the Contractor's non-English speaking workers are present at a Owner facility, the Contractor shall provide at least one bilingual person in each applicable work crew capable of both communicating in English and instructing the non-English speaking workers. The Contractor shall specifically identify these bilingual interpreters to Owner Designated Representative. For this purpose, a work crew is defined as any worker or group of workers in any specific location on Owner property, regardless of how the Contractor organizes his work force.

Owner may assist in facilitating communication of important safety information by offering bilingual versions of safety brochures or video presentations. If these are available, it in no way relieves the Contractor of providing the interpreter services stated above.

Code of Ethics

Contractor, Contractor's employees, and employees of Contractor's subcontractor(s) performing Work under this Contract shall comply with Owner's Code of Ethics. Owner will make the Code of Ethics available to Contractor in order for Contractor to provide a copy to any employee with (i) a presence for a single period of 15 calendar days or more upon property owned or leased by Owner (except right-of ways) or any of Owner's subsidiaries or affiliates and/or (ii) access to Owner's business critical infrastructure and/or (iii) security badge access to Owner facilities. Each such employee shall sign an Acknowledgment Form in substantially the form set forth by Owner. Contractor shall retain the signed forms for Owner audit purposes for the term of the Contract plus one (1) year. The audit right provided herein shall not be restricted by any other audit provisions of the Contract. Contractor shall not be required to obtain signatures on Acknowledgement Forms for those employees assigned to Owner sites exclusively to provide storm support.

Contractor, Contractor's employees, and employees of Contractor's subcontractor(s) performing Work under this Contract are obligated to comply with all applicable laws and regulations and with all applicable health, safety and security rules, programs and procedures. The Owner Code of Ethics identifies principles concerning lawful and ethical conduct that must be followed by Contractor's employees in the performance of Work. The Code of Ethics also provides for an AlertLine reporting mechanism that enables the reporting of suspected violations of law and of the Code of Ethics as a part of Owner's program to prevent and detect violations of law and criminal or unethical conduct.

In order for Owner to confirm Contractor's compliance with the Code of Ethics requirements in this Contract, Contractor is required to complete the Code of Ethics Compliance Plan attached. This Plan identifies the points of contact within Contractor's organization and other information for Owner to use in verifying Contractor's compliance. Should any information on the Compliance Plan change during the term of the Contract, Contractor shall notify Owner's Designated Representative in writing within thirty (30) days of the change.

SECTION 20. INSURANCE

Contractor shall provide and maintain in full force and effect at no additional cost to Owner for the duration of the Contract the following minimum amounts of insurance:

- (a) Commercial general liability insurance or comprehensive general liability insurance with a minimum limit of [redacted] per occurrence for bodily injury and damage to property including contractual liability, premises/operations, products/completed operations, independent contractors, broad form property damage, and personal injury coverage and a minimum aggregate amount of [redacted] or commercial/comprehensive general liability insurance plus additional excess umbrella liability insurance to meet these limits. 1
2
- (b) Comprehensive automobile liability insurance with a minimum combined single limit of [redacted] per accident for bodily injury and damage to property, or covering bodily injuries or death in a sum not less than [redacted] per person and [redacted] per accident and covering damages to property in a sum of at least [redacted] per accident or comprehensive automobile liability insurance plus additional excess umbrella liability insurance to meet these limits. This insurance shall apply to any auto, whether owned or non-owned. 3
4
5
6
- (c) Workers' compensation insurance as specified by state law in each state where work is to be performed; when workers' compensation is required, Contractor shall also provide employer's liability insurance in the minimum amount of [redacted] each accident and [redacted] per employee for bodily injury by disease with a disease policy aggregate of [redacted] or employer's liability insurance plus additional excess umbrella liability insurance to meet these limits. 7
8
9

All such coverages shall be primary. Contractor agrees that it shall add Owner, its officers, employees, agents, and shareholders [and the North Carolina Eastern Municipal Power Agency (NCEMPA) for work performed at Roxboro Unit No. 4, Mayo Plant, Brunswick Nuclear Plant, and Harris Nuclear Plant] and all of Owner's parent, subsidiary, and affiliate companies to Contractor's liability insurance policies as additional insureds. Contractor shall require its insurance carrier or agent to certify that this requirement has been satisfied on all Insurance Certificates issued under this Contract.

Contractor waives and shall require its insurers providing the coverages specified above (excluding professional liability coverage, if required) to waive all rights of recovery against Owner, its officers, employees, agents, and shareholders [and the North Carolina Eastern Municipal Power Agency

(NCEMPA) for work performed at Roxboro Unit No. 4, Mayo Plant, Brunswick Nuclear Plant, and Harris Nuclear Plant] and all of Owner's parent, subsidiary, and affiliate companies. Contractor shall

require its insurance carrier or agent to certify that this requirement has been satisfied on all Insurance Certificates issued under this Contract.

Before any Work is initiated and before any invoices are paid for Work performed under this Contract, Contractor shall provide written proof of compliance with the above insurance requirements by delivering to:

Ms. Carol Shore
Progress Energy Service Company, LLC
P. O. Box 1551 (PEB 2C3)
Raleigh, NC 27602

a copy of certificate of insurance completed by his insurance carrier or agent certifying that minimum insurance coverages as required above are in effect and that the coverage will not be canceled or changed until thirty (30) days after written notice is given Owner. Contractor shall maintain, update, and renew the Certificate for the duration of the Contract. No payment will be made to Contractor prior to receipt by Owner of an acceptable Certificate of Insurance. In the event an acceptable Certificate of Insurance becomes outdated, Owner may elect to withhold payment of invoices, suspend Work or take other appropriate action until an acceptable and properly dated Certificate is received by Owner.

SECTION 21. INDEMNITY

To the maximum extent permitted by applicable law, each party (an "Indemnitor") shall indemnify, defend, and hold harmless the other party (including its parent, subsidiary and affiliate companies), its officers, employees, agents, and with respect to Owner, any other party with an ownership interest in the premises where the Work is to be performed (each an "Indemnitee"), from and against all liability, loss, costs, claims, damages, expenses, judgments, and awards, whether or not covered by insurance, to the extent arising:

- (a) from negligent acts or omissions of Indemnitor which resulted in:
 - (1) injury to (including mental or emotional) or death of any person, including employees of Indemnitee (including its parent, subsidiary and affiliate companies), or
 - (2) damage to or destruction of any property, real or personal, including without limitation property of Indemnitee (including its parent, subsidiary and affiliate companies) and its other contractors, Indemnitee's (including its parent, subsidiary and affiliate companies') employees;
- (b) from demands, actions or disputes asserted by any subcontractors, employees or suppliers of Indemnitor.

Indemnification shall include all costs including attorney's fees reasonably incurred in pursuing indemnity claims under or enforcement of this Contract.

To the maximum extent permitted by applicable law, Contractor shall indemnify and defend Owner (including its parent, subsidiary and affiliate companies), its officers, employees, agents, and any other party with an ownership interest in the premises, from and against all liability, loss, costs, claims,

damages, expenses, judgments, and awards, whether or not covered by insurance, arising or claimed to have arisen:

out of injuries sustained and/or occupational diseases contracted by Contractor's, subcontractor's, or assignee's employees, if any, of such a nature and arising under such circumstances as to create liability by Owner (or its parent, subsidiary or affiliate companies) or Contractor under the Workers' Compensation Act, and all amendments thereto, of the state having jurisdiction, including all claims and causes of action of any character against Owner (and its parent, subsidiary and affiliate companies) by any employee of Contractor, its subcontractors or assignees, or the employer of such employees, or any person or concern claiming by, under or through them resulting from or in any manner growing out of such injuries or occupational diseases; and

Indemnification shall include all costs including attorney's fees reasonably incurred in pursuing indemnity claims under or enforcement of this Contract.

SECTION 22. SECURITY

Contractor and its employees who perform work at any Owner property shall comply and follow Owner's environmental procedures, management of change procedures, and general operating procedures. Contractor shall advise its employees of these practices and procedures and secure their consent to abide by the procedures in a form satisfactory to Owner. Owner will provide a copy of these practices and procedures to Contractor under separate cover. Contractor shall review all procedures against current practices to ensure compliance.

SECTION 23. FITNESS-FOR-DUTY POLICY

Contractor acknowledges its awareness of Owner's contract personnel Fitness-For-Duty Program (FFDP) Drug and Alcohol Abuse Policy, which is as follows:

The use, possession, or sale of narcotics, hallucinogens, depressants, stimulants, marijuana, or other controlled substances on Owner Property or while in pursuit of Owner business is prohibited. (This does not apply to medication prescribed by a licensed physician and taken in accordance with such prescription.) Unauthorized consumption of alcohol on Owner Property is also prohibited. The use of the above substances or alcohol on or away from Owner Property which adversely affects the employee's job performance, or may reflect unfavorably on public or governmental confidence in the manner in which Owner carries out its responsibilities, as determined by Owner, is also prohibited.

The term "Owner Property" includes any property or facility owned, leased, or under control of Progress Energy, Inc. or any of its subsidiaries, wherever located, including land, buildings, structures, installations, boats, planes, helicopters, and other vehicles.

SECTION 24. LAWS AND PROJECT RULES

A. General

Contractor and its subcontractors, if any, shall observe and abide by all applicable laws, federal, state and local, and the rules and regulations of any lawful regulatory body acting thereunder in connection with the Work. Without limiting the foregoing, Contractor agrees to comply with applicable provisions of the Americans with Disabilities Act, Fair Labor Standards Act of 1938, the Occupational

One-Time Non-Nuclear
Revision 09/09/2008
#5391

Safety and Health Act of 1970, Executive Order No. 11246, the Rehabilitation Act of 1973, the Vietnam Veterans Readjustment Act of 1974, as amended, and their respective implementing regulations, which are made a part hereof as if set out herein. Contractor warrants that it will meet the legal requirements of the Immigration Reform and Control Act of 1986, including, but not limited to, verifying workers' eligibility for U.S. employment through the completion of an I-9 form. Contractor and its subcontractors, if any, shall also comply with all applicable Owner health, safety and security rules, programs or procedures.

To the extent applicable, during the performance of this Contract, the contractor agrees as follows as it pertains to this Work and Contract :

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's non-compliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) the Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contractor shall indemnify and hold Owner (or its parent, subsidiary or affiliate companies) and its plant co-owners harmless with respect to any claims, expenses (including reasonable attorney's fees), liability or damages arising out of Contractor's failure to comply with any applicable laws, rules, or regulations, or any Owner rules, programs, or procedures.

Work performed and materials and equipment provided by Contractor shall conform to and comply with all the applicable federal, state, and municipal laws, rules, and regulations concerning occupational health and safety, including, but not limited to, the Occupational Safety and Health act of 1970 and the regulations and standards issued thereunder (hereinafter "OSHA requirements"). Contractor warrants that any work performed in a location partially or entirely under Contractor's control shall be performed in accordance with "OSHA Requirements". Contractor further warrants that all materials and equipment furnished by Contractor shall conform to and comply with all applicable provisions of "OSHA requirements" and the regulations and standards issued thereunder, specifically those (designed to accept a lockout device, machine guards in place, etc.) Contractor shall require these warranties of adherence to "OSHA requirements" from each subcontractor and supplier it employs. Contractor shall indemnify and hold harmless Owner (including its parent, subsidiary and affiliate companies) from all damages suffered by Owner (including its parent, subsidiary and affiliate companies) (including damages to third parties) as a result of the failure of Contractor or any of its subcontractors or suppliers to comply with "OSHA requirements" and for the failure of any of the materials or equipment furnished to so comply.

Contractor shall fully comply with all export and import control laws and regulations with regard to any Work performed by Contractor or with regard to information supplied by Owner to Contractor under this Agreement. In particular, Contractor shall not directly or indirectly use, export, re-export, distribute, transfer or transmit any such Work or information in whole or in part, in any form without all required United States and foreign government licenses and authorizations, including but not limited to any applicable export controls of the U.S. Nuclear Regulatory Commission, the U.S. Department of Energy or the U.S. Department of Commerce. In no event shall Owner be obligated under this Contract or any other agreement to provide access to or furnish any Work or information except in compliance with applicable United States export control laws, regulations, policies, licenses and approvals.

To the extent and in the amount the purchase price of any materials is paid by Owner to Contractor prior to delivery, Owner shall obtain a lien on the material. Such lien shall be fully enforceable and of the highest priority allowed by law. Complete legal and equitable title to all such material and risk of loss or damage to the material shall pass to Owner upon delivery F.O.B carrier at destination, whether full or partial payments are made before or after delivery at destination or whether payments are withheld pending supplemental inspections and/or tests by Owner at the destination so as to establish full compliance with this Contract and any applicable specifications. Nothing in this Section shall be construed as releasing or waiving any responsibility of the Contractor either under this Contract or at law.

Whenever any property of Owner is sent to Contractor's premises for repair, refurbishment, or any other purpose, title to such property shall at all times remain with Owner. Contractor shall clearly mark such property to show that it is owned by Owner and shall keep all such property separate from Contractor's own property and the property of any third parties. Contractor's interest in such property shall be only that of a bailee, and such property shall not be subject to any lien, security interest or other claim asserted by any creditor of Contractor. Contractor shall bear the risk of loss or damage to such property while it is on Contractor's premises; and Contractor shall also bear the risk of loss or damage to the property while it is in transit between Owner's premises and Contractor's premises when the arrangements for transportation of the property have been made by Contractor rather than Owner.

Should compliance with any laws, rules, regulations, or ordinances of any federal, state, or local authority, or of any agency thereof (including, but not limited to, certification to do business as a foreign corporation) require any changes in the Work or should any permits, licenses, or approvals of plans and specifications for the Work and any additional Work or any permits, licenses, or approvals for the

installation or use thereof be required, Contractor assumes the risk and responsibility for such compliance or change, or for securing such permits, licenses, and approvals from the proper authorities, and for paying any associated costs or fees.

Notices

All notices or official communications required to be given hereunder shall be in writing by either party and shall be deemed sufficient when mailed by United States certified mail, return receipt requested, or hand delivered to Owner's Designated Representative (if to Owner) at the addresses set forth herein or by recognized overnight delivery service, to the address initially set forth in the Contract. All notices shall be deemed delivered on the day they are hand-delivered to the other party or, if sent by overnight delivery service, two (2) days after tendered to such service.

Either party may change its address for the receipt of notices, requests or other communications hereunder by written notice duly given to the other party. This change shall be made by Amendment.

The parties' obligation to provide written notice to each other may not be waived. Electronic or computerized mail is not an acceptable form of delivery of notices required by this Contract. The Parties expressly and unequivocally waive any claim against the other Party based upon actual, verbal, or constructive notices. All written notice requirements are to be strictly construed and are a nonwaivable condition precedent to pursuing any claims, rights, or remedies by Contractor under this Contract.

B. Employment Taxes and Contributions

Contractor assumes exclusive liability for all contributions, taxes or payments required to be made under the applicable federal and state Unemployment Compensation Act, Social Security Acts and all amendments, and by all other current or future acts, federal or state, requiring payment by the Contractor on account of the person hired, employed or paid by Contractor for Work performed under this Contract.

C. Drawings and Specifications

It is the intent of Owner to have all drawings and specifications for the Work comply with all applicable statutes, regulations, and ordinances. If Contractor discovers any discrepancy or conflict between the drawings and specifications and applicable legal requirements, Contractor shall immediately report the discrepancy in writing to Owner's Designated Representative.

D. Not Used

E. Environmental Provisions

1. Compliance with Environmental Laws
 - a. In performing its obligations and other activities pursuant to this Contract, each party shall comply with all Environmental Laws.
 - b. If a party encounters ACM and/or lead, such party shall immediately notify the Designated Representative. Contractor shall not Manage such ACM and/or lead without Owner's prior approval. Contractor shall perform any such Work in accordance with the acceptable industry standards and practices.
 - c. Contractor may obtain from the Designated Representative any records and other information which the Designated Representative deems relevant to Contractor's compliance with Environmental Laws. Owner does not warrant the accuracy or

One-Time Non-Nuclear
Revision 09/09/2008
#5391

completeness of such records and information, and Contractor shall determine independently how to conform its activities to the requirements of Environmental Laws.

2. Regulated Substances and Hazardous Chemicals

- a. For purposes only of this Subsection 2., Owner Property means property Owner owns, leases and/or operates.
- b. Prior to bringing any Regulated Substance (excluding Urea Liquor) onto Owner Property Contractor shall deliver to the Designated Representative: (1) notice of the Regulated Substance's identity and intended use, (2) notice of the length of time the Regulated Substance will be used on Owner Property and (3) a description of any wastes that will be generated as a result of using the Regulated Substance.
- c. Prior to bringing onto Owner Property any Regulated Substance (excluding Urea Liquor), Contractor shall deliver to Owner a description of the potential for Owner employee exposure to the hazardous chemical, the hazardous chemical's brand name (including generic name and chemical abstract number [CAS#]), container volume or weight, number of containers, container pressure and temperature, physical state, storage location, estimated annual usage, manufacturer and material safety data sheet.
- d. Contractor shall deliver to Owner for Management any hazardous waste which Contractor generates on Owner Property. Contractor shall not remove such hazardous waste from Owner Property.
- e. Upon completion of the Work, Contractor shall remove all of Contractor's unused chemicals from Owner Property.

3. Releases

- a. Contractor shall not Release any Regulated Substance on Owner Property, or on any roadways leading to or from Owner Property.
- b. In the event Contractor Releases any material or substance on Owner Property, Contractor immediately shall notify the Designated Representative and remediate the Release pursuant to all applicable Environmental Laws and to Owner's direction and reasonable satisfaction. Owner's costs in supervising, directing, inspecting and/or assisting Contractor to respond to the Release shall be subject to Indemnification under Subsection 4. hereof.
- c. If following a Release Contractor fails to comply with the terms of Subsection 3.b., Owner may in its discretion remediate the Release and otherwise perform Contractor's obligations. Owner's costs in performing Contractor's remedial activities shall be subject to Indemnification under Subsection (4) hereof.

4. Environmental Indemnity

- a. For a period of six (6) months from the expiration or termination of the Contract, Contractor shall Indemnify Owner (or its parent, subsidiary or affiliate companies) from any Claim or loss in property value of Owner's Plant Property arising from Contractor's negligent Management of any Regulated Substance

One-Time Non-Nuclear
Revision 09/09/2008
#5391

PEF-POD4-00102

(collectively for this Section 24(E)(4)(a)-(d) only, hereinafter termed an "Action").

- b. Owner agrees to give prompt notice to Contractor of the assertion or the commencement of any Action in respect of which indemnity may be sought under this Section 24(E)(4)(a) (specifying with reasonable particularity the basis therefor) and give Contractor such information with respect thereto as the Contractor may reasonably request. Contractor may, at Contractor's own expense, participate in and, upon notice to Owner, assume the defense of any such Action; provided that Contractor's counsel is reasonably satisfactory to Owner. Contractor shall thereafter consult with Owner, upon Owner's reasonable request, from time to time with respect to such Action, and Contractor shall not, without Owner's written consent, which consent shall not be unreasonably withheld, settle or compromise any such Action. If Contractor assumes such defense, Owner shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Contractor. For any period during which Contractor has not assumed the defense thereof, Contractor shall be liable for the fees and expenses of counsel employed by any Owner; provided, however, that Contractor shall not be liable for the fees or expenses of more than one counsel employed by Owner. If Owner assumes the defense thereof, Owner shall thereafter consult with Contractor, upon Contractor's reasonable request, for such consultation from time to time with respect to such Action, and Owner shall not, without Contractor's written consent, which consent shall not be unreasonably withheld, settle or compromise any such Action. Whether or not Contractor chooses to defend or prosecute any Action, the parties hereto shall cooperate in the defense or prosecution thereof.
- c. In evaluating all Actions, the parties shall mutually agree upon an independent third party whose purpose shall be to assess the extent of any Action and submit his/her findings to the parties to be used as a data point in assessing the extent of any Action. In the event the parties are unable to reasonably agree upon the independent third party within thirty (30) days following an Action, the parties agree that no independent third party evaluation shall be necessary.
- d. The limitations in this Section 24(e) (4) (a)-(c) shall in no way limit Contractor's indemnification obligations elsewhere in this Contract.

5. Environmental Audits

Owner shall have the right to conduct an on-site environmental review of any of the Contractor's or its subcontractor's or supplier's facilities at any time to verify compliance with federal, state and local statutes, regulations and ordinances. Contractor shall ensure that Owner shall have the right to conduct on-site environmental audits of any subcontractor's facilities to verify compliance with all federal, state and local statutes.

6. Definitions

The definitions below only are applicable to this Environmental Provisions Section.

- a. ACM or Asbestos-Containing Material means (a) friable asbestos material, (b) Category I nonfriable ACM (as defined in 40 C.F.R. §61 (Subpart M)) that has become friable, (c) Category I nonfriable ACM that will be or has been subjected to sanding, grinding, cutting or abrading or (d) Category II nonfriable ACM (as defined in Subpart M) that has a high probability of becoming or has become crumbled, pulverized or reduced to powder by the forces expected to act on the material in the course of demolition or renovation operations.
- b. Claim means any (1) administrative, regulatory or judicial action or cause of action, suit, liability, judgment, penalty, damages, directive, order, claim relating in any way to any Environmental Law, the Management of any Regulated Substance, the presence of any Regulated Substance in the environment or any alleged injury or threat of injury to health, safety, property or the environment and (2) cost or expense (including, without limitation, any attorneys', experts' and consultants fees' and expenses) which is or may be necessary, in Owner's reasonable judgment, to comply with any Environmental Law, to respond to and defend against any action listed in clause (1), to protect the health or safety of any person or to permit or facilitate any lawful use of real property.
- c. Owner Property means any property, facility or equipment owned, leased or under the control of Owner or Contractor wherever located, including land, buildings, structures, installation, boats, planes, helicopters and other vehicles.
- d. Environmental Law means any federal, state or local law, statute, ordinance, rule, guideline, judicial or administrative order or other public authority now in effect or hereafter enacted relating to (1) the regulation or protection of human health, safety, occupational safety and health, the environment or natural resources or (2) any Regulated Substance.
- e. Indemnify, with respect to any Claim or cost, means (1) to indemnify, save and hold harmless, reimburse and make whole on an after-tax basis, the designated indemnitee and its affiliates and their respective officers, directors, employees, partners and agents from any Claim or cost imposed on or incurred by the indemnitee, or asserted by any third party against the indemnitee; (2) to defend any suit or other action brought against the indemnitee on account of any Claim and (3) to pay any judgment against, and satisfy any equitable or other requirement imposed on, the indemnitee resulting from any such suit or action, along with all costs and expenses relative to any such Claim, including, without limitation, reasonable attorney's, consultant's and expert witness fees and public relations costs.
- f. Manage or Management, with respect to any substance or material, means the manufacture, processing, distribution, use, possession, generation, transportation, labeling, identification, handling, removal, treatment, storage, disposal, Release or threatened Release thereof.
- g. Regulated Substance means any chemical, material, substance or waste the exposure to, access to or Management of which is now or hereafter prohibited, limited or regulated by any law or governmental unit. Regulated Substances include without limitation ACM and Lead.

- h. Release(s), with respect to any substance or material, means any spilling, leaking, pumping, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of such substance into the environment, or any other act or event the occurrence of which would require containment, remediation, notification or similar response under any law.
- i. Urea Liquor means a solution of urea in water of various concentrations but typically ranging from 40 to 70 weight percent urea.

F. Federal Subcontracting Requirements:

1. The provisions of the following Laws, Executive Orders, and any rules and regulations issued thereunder, are incorporated herein by reference as part of this Contract to the extent applicable to the Work and this Contract..
 - Provisions of the Utilization of Small Business Concerns clause set forth at Section 52.219-8 of the Federal Acquisition Regulations, Title 48 of the Code of Federal Regulations
 - Provisions of the Small Business Subcontracting Plan clause set forth at Section 52.219-9 of the Federal Acquisition Regulations, Title 48 of the Code of Federal Regulations.
2. The Contractor agrees to fully comply with such provisions and any amendments thereof. In addition, all subcontracts and agreements that the Contractor enters into to accomplish the Work under the terms of this Contract shall obligate such subcontractors to comply with such provisions.
3. Compliance with the above provisions involve the development of a subcontracting plan, as prescribed in 19.704 of the Federal Acquisition Regulations, herein incorporated by reference. The attached Supplier Diversity and Business Development Subcontracting Report shall be used to report awards to small business concerns under the subcontracting plan.

SECTION 25. SEVERABILITY

If any term or provision of this Contract is held illegal or unenforceable by a court with jurisdiction over the Contract, all other terms in this Contract will remain in full force, the illegal or unenforceable provision shall be deemed struck. In the event that the stricken provision materially affects the rights, obligations or duties of either party, Owner and Contractor shall substitute a provision by mutual agreement that preserves the original intent of the parties as closely as possible under applicable law.

SECTION 26. GOVERNING LAW

This Contract shall be governed by the laws of the State of North Carolina, except that the North Carolina conflict-of-law provisions shall not be invoked in order to apply the laws of any other state or jurisdiction. Owner and Contractor expressly waive their rights to a trial by jury in any action brought hereunder.

SECTION 27. CONFIDENTIALITY; USE OF INFORMATION

The terms of this Contract and all Amendments to it are to remain confidential and shall not be provided in any form to any other party except upon order of a regulatory body or a court of competent

One-Time Non-Nuclear
Revision 09/09/2008
#5391

jurisdiction. Neither party shall make any public statements or publish any information related to the Work performed or to be performed under this Contract without the prior written consent of Owner.

Materials which are reviewed by either party in the course of this Contract may contain trade secrets which are the property of the other or which have been loaned, licensed, purchased or leased for use. Neither party shall reveal any trade secret material to any person in any form and further agrees not to use the material for itself for any purpose not connected with this Contract.

Contractor agrees that if access is granted to Owner's computer network or a segment thereof, that this access is solely for the business purpose(s) described in Section 1 of this Contract. Contractor agrees that access for any other purpose or the use of Owner's computer network to access other networks, is strictly forbidden and that Contractor is responsible and liable for all damages or unauthorized access resulting from these actions. This activity will result in the discontinuation of any and all network connections, and Contractor understands that it may be subject to civil and/or criminal prosecution. Contractor further agrees that any information that it obtains from Owner's computer network is subject to all of the terms and conditions of this Contract.

SECTION 28. PUBLIC COMMUNICATION

Contractor agrees to cooperate with Owner in maintaining good community relations. Owner will issue all public statements, press releases, and similar publicity concerning the Work, its progress, completion, and characteristics. Contractor shall not make or assist anyone to make any such statements, releases, photographs, or publicity without prior written approval of Owner.

SECTION 29. NONWAIVER

Owner's failure to insist on performance of any of the terms and conditions herein or to exercise any right or privilege or Owner's waiver of any breach hereunder shall not thereafter waive any of Owner's rights or privileges under this Contract or at law. Any waiver of any specific breach shall be effective only if given expressly by Owner in writing.

SECTION 30. MERGER

This Contract embodies the entire agreement between Owner and Contractor. The parties shall not be bound by or liable for any statement, writing, representation, promise, inducement or understanding not set forth above. No changes, modifications or amendments of any terms and conditions of this Contract are valid or binding unless agreed to by the parties in writing and signed by their authorized agents.

Each party to this agreement and its counsel have participated in the creation of this agreement. The normal rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement or of any amendments or exhibits to this agreement.

SECTION 31. BACKGROUND INVESTIGATION AND DRUG SCREEN

NOTE: The requirements of this Section do not apply to nuclear protected/vital area access.

In order for Owner to confirm Contractor's compliance with the Background Investigation/Drug Screen requirements in this Contract, Contractor is required to complete the Background Investigation/Drug Screen Compliance Plan attached. This Plan identifies the points of contact within Contractor's organization and other information for Owner to use in verifying Contractor's compliance.

One-Time Non-Nuclear
Revision 09/09/2008
#5391

Should any information on the Compliance Plan change during the term of the Contract, Contractor shall notify Owner's Designated Representative in writing within thirty (30) days of the change.

Contractor shall conduct a Background Investigation ("BI") and pre-assignment Drug Screen ("DS") as described below for all Contractor's employees and/or Contractor's subcontractor employees where the scope of work to be performed will require: (i) a presence for a single period of 15 calendar days or more upon property owned or leased by Owner (except right-of ways) or any of Owner's subsidiaries or affiliates and/or (ii) access to Owner's business critical infrastructure and/or (iii) security badge access to Owner facilities. In addition, BI/DS requirements may be applied to other personnel at the sole discretion of Owner's Designated Representative. Owner shall reimburse Contractor in accordance with Paragraph E of this Section for each Contractor employee and subcontractor employee for whom an approved provider performs full or updated BIs and DSs, unless Work is performed on a firm fixed price basis. Owner shall not be obligated to reimburse Contractor for any BI or DS expense for any Contractor employee or subcontractor employee who fails to meet the minimum acceptable qualifications. The BIs and DSs must be performed by service providers approved by Owner as acceptable to conduct BIs and DSs (the "Approved BI and DS Providers"). Paragraph E of this Section lists the Approved BI and DS Providers.

Contractor shall obtain a release from each of its employees and subcontractor employees that will perform Work under the terms of this Contract that allows Owner to access the BI and DS records from the Approved BI and DS Provider's web enabled access systems or through other methods agreeable to Owner. Owner will access these records only for the purpose of conducting periodic audits to ensure compliance with the conditions herein, and for the purpose of audit required by a governmental agency. In instances in which an employee or any subcontractor employee of Contractor is granted access to a facility or property that is covered within the scope of the North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) regulations, 18 CFR 39, or the Chemical Facility Antiterrorism Act (CFATS) regulations, 6 CFR 27, Contractor agrees to permit Owner to obtain and maintain a copy of the BI and DS of each Contractor employee or subcontractor employee in order for Owner to demonstrate access eligibility and compliance with the NERC CIP and CFATS regulations.

In the event Contractor uses a BI and/or DS provider or process that is not pre-approved by Owner, Contractor is required to submit its BI and DS program to Owner for review and approval. Contractor agrees to permit Owner to obtain copies of the BI result information when needed for regulatory reasons, and to audit the BI result information as necessary to establish Contract compliance.

Contractor agrees to maintain BI records for a minimum of seven (7) years after the Work is completed.

Contractor is solely responsible for ensuring that Contractor's employees and any subcontractor employees assigned to the Work meet or exceed the requirements of this Section. Contractor must have all BIs and DSs completed prior to the start of Work. In the case of emergencies, Contractor may be permitted to start Work while the BIs or DSs are being conducted. (If an emergent need requires delay in processing, Owner approval is required, and all BIs and DSs must be completed within 10 working days of the start date).

A. Responsibilities

Contractor shall be responsible to:

1. Comply with the legal requirements of the Immigration Reform and Control Act of 1986, including, but not limited to, verifying its employees' and ensuring its subcontractors verify their employees' eligibility for U.S. employment through the completion of an I-9 form for each employee or subcontractor employee. Documentation of I-9 form completion will be maintained by the Contractor

and made available to Owner upon request. Contractor is the employer and makes decisions regarding assignments.

2. Initiate and ensure the completion of the appropriate BIs. Contractor's employees and Contractor's subcontractor employees should be required to complete a background questionnaire or employment application which includes additional names used by applicant, history of residences and criminal history. Contractor is the employer and makes decisions regarding assignments based on these guidelines.
3. Notify its employees and any subcontractor employees of the terms and conditions of the BI and DS and requirements of this Contract.
4. Furnish Owner with any Contractor employees and subcontractor employees who meet or exceed the requirements of the BI and DS and the terms and conditions of the Contract.
5. Obtain written permission for the release to Owner of its employees' and any subcontractor employees' personal history information and information contained in the BI report and DS.
6. Require its employees and subcontractors to report any arrest and evaluate under the Rejection Criteria to determine if Contractor's employee or any subcontractor employee meets Owner's criteria for rejection. (All Contractor employees and any of its subcontractor employees who meet the Rejection Criteria must be removed from Owner's Work immediately.)
7. Abide by the Fair Credit Reporting Act (FCRA) requirements and all other applicable state and federal laws regarding BIs and DSs, and consent to release information.

B. Types and Components of Background Investigation

1. Full Background Investigation

a. Social Security Number/Name/Address Validation

Contractor shall verify the Social Security Number (SSN), name, date of birth and/or addresses of its employees, and ensure its subcontractors verify the same of their employees, from sources such as an SSN trace report available through credit databases. Contractor agrees to perform, and ensure its subcontractors perform, additional criminal history checks for names and addresses that appear on the SSN report within the past seven (7) years and cannot be attributed to a spouse's surname or typographical error. Contractor, and its subcontractors, shall resolve any discrepancies discovered, including multiple SSNs that do not appear to be typographical in nature, fraud alerts, and any address associated with Correctional, Hospital or Clinical Institutions. Contractor shall verify its employees', and ensure its subcontractors verify its employees', SSNs through the Social Security Administration.

b. Criminal Record

Prior to Contractor's employee or subcontractor employee performing Work, Contractor shall conduct a criminal history record check covering the previous seven years, or to age 18, in each state/locality where Contractor's employee has resided, including addresses within the past seven years identified on the SSN Trace Report, or where Contractor's employee disclosed criminal history on the background questionnaire. Contractor shall take action to ensure its subcontractors conduct the same criminal history record check and comply with the requirements listed in this subsection for each of its employees.

Record checks should be conducted by contacting the appropriate agency of record such as state law enforcement agency, state criminal record repositories (normally statewide repositories should only be used for states such as New York and North Carolina, unless otherwise approved), local law enforcement

agencies, state and local courts. Contractor shall ensure record repositories hold complete criminal history information (pending cases, misdemeanor records, and felony records, etc).

Reported criminal records should include specific offense information, court and jurisdiction and disposition of charge.

c. Terrorist Watch List Search (Patriot Act)

Contractor shall conduct a Terrorist Watch List search through the U. S Office of Foreign Asset Control on Contractor's employees and subcontractors employees intended to perform Work. The search shall include a check of whether the employee or subcontractor employee is a Designated National or Blocked Person, as defined by the U. S Office of Foreign Asset Control.

1. Drug Screen

Contractor shall conduct a DS as defined in this Section.

2. Updated Background Investigation

An updated BI is acceptable for Contractor's re-hired employees or subcontractors' employees if the employee or subcontractor employee previously had a full BI and DS completed that meets Owner's criteria described in this Section and it was completed by the current Contractor within the past three years of current effective Work start date. The following components shall be checked:

1. Criminal history checks in the county or counties where Contractor's employee or subcontractor employee has resided, including addresses on the SSN Trace Report since the last seven year check was performed.
2. Terrorist Watch List search
3. DS

C. Rejection Criteria to Disqualify Candidates for Assignment

The decision by Contractor to disqualify an employee or subcontractor employee for assignment shall be based upon consideration of all relevant information, favorable and unfavorable, as to whether the assignment would be clearly consistent with the necessity to maintain an environment conducive to a safe work place.

To assist in making appropriate determinations, this matrix identifies several types of adverse information. These are not all-inclusive, but contain many of the factors, which may raise legitimate questions to a Contractor's employee's or subcontractor employee's eligibility for assignment. Contractor is the employer and makes decisions regarding assignments based on these general guidelines.

1. Criminal Charges

a. Criminal Charges Pending

"Pending" is defined as awaiting formal review by the court to determine the disposition of the arrest. All pending charges will be evaluated on a case by case basis; however pending charges which may meet Owner's criteria for disqualification if convicted will normally preclude an acceptable recommendation.

Charges which result in a disposition of adjudication withheld, nolle pross, pre-trial intervention, prayer for judgment continued or are otherwise unadjudicated shall be evaluated on a case by case basis. This evaluation shall focus on the status of the charge, and the behavior or incident which resulted in the charge being made, and the effect on an applicant's trustworthiness and reliability.

b. Felony Convictions

CRITERIA FOR REJECTION	ACTIONS TO BE CONSIDERED
Any felony conviction with in the last five years	Not eligible for assignment for five years from the date of conviction.
Persons currently on active probation/parole or a work furlough program for a felony conviction or participating in court diversion program for charges which would meet rejection criteria. (Ex. Pre-trial intervention and deferred prosecution).	Not eligible for assignment until completion of probation or parole or court diversion program. Eligibility must also comply with criteria above. (As if convicted)
Failure to fulfill a court order (i.e. failure to appear) for any felony conviction.	Not eligible for assignment until disposition of court order is completed.

c. Misdemeanor Convictions

CRITERIA FOR REJECTION	ACTIONS TO BE CONSIDERED
Any misdemeanor conviction within the last five years involving illegal drugs (includes individuals currently serving a court-ordered diversion program)	Not eligible for assignment for five years from date of last conviction.
Any misdemeanor conviction within the last year involving violence or theft.	Not eligible for assignment for one year from the date of conviction.
Three or more misdemeanor convictions involving alcohol, violence or theft within the last five years. For example, convictions in 11/2005, and 11/2006 and 6/2007 not eligible until 11/2010	Not eligible for assignment for five years from the date of earliest conviction.
Persons on active probation/parole or a work furlough program for a misdemeanor conviction or participating in court diversion program for charges which would meet rejection criteria. (Ex. Pre-trial intervention and deferred prosecution).	Not eligible for assignment until completion of probation or parole or court diversion program. Eligibility must also comply with criteria above. (As if convicted)
Multiple misdemeanor convictions; including, but not limited to acts of violence, alcohol, and theft that demonstrate a pattern of continued disregard for the laws of the land and adversely reflects on the person's reliability and trustworthiness.	Contractor shall exercise reasonable discretion to determine appropriate action on a case by case basis.
Failure to fulfill a court order (i.e. failure to appear) for any misdemeanor conviction	Assignment may not be recommended based on the severity of the court order.

d. Other

CRITERIA FOR REJECTION	ACTIONS TO BE CONSIDERED
One drug test failure	Not eligible for assignment for 5 years.
Evidence or admission of use, possession or sale of illegal substances	Not eligible for assignment for 5 years from the most recent occurrence.
The refusal to participate in drug testing	Not eligible for assignment.
Attempted to subvert the testing process, or has shown in	Not eligible for assignment for 5 years.

anyway to have altered a specimen provided for testing	
Any other information that would adversely reflect upon the reliability and trustworthiness of the person as it relates to their assignment to Owner	Not eligible for assignment – eligible to reapply determined on a case by case basis.
Prior termination due to a Progress Energy Code of Ethics Violation	Not eligible for assignment.
Information regarding denial at any of Owner’s nuclear facilities.	Employment may not be recommended based on the reason for denial.
Social Security Number not verified by Social Security Administration	Not eligible for assignment until verification of Social Security Number is validated.

D. Drug Screen

All of Contractor’s employees and subcontractors’ employees who will require a BI will also be required to have a DS. Contractor must have all DSs completed prior to the start of Work. In the case of emergencies, Contractor may be permitted to start Work while the DSs are being conducted. (All DSs must be completed within 10 working days of starting work.)

A certified Health and Human Services Laboratory must perform all DSs. Only Contractor employees and subcontractor employees whose test result is determined to be negative are eligible to work on Owner controlled property. In addition, Contractor employees and subcontractor employees who refuse to participate in DSs, attempt to subvert the DS testing process, or are shown in any way to have altered a specimen provided for any DS are not eligible to work under this Contract.

Owner shall not be obligated to reimburse Contractor for any DS expense for Contractor employees or subcontractor employees who fail to meet the minimum acceptable qualifications.

The screening for the substances below and the testing levels generally follow the Department of Transportation Guidelines. Laboratories that use lower cut off levels for drugs or Metabolite than those listed below are acceptable by Owner.

1. Drug Screen Cut Off Concentrations for Screening and Confirmation Levels

Type of Drug or Metabolite	Initial Test	Confirmation Test
Marijuana Metabolites	50	15
Cocaine Metabolites (Benzoylcegonine)	300	150
Phencyclidine (PCP)	25	25
Amphetamines	1000	500
Amphetamine		500 (specimen must also contain amphetamine at a concentration of greater than or equal to 200 ng/ml.)
Methamphetamine		
Opiate metabolites	2000	2000
Codeine		2000
Morphine		10 (Test for 6-MAM in the specimen. Conduct this test only when specimen contains morphine at a concentration greater than or equal to 2000 ng/ml.)
6-monacetylmorphine (6-MAM)		

2. Specimen Collection

The specimen must be collected by trained and qualified collectors and collected under conditions that protect the integrity of the specimen. Laboratory patient service centers and Doctor's Urgent Care are suggested for collection purposes.

E. Approved Background Investigation and Drug Screening Providers

1. Sterling Testing Systems
Attn: Lance Zacker
Regional Director of Sales

Phone: 212-812-1045
Fax: 646-435-2273
E-Mail: Lzacker@sterlingtesting.com
www.sterlingtesting.com

2. A-Check America, Inc.
Attn: Alanna Flores

Phone: 877-345-2021 ext. 3085
Fax: 951-750-1667
E-Mail: aflores@acheckamerica.com
progressenergy@acheckamerica.com
www.acheckamerica.com

BI/DS Pricing:

The providers listed above have pre-established pricing with Owner for performing a BI/DS. Owner reimbursements will be at the pre-established rates. If Contractor chooses to use a provider not listed above, reimbursements will be capped by the rates charged by the above providers. The cost for performing a BI/DS is currently capped at \$55.00. This amount is subject to increase only if the pre-established rates increase for the above providers. Criminal Searches within the 7 year time frame required outside of the United States will be reimbursed as pass-through expenses at reasonable and customary costs.

SECTION 32. WORKPLACE VIOLENCE PREVENTION

Owner strives to provide a workplace for a worker that is free from physical attack, threats of violence and menacing or harassing behaviors.

Owner will not tolerate any unwanted or hostile physical contact, including physical attack, threat of violence, harassment, or damage of property by or against any worker including Owner employees.

Any worker who experiences, witnesses, or has knowledge of acts, conduct, behavior, or communication (threat) that may constitute or may lead to a workplace violence event should immediately report the incident to any of the following:

1. Contractor Supervisor or Owner supervisor or manager, AND
2. Corporate Security 1-888-275-4357 or
3. The Ethics Line at 1-866-8Ethics (1-866-838-4427)

SECTION 33. ELECTRONIC TRANSMITTALS

Owner and Contractor acknowledge that documents requiring signatures may be transmitted electronically. Owner and Contractor stipulate that if this contract is transmitted electronically, the electronic transmittal of the original execution signatures shall be treated as original signatures and given the same legal effect as an original signature.

- Next paragraph begins on following page -

The parties execute this Contract by their signature or the signature of their authorized agents.

TERRA ENVIRONMENTAL
TECHNOLOGIES INC.

PROGRESS ENERGY SERVICE COMPANY, LLC.
not in its individual capacity, but solely as agent for
PROGRESS ENERGY FLORIDA, INC.

BY: Joseph D. Grotter

BY: Helen H. Green

NAME (printed): Joseph D. Grotter

NAME: Helen H. Green

TITLE: Vice President

TITLE: Senior Sourcing Specialist

DATE: 3/16/09

DATE: March 12, 2009

[Handwritten signature and notes]

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Indicate your Social Security Number OR your Federal Tax Identification Number (FTIN). This number shall correspond with the Contractor name indicated above and shall be the same Federal Tax Identification Number under which you report income. COMPLETE ONLY ONE.

Federal Tax ID # 361586884 Social Security # [REDACTED]

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements. If you do not provide your correct FTIN, your payments may be subject to 20% backup withholding. Under penalties of perjury, I certify that the FTIN shown above is correct for the Contractor named.

R. Muller - Director of Logistics
(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business* HUBZone, 8(a) or disadvantaged business*
- Veteran-owned business* Minority-owned business **
- Service-disabled veteran-owned business* Women-owned small business **
- Not a Small Business

- * As defined by the Small Business Administration (SBA): www.sba.gov
- ** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

Attachment A

1. WORK

- a. The Work. The Contractor agrees to provide the services listed in detail on Exhibit A (the "Work") at the Crystal River Units 4 & 5 Facility Terminal, subject to the Contractor or its Affiliate being the sole supplier of Product to the Owner. In the event that the Sales Agreement or any similar agreement terminates or expires for any reason, the Contractor shall have the right to terminate this Attachment upon thirty (30) days written notice to the Owner. The Work shall be performed in accordance with Good Industry Practice.
- b. Terminal Management. The Contractor shall operate the Terminal in accordance with the Work and, at all times, have sole authority with respect to all personnel matters involving the Representatives of the Contractor at the Terminal, including salaries, benefits, compensation, indirect personnel costs, training, insurance, labor matters, working hours, job responsibilities, health and safety procedures, bonding and all other employee, personnel-related and contracting matters. The Contractor shall be responsible for coordinating the provision of the Work and, without limiting the generality of the foregoing, all the Work shall be provided by Representatives of the Contractor.
- c. Terminal Policies/Manuals. Subject to Laws, the Owner agrees that it will comply with, and the Contractor's performance hereunder is subject to, all Crystal River Units 4 & 5 Facility Terminal operating policies and procedures that are issued from time-to-time by the Contractor. Subject to Laws, the Contractor agrees that it will comply with, and the Owner's performance hereunder is subject to, all Plant operating policies and procedures that are issued from time-to-time by the Owner. Each Party will promptly provide the other Party with copies of such policies and procedures as issued from time-to-time. In the event of a conflict between the Parties' respective policies and procedures, the Parties agree to cooperate to resolve any such conflict.
- d. Regulatory Compliance. Governmental or Regulatory Authorities may cause the Owner to incur expenses to comply with Laws, including, without limitation, (i) making additions or modifications to facilities at the Crystal River Units 4 & 5 Facility Terminal, (ii) changing methods of operation to comply with Laws, (iii) implementing testing or verification programs, (iv) implementing the conditions of any Permit necessary to operate the Crystal River Units 4 & 5 Facility Terminal, or (v) preventing, reducing, controlling or monitoring any emission, exposure or discharge into the environment (expenses arising from such requirements are hereinafter referred to as "Compliance Costs"). Compliance Costs shall include the actual or pro-rata cost of additional expense, changes or additions (including engineering and overhead expense) and subsequent direct and indirect costs, as may be escalated, of operating and maintaining such changes or additions, including the cost of changes in staffing for operations at the Crystal River Units 4 & 5 Facility Terminal. In the event the Owner is required to expend Compliance Costs, the Owner may either (i) notify the Contractor that the Owner intends to incur the Compliance Costs, or (ii) terminate the affected Work or portions of the Crystal River Units 4 & 5 Facility Terminal before the date upon which the Owner must incur Compliance Costs by providing written notice thereof to the Contractor. The Owner must make its election by advising the Contractor of the Owner's decision in writing thirty (30) days prior to the date in which the Owner must incur Compliance Costs in order to meet the effective date for such compliance, or such shorter time as may be necessary considering the effective date for such compliance. If the Owner does not timely notify the Contractor, the Contractor shall have the right to terminate this Attachment upon notice to the Owner.

2. TITLE & CUSTODY OF PRODUCT

- a. Risk of Loss. The Owner shall have the risk of Loss for the Product at all times, unless the Loss is the result of the Contractor's negligence and then only to the extent of such negligence. In no event shall the Contractor be responsible for any Loss of any kind to the Product that results from any negligence of the Owner, contamination of the Product other than as a result of the Contractor's negligence, events or circumstances resulting in a Force Majeure, or resulting from natural occurrences or in connection with Product handling (assuming Good Industry Practice).

3. PRODUCT MEASUREMENT

- a. Product Received. Product received into the Terminal will be determined by the Contractor pursuant to original bill of lading for truck and rail cars.

- b. Inventory Amounts. Absent fraud or manifest error, the quantities of Product in the Tanks at any time will be determined from the Terminal inventory records maintained by the Contractor. Quantity determinations will be based on a short ton basis.

- c. Meters and Scales. Terminal meters and truck scales (as applicable) will be calibrated annually and upon each completion of repair or replacement of a meter, in each instance at the Owner's expense. Calibration shall be performed in accordance with the most recent applicable standards. If a meter or truck scale is determined to be defective or inoperative, such Party shall immediately notify the other Party, and the Owner shall promptly make the necessary repair, replacement, or calibration. The Parties shall work in good faith to mutually agree on the discrepancy that results from a defective or inoperative meter or truck scale for a period of thirty (30) days. If the Parties cannot reach agreement, an independent inspector shall be engaged that is mutually acceptable to the Parties and his determination shall be final and binding, except for fraud or manifest error. The Parties shall split the costs of any independent inspector.

- d. Inventory Reports. The Contractor shall transmit to the Owner a statement of receipts, deliveries, and ending inventory and, if applicable, copies of individual meter gauging documents. The Contractor shall provide monthly reporting of daily inventory data to the Owner in a format and on a date as may be mutually agreeable from time-to-time, provided that the Owner shall be responsible for the cost of any equipment necessary for the Contractor to transmit the data by electronic means.

4. TERMINAL HOURS & INSPECTION

- a. Hours. The Contractor shall provide the Work during Standard Hours, except to the extent the Owner has requested, and the Contractor has accepted, for the Work to be provided during Non-Standard Hours.

- b. Inspection. The Owner shall have the right, upon reasonable notice to the Contractor so as not to disrupt the Contractor's provision of the Work, to make periodic operational inspections of the Terminal, to conduct audits of any pertinent records on-site, conduct physical verifications of the amount of the Owner's Product in the Tanks. The Owner's rights under this subsection shall be exercised by the Owner and its Representatives in a way that will not interfere with or diminish the Contractor's provision of the Work.

5. SUSPENSION OF WORK

- a. Emergency Terminal Shutdown. The Contractor shall have the authority to shutdown the Terminal in the event of an emergency. The Contractor shall immediately provide notice to the Owner in the event of any shutdown of the Terminal by the Contractor in the event of an emergency.

b. Owner Suspension. Except in cases of emergency requiring immediate suspension or shutdowns, the Owner shall provide the Contractor with at least forty-eight (48) hours written notice prior to any planned suspension of the Plant, which notice shall include the estimated period of the suspension ("Owner Suspension Period"). To the extent possible under then-prevailing circumstances, the Owner shall provide the Contractor with at least forty-eight (48) hours written notice prior to any termination of the Owner Suspension Period.

EXHIBIT A

DETAILED DESCRIPTION OF THE WORK
AND ADDITIONAL DEFINED TERMS FOR THIS AMENDMENT

1. TERMINAL OPERATIONS. The Work shall be limited to the provision of the following Work to the Crystal River Units 4 & 5 Facility Terminal, and all Work shall be performed by Contractor in accordance with Good Industry Practice:
 - a. Personnel. The Contractor shall have sole discretion to determine the number of personnel necessary to provide, or cause to be provided, the Work.
 - b. Terminal Operation. The Contractor shall provide for the operation of the Terminal during Standard hours (and Non Standard hours, on an as needed basis) as required for contractor to monitor and operate the Terminal. The Contractor shall be the manager of the Work provided to the Terminal. As such, the Contractor shall have the flexibility to schedule the provision of the Work in a manner that allows the Contractor to be absent from the Terminal during Standard Hours during any work week, provided that such absences from the Terminal does not result in a breach of the Contractor's obligations to provide the Work and/or create a lack of urea laden liquor and/or transfer of urea laden liquor sufficient for the Owner's operations. An absence from the Terminal that complies with the foregoing shall not be a breach of the Amendment.

The Work includes observations and unloading of urea from railcars and highway tank trucks and inventory management of the urea in the terminal storage tank. This shall include but is not limited to monitoring storage tank levels, ordering urea product, arranging for rail or truck transportation to the site, operating the railcar mover to position loaded railcars for unloading and positioning empty railcars for pickup by the railroad, contacting the railroad to deliver loaded railcars and pickup empty railcars, schedule periodic maintenance and fueling of railcar mover, and unloading the product into the storage tank. The Owner retains the right to manage the Terminal, if required. The "Terminal" is defined as below by way of WAHLCO and EPCR Drawings to Description and further clarified by markings made on a set of these drawings which will be provided to both parties under separate cover:

DRAWING NUMBER	DRAWING DESCRIPTION
2206-3510-317-003 (Rev. 3)	Urea Unloading Pump Skid
2206-3510-317-004 (Rev. 3)	Urea Dilution Pump Skid (Demin Water)
2206-3510-317-005 (Rev. 3)	Urea Transfer Pump Skid

ANCILLARY TANKS	DESCRIPTION
Urea Demin Water Tank	
Urea Solution Storage Tank	
2206-3510-317-006 (Rev. 3)	SCR Urea Solution Day Tank
2206-3510-317-008 (Rev. 3)	AMM Urea Solution Day Tank
2206-3510-317-014 (Rev. 3)	SCR Hydrolyzer Blowdown Tank
2206-3510-317-015 (Rev. 3)	AMM Hydrolyzer Blowdown Tank

c. [REDACTED]

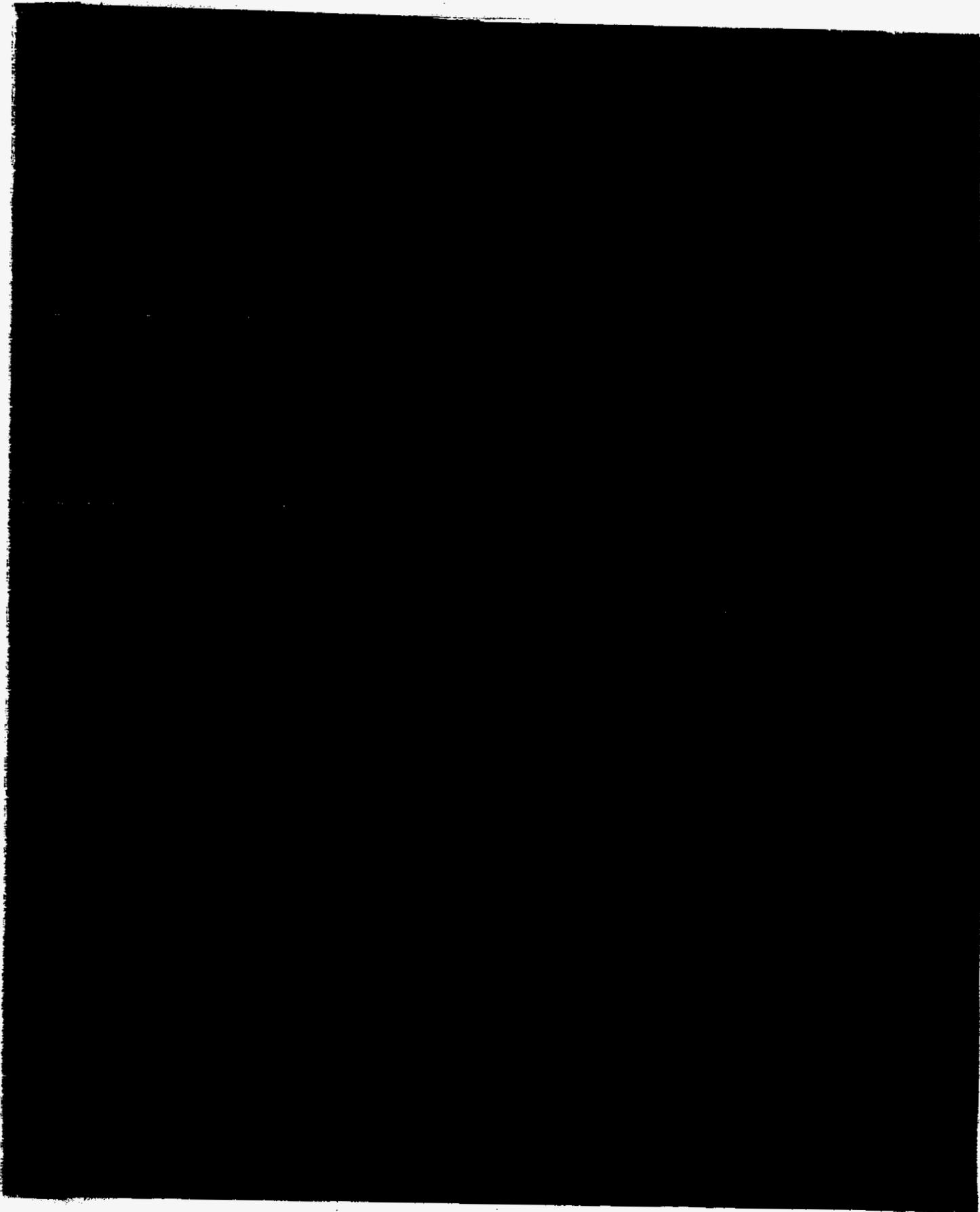
654321

- d. Information Services. The Contractor will provide Product shipment data entry and inventory accounting services for the receipt and offloading of rail cars and releasing empty railcars to the rail carrier, if required. The Contractor will provide the Owner with Monthly activities reports summarizing receipts, shipments, beginning and ending inventory, Product consumption, environmental, health and safety spending, and operating supplies spending, and any other necessary information reasonably requested by the Owner.
- e. Technician Compliance and Response Services. The Contractor's technicians will: (i) revalidate and update (if required) the Terminal's operating procedures annually, (ii) timely report to the Owner environmental, health and safety information regarding the Terminal in connection with the provision of the Work, (iii) participate in the Owner's management of change process and perform tasks assigned by the Owner in connection therewith such as responsibility for updating standard operating procedures, training, awareness programs, and pre-start up safety reviews, each as related to the Terminal, (iv) provide Product awareness training at the Terminal and (v) hose testing and inspection at the Terminal.
- f. Inventory Management Services. The Contractor shall be responsible for ensuring adequate inventory to conform to the operation rates of the Plant as stated to the Contractor in writing. The Contractor warrants to the Owner that all Product delivered by the Contractor to the Terminal will be conforming Product and otherwise in compliance with Laws. The Contractor shall be responsible for notifying the Owner of any non-conforming Product. The Contractor, as supplier of the Product, is responsible for providing a Certificate of Analysis for every Product delivery. If Product quality, as indicated on the Certificate of Analysis, is in non-conformance, the Contractor shall either reject the Product or acquire the agreement of the Owner to unload and receive the Product. In the alternative, the Owner reserves the right to inspect all shipments of Product upon arrival and to either reject those containing Product that do not meet the specifications, provided that the Owner shall be responsible for any errors or omissions with respect to such testing and the Contractor shall have no responsibility for any non-conforming Product that the Owner permits to enter the Tanks, the effect on the Tanks or other equipment as a result thereof, or the effect on the Owner's Plant as a result of such failed inspection. The cost of replacing non-conforming Product shall be for the Contractor's account, unless such Product is permitted to enter the Tanks as a result of a failed inspection by the Owner. In no event will the Contractor be obligated to pay costs related to Supplier rail car detention charges or Rail Road storage or demurrage charges unless such charges result from Contractor negligence.

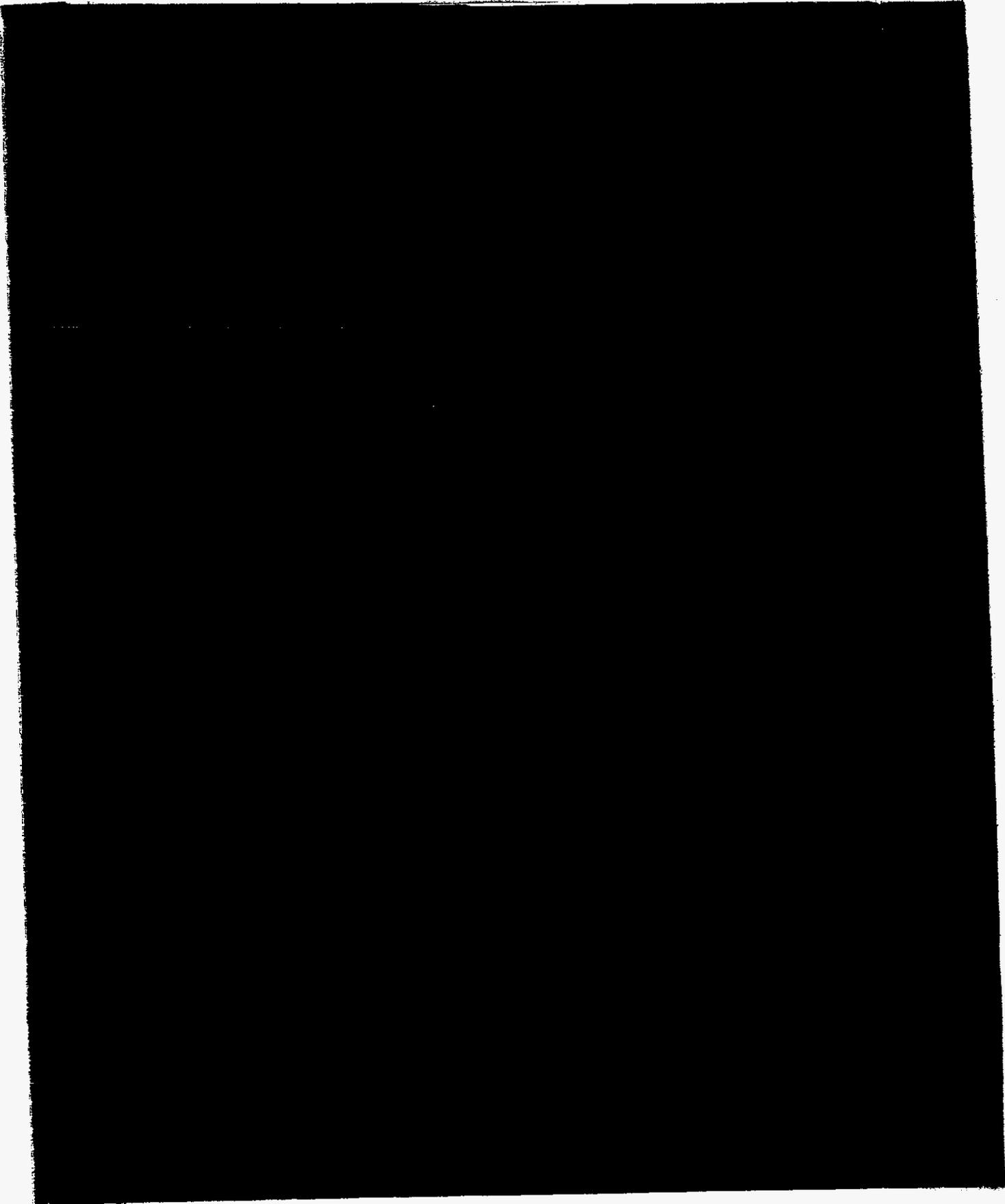
2. FEES.

a) [REDACTED]

7
8
9
10
11
12
13
14
15
16



PEF-POD4-00120



PEF-POD4-00121

1. DEFINITIONS

"Addendum" means any Addendum entered into between the Parties to this Agreement from time-to-time that supplements or amends this Agreement.

"Affiliate" means any Person that controls, is controlled by, or is under common control with a specified Person. For purposes of this definition, "control" shall mean the power, whether direct or indirect, and whether by exercise of voting power or contract or otherwise, to direct the management policies and decisions of another Person.

"Agreement" has the meaning give to it in the Recitals.

"Claim" means any action, suit, proceeding, hearing, investigation, audit, litigation, charge, complaint, claim, or demand by any Person.

"Compliance Costs" has the meaning given to it in Attachment A, Section 1(d).

"Contact Person" means the Person designated by each Party in writing from time-to-time as being authorized to make operating decisions on behalf of such Party in connection with this Agreement.

"Customer" means all customers of the Operator, including the Owner and its Affiliates.

"Effective Date" has the meaning given to it in the Recitals.

"Environmental Laws" means all applicable laws, statutes, rules, regulations, ordinances or interpretations having the effect of law of any Governmental or Regulatory Authority relating to the environment, human health or safety, pollution or other environmental degradation or Hazardous Materials.

"Fees" has the meaning given to it in Attachment A

"Good Industry Practice" means the Operator shall perform, and shall require its Representatives to perform, the Services in accordance with the Operator's, and to the extent applicable the Owner's, documented operating procedures and in accordance with recognized industry standards and practices, *which shall include, without limitation, the provision of the Services in good faith and the performance of its duties in a lawful, safe, cost-effective and otherwise commercially reasonable manner, subject to the Exhibits.*

"Governmental or Regulatory Authority" means any congressional body, court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any of its states or territories, or any of their respective counties, cities, or other political subdivisions.

"Hazardous Materials" means (a) petroleum or petroleum products, fractions, derivatives or additives, natural or synthetic gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls and radon gas, (b) any substances defined as or included in the definition of "hazardous wastes," "hazardous materials," "hazardous substances," "extremely hazardous substances," "restricted hazardous wastes," "special wastes," "toxic substances," "toxic chemicals" or "toxic pollutants," "contaminants" or "pollutants" or words of similar import under any Environmental Law, (c) radioactive materials, substances and waste, and radiation, and (d) any other substance the exposure to which is regulated under any Environmental Law.

"Laws" means all applicable laws, statutes, rules, regulations, ordinances, decisions, orders, or interpretations having the effect of law of any Governmental or Regulatory Authority, and "Laws" includes, without limitation, all Environmental Laws.

"Liability" or "Liabilities" means all Claims and Losses, regardless of whether any such Claims or Losses would be required to be disclosed on a balance sheet prepared in accordance with generally accepted accounting principles consistently applied or is known as of the Effective Date.

"Loss" or "Losses" means any loss, damage, injury, breach of duty or warranty, diminution in value, exposure, settlement, judgment, award, punitive damage award, fine, penalty, fee, charge, demurrage, cost or expense (including, without limitation, reasonable costs of attempting to avoid or in opposing the imposition thereof, interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors), as well as with, respect to compliance with the requirements of Environmental Laws, expenses of remediation and any other remedial, removal, response, abatement, cleanup, investigative, monitoring, or record keeping costs and expenses.

"Month" means a calendar month.

"Non-Standard Hours" means any time period that is not Standard Hours, including Owner's holidays.

"Operator" has the meaning given to it in the Recitals.

"Owner" has the meaning given to it in the Recitals and any permitted successor or assignee of Owner to this Agreement.

"Party" means the Owner or the Operator and the case may be or the context requires.

"Permits" means any permit, license, exemption, action, certificate of authority, authorization, approval, or registration issued by, or required to be issued by, a Governmental or Regulatory Authority in connection with the Owner's use or operation of the Plant or the Operator's provision of the Services.

"Person" means any natural person, corporation, limited liability company, general partnership, limited partnership, proprietorship, other business organization, trust, or Governmental or Regulatory Authority.

"Product" means commercial grade urea liquor.

"Plant" means owner Crystal River Energy Complex in Citrus County, Florida.

"Release" means the presence, release, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any property, including the movement of Hazardous Materials through the air, soil, surface water, ground water or property other than as specifically authorized by (and then only to the extent in compliance with) all Environmental Laws and Permits.

"Representative" means any Person that is an agent, contractor, servant, employee or licensee of another Person.

"Routine PM" has the meaning given to it in Attachment A.

"Sales Agreement" means that certain Urea Purchase Confirmation Agreement, dated December 11, 2007 between Terra Industries Inc. and the Owner, as may be amended from time-to-time.

“

“Standard Hours” means eight (8) hours per day (7:00 a.m. to 3:30 p.m.), Monday through Friday, excluding Owner’s holidays.

“Tanks” means the storage vessels and associated equipment, controls, and instrumentation located at the Terminal that supply Product to the Owner’s selective catalytic reduction system to reduce NOx emissions in flue gas emitted from the Plant.

“Temporary Service Suspension” has the meaning given to it in Section 5(a) of Attachment A.

“Terminal” has the meaning given to it in Exhibit A

“Work” has the meaning given to it in Section 1(a) of Attachment A.

**Contract Employee
Code of Ethics Acknowledgment Form**

Please go to the following website to review the Progress Energy Code of Ethics prior to signing this Acknowledgment Form. Hard copies are available upon request.

<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Contractor Organization

Contractor shall maintain completed forms. Do not return completed forms unless they are specifically requested by Owner.

CODE OF ETHICS COMPLIANCE PLAN

CONTRACT # 406464

Company Name: Terra Industries Inc.

Person providing this information: Beth Niehus

Title: Director, Human Resources

Phone number: 712-277-7231 Email: bniehus@terraindustries.com

1. Owner requires Contractor adherence to conduct/ethics compliance standards for its workers. Owner offers its own Code of Ethics standards for any company desiring to use them; however, if exception is taken, Contractor is required to demonstrate that their workers are covered by Contractor's equivalent program. Please indicate the program which applies to this Contract?

- Owner's Code of Ethics
- Contractor's internal program standards (Owner review and approval required. Please attach information about your Code of Conduct/Ethics, acknowledgment and documentation procedures.)

2. Who within your company has overall responsibility for worker acknowledgement forms related to the Code of Conduct/Ethics?

Name: Human Resources Department – Theresa Tucker

Title: Benefits Administrator

Phone Number: 712-279-8747 Email: ttucker@terraindustries.com

3. What is your process for ensuring each of your employees provides written acknowledgment of his/her awareness of code of Conduct/Ethics standards and expectations prior to performing work for Owner?

This acknowledgment is part of the new hire process and is reviewed when employees are hired. Additionally, on an annual basis all employees are required to review and sign the Code of Ethics and Standards of Business Conduct and the Conflict of Interest Policy.

4. Describe the retention plan for the Code of Conduct/Ethics acknowledgement forms once signed by your employees.

Format Stored: Hard Copy Scanned PDF Other (explain) Electronic

Location Stored: Network drive

5. Describe the review/audit process for the signed acknowledgement forms when Owner requests to review.

Point of contact: Brenda Godfredson Phone Number: 712-277-7343

Email: bgodfredson@terraindustries.com

Location where forms can be reviewed: Sioux City, Iowa

Notification interval required for review (how many hours/days): 2 business days

One-Time Non-Nuclear
Revision 09/09/2008
#5391

Procedure for getting access: Contact Human Resource Department at Terra.

BACKGROUND INVESTIGATION/DRUG SCREEN COMPLIANCE PLAN

CONTRACT # 406464

Company Name: Terra Industries Inc. _____
Person providing this information: Beth Niehus _____
Title: Director, Human Resources _____
Phone number: 712-277-7231 Email: bniehus@terraindustries.com _____

1. Which of the two preferred vendors will you use to perform your background investigations?

- Sterling (Preferred Vendor)
- A Check America Inc. (Preferred Vendor)

If leveraging another company, you will be required to submit your program to Owner for approval.

Other: _____ (Owner approval required)

2. Who has overall responsibility for ensuring the completion of the background investigations and drug screens within your company?

Name: Brenda Godfredson _____

Title: Human Resources Supervisor _____

Phone Number: 712-277-7343 Email: bgodfredson@terraindustries.com _____

1. Who within your company reviews findings of background investigation and drug screen results to confirm that a worker satisfies Owner's criteria, as defined in the Contract?

Name: Brenda Godfredson _____

Title: Benefits Supervisor _____

Phone Number: 712-277-7343 Email: bgodfredson@terraindustries.com _____

2. Describe the retention plan for the background investigation/analysis data and drug screen results.

Format Stored: Hard Copy Scanned PDF Other (explain) online document

Location Stored: Network Drive _____

3. Describe the review/audit process for this data when Owner requests to review.

Point of contact: Beth Niehus Phone Number: 712-277-7231 _____

Email: bniehus@terraindustries.com _____

If using Sterling and/or A Check America, Inc. . . . Will you provide electronic access to Owner to through Sterling and/or A Check America, Inc.'s website when background/drug screen data is needed as defined in the Contract?

Yes No If no, or not using an Owner recommended vendor, will records be provided by:

Fax Hardcopy via mail Other (explain) E-mail _____

PEF-POD4-00129

One-Time Non-Nuclear
Revision 09/09/2008
#5391

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT
SUBCONTRACTING REPORT

REPORTING METHOD AND DEFINITIONS

REPORTING METHOD

Please complete the attached form, Supplier Diversity & Business Development Subcontracting Report, to record your awards with small business concerns that are directly related to fulfilling a specific Progress Energy contract. Provide contract number, dollar amount and the per cent of award to small business concerns. Quarterly and cumulative annual period reporting is required.

REPORTING TIME SCHEDULE

Please provide the information requested for subcontracting quarterly report by the 15th of the month following the end of the quarter that you are reporting. The completed form may be faxed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, (919) 546-6750 or mailed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, P.O. Box 1551 (PEB-2), Raleigh, NC 27602.

SMALL BUSINESS CONCERNS (SBC) DEFINITIONS*

- **Small Disadvantaged Business Concern (SDB)** - A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more minority individuals or other individuals found to be disadvantaged as established by the Small Business Administration and whose management and daily operations are controlled by individuals including the following minority classes (for clarification, refer to FAR 52.219-8).

Minority Type:

- African American Male	- Hispanic American Male	- Asian-Pacific American Male
- African American Female	- Hispanic American Female	- Asian-Pacific American Female
- Native American Male	- Asian-Indian American Male	
- Native American Female	- Asian-Indian American Female	

Native American	Includes American Indians, Eskimos, Aleuts and Native Hawaiians
Asian Pacific	Includes U.S. citizens where origins are from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, U.S. Territories of Pacific, Laos, Cambodia and Taiwan
Asian Indian	Includes U.S. citizens where origins are from India, Pakistan and Bangladesh

- **Women-Owned Business Concern (WOSB)** - A business that is at least 51 percent owned by a non-minority woman and who controls the daily management (for clarification, refer to FAR 52.219-8).

- **Hubzone Small Business Concern (HBZ)** - A business that appears on the list of qualified hubzone small business concerns maintained by the Small Business Administration.

- **Veteran-owned Small Business Concern (VOSB)**- A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more veterans and whose management and daily operations are controlled by one or more veterans.

- **Small Business Concern (SB)**- A business independently owned and operated that is not dominant in its field and that meets Small Business Administration standards as to the number of employees, generally under 500, and/or dollar volume of its business (for clarification, refer to 13 CFR Part 121 and FAR 19.102).

- **Handicapped/Sheltered Workshop** - this must be a charity organization or institution conducted not for profit, but for the purpose of carrying out a recognized rehabilitation program for handicapped workers and/or providing individuals with paid employment.

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT SUBCONTRACTING REPORT

Date _____
 Contractor Name _____
 Qtr. _____
 Type of Business _____
 Contract Number _____
 Dollar Amount of Contract _____

CERTIFIED SMALL BUSINESS CONCERNS INFORMATION

List all small business concerns subcontractor(s) used on the project and subcontracted percent and amount

NAME	PRODUCTS/SERVICES TO BE PROVIDED	\$ AMOUNT	YTD \$ Amount	%	*SBC code

SOURCING EFFORT FOR CERTIFIED SMALL BUSINESS CONCERNS

List all small business concerns subcontractor(s) contacted on the project that will not be used

NAME	ADDRESS	PHONE NUMBER	CONTACT	*SBC code

LIST ANY ORGANIZATIONS, AGENCIES, OR GROUPS THAT YOU CONTACTED TO SOURCE CERTIFIED SMALL BUSINESS CONCERNS

NAME	ADDRESS	PHONE NUMBER	CONTACT

Attach sheet if additional space is needed.

Suggested Organizations:

- Carolinas Minority Supplier Development Council 704-536-2884
- South Carolina's Governor's Office of Small & Minority Business Assistance 803-734-0657
- State of North Carolina Historically Underutilized Business Program 919-733-8965
- Raleigh/Durham Minority Business Development Center 919-833-6122
- The North Carolina Institute of Minority Economic Development 919-831-2467
- National Association of Women Business Owners 703-506-3268

One-Time Non-Nuclear
 Revision 09/09/2008
 #5391

090007-EI

REDACTED

CONTRACT NO. 433059

BETWEEN

PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity, but solely as agent for

PROGRESS ENERGY FLORIDA INC.

AND

EVAPTECH ME

Confidential

(P+ 3 of 3)
DOCUMENT NUMBER-DATE

10152 OCT-18

PEF-POD4-00132

FPSC-COMMISSION CLERK

TABLE OF CONTENTS

PART I – CONTRACT SUMMARY, TERMS & CONDITIONS AND EXECUTION

WORK QUALITY STANDARDS

- 1.0 Contract Documents
- 2.0 Scope of Work and Schedule
- 3.0 Definitions
- 4.0 Warranty
- 5.0 Inspection, Testing and Quality Control
- 6.0 Conditions and Risks of Work
- 7.0 Issued for Construction Drawings and Specifications
- 8.0 Intent of Specifications and Drawings
- 9.0 Safety
- 10.0 Subcontracts and Purchase Orders
- 11.0 Termination for Default
- 12.0 Not Used

TIMING OF WORK

- 13.0 Scheduling, Reporting and Coordination
- 14.0 Not Used
- 15.0 Force Majeure
- 16.0 Possession Prior to Completion
- 17.0 Notice of Completion and Final Acceptance

WORK CHANGES

- 18.0 Changes
- 19.0 Termination at Owners Option and Suspension of Work
- 20.0 Claims
- 21.0 Dispute Resolutions

MATERIALS AND EQUIPMENT

- 22.0 Not Used
- 23.0 Owner's Tools, Materials and Equipment
- 24.0 Responsibility for Work
- 25.0 Contractor's Construction Equipment
- 26.0 Contractor's Shipments
- 27.0 Control of Owners Furnished Materials
- 28.0 Care, Custody, Control and Title to Materials and Equipment
- 29.0 Clean-Up

LABOR AND WORK RULES

- 30.0 Contractor's Personnel
- 31.0 Labor Harmony
- 32.0 Employment Certifications and Practices
- 33.0 Not Used

INDEMNIFICATION AND INSURANCE

- 34.0 Indemnity
- 35.0 Insurance
- 36.0 Bonds
- 37.0 Not Used

WORK CONDITIONS

- 38.0 Not Used
- 39.0 Permits, Licenses and Taxes
- 40.0 Independent Contractor
- 41.0 Confidential Information
- 42.0 Deliverables
- 43.0 Patents, Copyrights, and Trade Secrets
- 44.0 Publicity
- 45.0 Not Used
- 46.0 Assignments
- 47.0 Emergency Medical Services
- 48.0 Owner's Designated Representative

DOCUMENTATION, LIENS AND OFFSETS

- 49.0 Documentation and Right of Audit
- 50.0 Liens
- 51.0 Right to Offset
- 52.0 Not Used

GENERAL

- 53.0 Not Used
- 54.0 Severability
- 55.0 Waiver
- 56.0 Gratuities
- 57.0 Interpretation
- 58.0 Survival
- 59.0 Immigration Law Compliance
- 60.0 Code of Ethics
- 61.0 Security
- 62.0 Fitness-For-Duty Policy
- 63.0 Federal Subcontracting Requirements
- 64.0 Workplace Violence Prevention
- 65.0 Mutual Preparation
- 66.0 Background Investigation and Drug Screen
- 67.0 Regulatory Compliance

- 68.0 Laws & Project Rules
- 69.0 Reports
- 70.0 Amendment of Contract
- 71.0 Governing Laws
- 72.0 Limitation of Liability
- 73.0 Transportation Workers Identification Credential
- 74.0 PassPort Data Loading

- Attachment A Background Investigation and Drug Screen Compliance Plan
- Attachment B Not Used
- Attachment C Release From Contractor
- Attachment D Code of Ethics Acknowledgement Form and Compliance Plan
- Attachment E Supplier Diversity & Business Development Subcontracting Form
- Attachment F Not Used
- Attachment G Passport Data Loading
- Attachment H Not Used
- Attachment I Progress Payment Release Certificate
- Attachment J Final Payment Release Certificate
- Attachment K Notice of Completion
- Attachment L Notice of Acceptance
- Attachment M Extended Warranty
- Attachment N Florida Steam Tax Exemption Affidavit
- Attachment O Florida Pollution Control Affidavit
- Attachment P Contractor's Organization Chart

PART II – SCOPE OF WORK

TABLE OF CONTENTS

- 1.0 INTRODUCTION / BACKGROUND
- 2.0 DESCRIPTION OF WORK – GENERAL
- 3.0 DESCRIPTION OF WORK - SPECIFIC
 - 3.1 Task 1 Update and Maintain the Design Criteria Manual
 - 3.2 Task 2 Update & Maintain Procurement Specifications
 - 3.3 Task 3 Update & Maintain Project Design Drawings
 - 3.4 Task 4 Provide Construction Guidelines & Test Procedures
 - 3.5 NOT USED
 - 3.6 Task 5a Design & Construct the EPU Cooling Tower and Update Calculations
 - 3.7 NOT USED
 - 3.8 Task 6a Design the EPU Cooling Tower Basin and Surrounding Laydown Area
 - 3.9 NOT USED
 - 3.10 Task 7a Design Intake Structure and Related Systems
 - 3.11 NOT USED
 - 3.12 Task 8a Design Discharge Structure and Related Systems
 - 3.13 NOT USED
 - 3.14 NOT USED

- 3.15 Task 10a Design Software & Hardware to Interface with Existing DCS
- 3.16 NOT USED
- 3.17 Special Requirements
- 3.18 Organizational Interfaces
- 3.19 Work Not Included
- 3.20 Owner Furnished Materials and Equipment
- 3.21 Site Conditions and Known Hazards

4.0 TECHNICAL REQUIREMENTS AND ACCEPTANCE CRITERIA

- 4.1 Design Interfaces
- 4.2 Codes and Standards
- 4.3 Specifications
- 4.4 Drawings
- 4.5 Exhibits
- 4.6 Electrical Safety Requirements
- 4.7 Hoist and Rigging Requirements
- 4.8 Fire Prevention Requirements
- 4.9 Acceptance Criteria

5.0 PERSONNEL REQUIREMENTS

- 5.1 Training and Qualification
- 5.2 Security and Badging Requirements
- 5.3 Site Access and Work Hours

6.0 ENVIRONMENTAL, SAFETY, HEALTH, AND QUALITY REQUIREMENTS

- 6.1 Environmental Requirements
- 6.2 Safety Requirements
- 6.3 Quality Assurance and Control
- 6.4 Quality Assurance/Inspection Requirements
- 6.5 Software Products and/or Services Where Software is Used

7.0 MEETINGS, SUBMITTALS, WORK & PROJECT CONTROL REQUIREMENTS

- 7.1 Meetings
- 7.2 Request for Information
- 7.3 Submittals
- 7.4 Work Control Requirements

8.0 DELIVERABLES, MILESTONES AND PERFORMANCE SCHEDULE

- 8.1 Deliverables
- 8.2 Milestones
- 8.3 Performance Schedule

ATTACHMENTS

- A SUBMITTAL REGISTER
- B SITE COORDINATION REQUIREMENTS, FACILITIES AND UTILITIES
- C NOT USED
- D PHASE 2 CONCEPTUAL DESIGN REPORT
- E REQUEST FOR INFORMATION FORM

PART III – CONTRACT PRICING

- 1.0 Contract Price
- 2.0 Definitions
- 3.0 Pricing Basis
- 4.0 Pricing for Changes (Change Orders) and Additional Work
- 5.0 Change (Change Order) Process
- 6.0 Contract Changes
- 7.0 Fixed Price / Compensation
- 8.0 Time and Materials
- 9.0 Invoices and Payment
- 10.0 Backcharges
- 11.0 Liquidated Damages
- 12.0 Taxes
- 13.0 Commercial Schedules

- Schedule A Pricing for Indirects
- Schedule B Unit Prices and Methods of Measurement
- Schedule C All Inclusive Labor Rates
- Schedule D Not Used
- Schedule E Safety/Environmental Incentive Plan
- Schedule F List of Material Contractors
- Schedule G Not Used
- Schedule H Schedule of Values
- Schedule I Contract Amendment
- Schedule J Contractor's Daily Time Sheet
- Schedule K Contract Backcharge Agreement
- Schedule L Thermal Test Protocol

Contract No. 433059

This Contract (hereinafter "Contract"), effective January 26, 2009, by and between PROGRESS ENERGY SERVICE COMPANY, LLC, whose address is 410 South Wilmington Street, Raleigh, NC 27601, not in its individual capacity, but solely as agent for PROGRESS ENERGY FLORIDA, INC., (hereinafter referred to as "Owner"), and EvapTech ME a joint venture registered in the State of Florida, and whose office is located at 8331 Nieman Road, Lenexa, KS 66214 (hereinafter referred to as "Contractor").

In consideration of the mutual agreements herein contained, the parties hereto contract and agree as follows:

1.0 CONTRACT DOCUMENTS

This Contract and agreement shall consist of the following contract documents, and the attachments, exhibits, drawings, specifications and documents expressly referred to therein, all of which by this reference are incorporated herein and made a part of this Contract (hereinafter referred to as the "Contract").

The various parts of the Contract Documents are intended to supplement but not necessarily duplicate each other. Any Work exhibited in one part and not in another shall be executed as if it had been set forth in all parts, so that the Work will be constructed according to the complete design as determined by the Contract Documents taken as a whole.

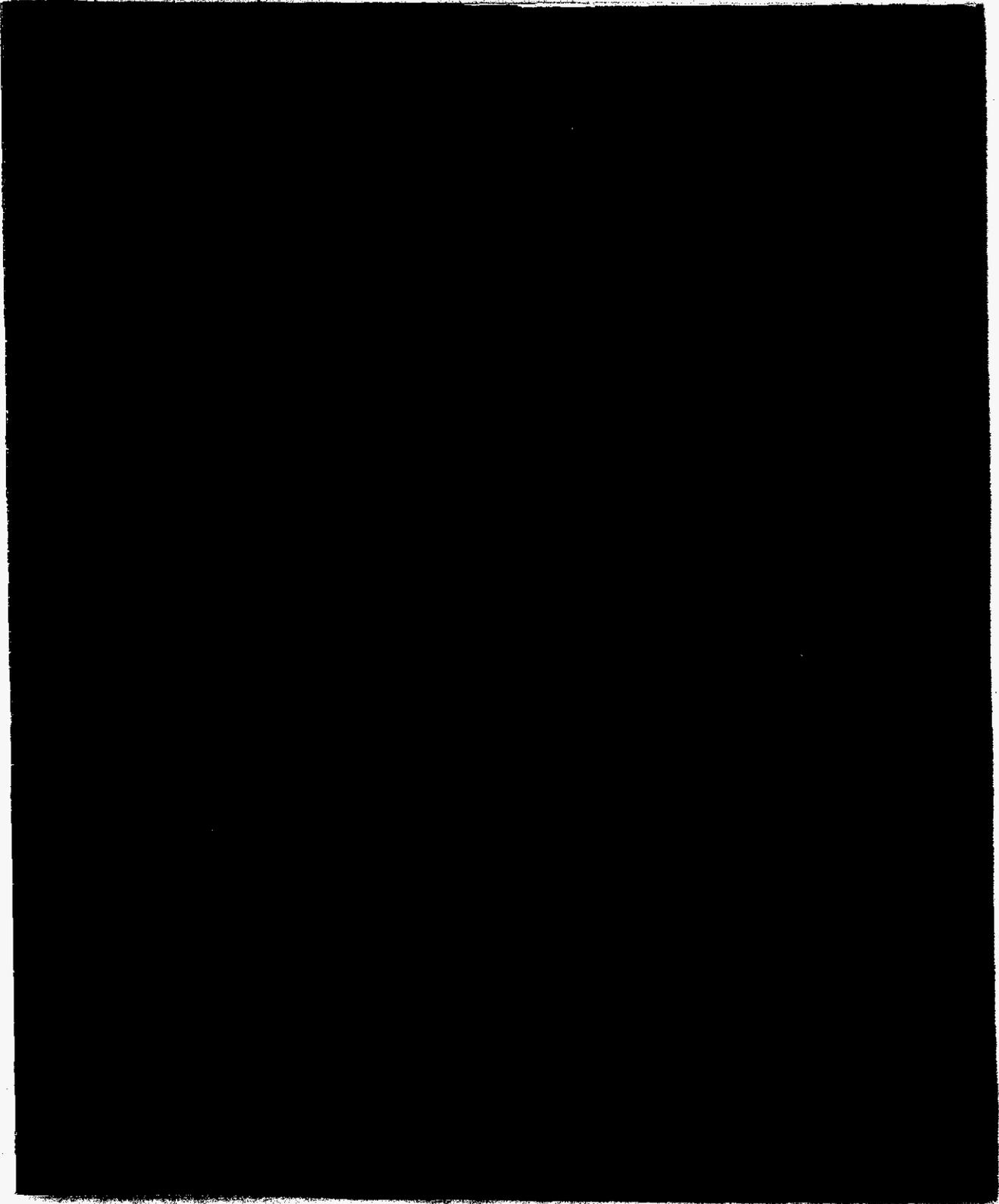
Should anything necessary for a clear understanding of the Work be omitted from the Contract Documents, or should the requirements appear to be in conflict, the Contractor shall secure written instructions from Owner before proceeding with the Work affected thereby. It is understood and agreed that the Work shall be performed according to the true intent of the Contract Documents.

- PART I – CONTRACT SUMMARY, TERMS & CONDITIONS AND EXECUTION**
- PART II – SCOPE OF WORK**
- PART III– CONTRACT PRICING**
- PART IV– SPECIFICATIONS**

PRECEDENCE. In cases of express conflict between PARTS of the Contract, attachments, exhibits, drawings and specifications, the order of precedence shall be as follows:

- PART I
- PART II
- PART III
- PART IV
- Attachments
- Exhibits
- Drawings
-

This Contract sets forth the entire contract and agreement between the parties pertaining to said Work and supersedes all inquiries, proposals, agreements, negotiations and commitments, whether written or oral, prior to the date of execution of this Contract, pertaining to said Work or this Contract. The provisions of this Contract may be changed only by a writing executed by the parties to this Contract. Trade custom and trade usage are superseded by this Contract and shall not be applicable in the interpretation of performance of this Contract, except to the extent such trade custom or usage is expressly specified.



3.0 **DEFINITIONS**

“Change” means an addition, deletion or revision to the Scope of Work, Contract Schedule, or Contract Price.

“Change Order” – a request by either Owner or Contractor to add, delete or revise the Scope of Work, Contract Schedule or Contract Price when pricing for labor, subcontractors, material, etc have been documented on the RFI Form in Part II Attachment F.

“RFI Form” – form used when making request for Change to Scope of Work, Contract Schedule or Contract Price.

“Commissioning” is the process of commissioning the plant (e.g. beginning with individual component testing, progressing through sub-system and system testing, integrated system operation and performance testing, and ending with preparation for introduction of gas to the facility. These activities are generally Owner’s responsibilities unless the contract scope specifically provides otherwise.

“Contract Schedule” The schedule provided by Contractor that has been integrated into the Master Project Schedule and accepted by Owner. This schedule shall meet the requirements set forth in Part I Section 13 and Part II – “Deliverables, Milestones, and Performance Schedules” and shall be the legally binding schedule for the performance of the Work.

“Constraints”: Any factor (date, event or activity) which affects when an activity can be scheduled. Includes events being performed by others but affecting the Contractor Schedule.

“Contract Amendment” shall mean a written Change to the Contract Documents, signed by Owner and Contractor on or after the Effective Date of the Contract.

“Contract Documents” shall have the meaning set forth in Section 1, Contract Documents.

“Contract Price” shall be the firm fixed price set forth in Part III, Compensation, herein.

“CPM”: Critical Path Method of planning, scheduling and controlling the Project events and activities. PRIMAVERA Project Management Software or SureTrack is the standard scheduling application for the Project. Contractor shall either use this software to develop all CPM schedules at all levels or shall provide all necessary information to Owner to allow Owner to develop such schedules.

“Day” shall mean calendar day.

“DFL: Direct Field Labor”: All construction labor (general foreman and below) directly utilized in construction of permanent plant facilities (e.g. labor to install foundations, structural steel, erecting, welding and testing piping systems).

“Disclosing Party” is the Party disclosing Confidential and Proprietary Information.

“Drawings” shall mean all (a) drawings furnished by Owner as a basis for proposals, (b) supplementary drawings furnished by Owner to clarify and to define in greater detail the intent of the Contract Drawings and specifications, (c) drawings submitted by the successful bidder with its proposal provided such drawings are acceptable to Owner, and (d) engineering data and drawings

Contract 433059: Part I

submitted by Contractor during the progress of the Work, provided such drawings are acceptable to Owner.

“Engineering” shall mean all activities related to the engineering and design of the Work, such as calculations, specifications, drawings, and construction/installation details.

“Engineering Contractor” shall mean the Engineering firm hired by Owner and responsible for completion of Tasks 6a, 7a, 8a, and 10 and the portions of Tasks 1, 2, 3, and 4 relative to those tasks.

“Exception-List” is prepared by Contractor, after review with Owner at the time of turnover, when it is ready to issue the Final Notice of Completion. The list must be limited to the items that Owner agrees may be completed during the interim turnover period so as not to impact the project schedule. These will be items considered non-essential to a safe and orderly start-up.

“Final Acceptance” shall mean Owner’s written acceptance of all Work performed under this Contract, based upon Owner’s final inspection, the passing of 3rd party CTI performance testing, and Contractor’s delivery to Owner of the final waiver and release of liens as set forth in Part I.

“Final Notice of Completion” is issued when all portions of the work covered by the Contract are mechanically complete. For the Key Contract Milestones set forth in Exhibit One, the associated Interim Turnover Notice shall constitute notification of Milestone Mechanical Completion.

“Force Majeure” shall have the meaning set forth in Section 15.0 of Part I.

“Front End, Engineering, Procurement & Construction Schedule” (Design, Supply and Erect Contracts only): An interim schedule, with the detailed tasks Contractor will perform over the first 90 calendar days following Notice to Proceed. This schedule will be used to monitor progress of the work until the Owner and Contractor mutually agree on the Contract Schedule. This schedule shall be submitted within fourteen (14) calendar days of award of Contract.

“IFL: Indirect Field Labor”. All construction labor utilized in support of the construction of permanent plant facilities.

“Indemnify”, with respect to any Claim or cost, means (1) to indemnify, save and hold harmless, reimburse and make whole on an after-tax basis, the designated indemnitee and its affiliates and their respective officers, directors, employees, partners and agents from any Claim or cost imposed on or incurred by the indemnitee, or asserted by any third party against the indemnitee; (2) to defend any suit or other action brought against the indemnitee on account of any Claim and (3) to pay any judgment against, and satisfy any equitable or other requirement imposed on, the indemnitee resulting from any such suit or action, along with all costs and expenses relative to any such Claim, including, without limitation, attorney’s, consultant’s and expert witness fees and public relations costs.

“Jobsite” shall mean Owner’s Crystal River Energy Complex in its entirety but specifically the Clarifier Pond Location which has been chosen for the location of the Tower, the laydown area for the Work, and any other areas where Contractor is performing Work on Owner’s property.

“Legal Requirements” means, to the extent applicable to the performance of the Contract, the Work, or the Plant, any federal, state, county or municipal statute or ordinance in effect on the Effective Date of this Contract, including federal, state or local taxation authorities or other fiscal law, or other law, regulation, statute, rule, code, direction, license, consent, permit or authorization, including any conditions attached thereto (whether relating to the Environment or otherwise) of the United States, the State of North Carolina, the County of Citrus or any subdivision thereof, or any other public body or authority or federal, state or local agency, department, inspector, official or public or statutory Person (whether autonomous or not) that has appropriate jurisdiction (in the case of ordinances, statutes or codes, the most recent edition or revision thereof in effect on the Effective Date of this Contract shall be included in the Legal Requirements), and Legal Requirements also include the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq. and the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1 et seq. and the export laws, rules and regulations of the United States;

“Look Ahead Work Plan” (Level IV): A plan provided by Contractor showing, in chronological format: 1) status showing planned work and actual accomplishments for the previous period, 2) work planned for the current and the upcoming period and 3) second shift work for construction. This plan is updated and issued weekly.

“Master Project Schedule” shall mean the schedule maintained by Owner’s Designated Representative to govern the implementation and completion of all areas of work related to the overall Crystal River Energy Complex Canal Cooling Project, as defined in Part II, including the portions of the work described in Part II to be performed by other contractors.

“Mechanical Completion” shall be defined as the schedule event when the tower has successfully completed all commissioning protocols, all punch-list items are complete and is ready to be put into service by Owner.

“Milestone” shall mean the principal events specified in the Contract Documents relating to an intermediate completion date or time prior to Final Acceptance of the Work.

“Notice” shall mean written notice in strict compliance with the terms hereof and in no event shall it be oral or constructive notice.

“Objectives vs. Accomplishments Listings”: A management level chart prepared once a week that compares actual accomplishments to those planned for that reporting period.

“Owner” shall mean Progress Energy Florida, Inc.

“Owner Property” means any property, facility or equipment owned, leased or under the control of Owner wherever located, including land, buildings, structures, installation, boats, planes, helicopters and other vehicles.

“Progress Calculations”: Contractor shall assign a weighted value to each component of the job, based upon milestone weightings provided by Owner (MileMarker). Actual physical progress will be statused for each component. Overall Project progress is based on the total earned value of the weighted percent progress for all components contained in the Contract. Contractor shall systematically update the progress calculations to accurately represent the project scope. Owner shall have right of approval of all weighting and statusing.

Contract 433059: Part I

“Regulated Substance” means any chemical, material, substance or waste the exposure to, access to or Management of which is now or hereafter prohibited, limited or regulated by any law or governmental unit. Regulated Substances include without limitation ACM and Lead.

“Release(s)”, with respect to any substance or material, means any spilling, leaking, pumping, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of such substance into the environment, or any other act or event the occurrence of which would require containment, remediation, notification or similar response under any law.

“Site Establishment” – Contractor’s overhead costs and other general expenses to maintain the Contractor’s presence on the work site for performance of the Work.

“Specification” means the documents in Part IV of this Contract, as amended by the technical exceptions and clarifications in the Proposal Document.

“Start-up” commences when steps are taken to bring the unit / plant to operation. It is complete when the unit / facility is operating at design capacity and producing to specifications as determined by performance testing. Start-up activities are Owner’s responsibility.

“Substantial Completion” shall be defined as the schedule event when the construction on the Tower is completed, the punch list has been developed, and the Tower is ready for commissioning and testing.

“Subcontractor” shall mean and refer only to a corporation, partnership, or individual having a direct contract with Contractor for performing work covered by this Contract.

“Total Float Time”: The amount of time between the early start date and the late start date or between the early finish date and the late finish date of activities of the schedule.

“Tower” means the once through, mechanical draft, counterflow cooling tower in its entirety, to be located on the Jobsite.

“Work” shall be defined per Part I Section 2.0 Scope of Work.

“Work Activity”: An activity that requires time and resources (manpower, equipment, and/or material) to complete.

Whenever in these Contract Documents the words, **“as ordered,” “as directed,” “as required,” “as permitted,” “as allowed,” or words or phrases of like import are used,** it shall be understood that the order, direction, requirement, permission, or allowance of Owner is intended only to the extent of judging compliance with the terms of the Contract; none of these terms shall imply that Owner has any authority or responsibility for supervision of the Contractor’s forces or construction operations, such supervision and the sole responsibility therefore being strictly reserved for the Contractor.

Similarly the words **“approved,” “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or words of like effect and import,** unless otherwise particularly specified herein, shall mean approved, reasonable, suitable, acceptable, proper, or satisfactory in the judgment of Owner or Contractor, as applicable, to the extent of judging compliance with the terms of the Contract; none of these terms shall imply that Owner has any authority or responsibility for supervision of the Contractor’s forces or construction operations, such supervision and the sole responsibility therefore being strictly reserved for the Contractor.

4.0 WARRANTY

- 4.1 Contractor warrants that the Work shall comply strictly with the provisions of this Contract and all specifications, drawings and standards referred to in this Contract or thereafter furnished by Owner that the finished product shall be free from defects in design, materials and workmanship. Contractor further warrants that all materials, equipment and supplies furnished by Contractor for the Work shall be new. Any professional services supplied by Contractor as part of the Work will be performed in accordance with generally accepted standards and practices and free from error. Without limitation of any other rights or remedies of Owner, if any defect in the Work in violation of the foregoing warranties arises within the period set forth below, Contractor shall, upon receipt of written notice of such defect, promptly furnish, at no cost to Owner, design and engineering, labor, equipment and materials necessary to correct such defect and cause the Work to comply fully with the foregoing warranties as outlined herein and Contractor's special warranty, attached hereto, as Attachment M.
- 4.2 In the event Contractor shall have been notified of any defects in the Work in violation of Contractor's foregoing warranties and shall fail to promptly and adequately correct such defects, or in an emergency situation, where no such notice is required, Owner shall have the right to correct or to have such defects corrected for the account of Contractor, and Contractor shall promptly pay Owner the costs incurred in correcting such defects.
- 4.3 Contractor shall include, at a minimum, the foregoing warranty requirements in any subcontract that it places.

The warranties furnished by Contractor as expressly included herein constitute Contractor's sole warranty obligation hereunder and are in lieu of any other warranties or guarantees, express or implied, including warranties of merchantability or fitness for a particular purpose.

5. INSPECTION, TESTING AND QUALITY CONTROL

- 5.1 Contractor shall inspect all materials, supplies and equipment which are to be incorporated in the Work. In addition, Contractor shall conduct a continuous program of engineering, procurement and construction quality control for all Work. Contractor's quality control program and inspection procedures for the foregoing shall be submitted in writing to Owner for review and approval, in sufficient detail to delineate those items to be inspected and the manner in which they are to be inspected, and shall adequately describe all engineering, procurement and construction quality control activities contemplated, including provision for adequate documentation of Contractor's performance of such quality control and inspection.
- 5.2 Contractor shall, during the course of performance of the Work hereunder, without additional compensation, make or cause to be made all tests required by this Contract. Owner may require additional inspections and tests. Contractor shall furnish Owner with satisfactory documentation of the results of all inspections and tests. Owner shall be given not less than five (5) working days notice of any tests to be made by Contractor or Contractor's subcontractors in order that Owner may witness any such tests.
- 5.3 Owner and their representatives, and others as may be required by applicable laws, ordinances and regulations, shall have the right at all reasonable times to inspect the Work and all material, supplies and equipment for the Work at the jobsite and at Contractor's and its subcontractors' shops for conformance with the Contract. Contractor shall provide, or cause to be provided access and sufficient, safe and proper facilities for

such inspections. Neither Owner's failure to make such inspection nor Owner's failure to discover defective workmanship, materials or equipment, nor Owner's approval of or payment to Contractor for such Work, materials or equipment shall prejudice the rights of Owner.

- 5.4 If Contractor covers any portion of the Work prior to any inspection or test provided for in the specifications, inspection schedule, or as previously requested by Owner, the cost of uncovering and covering the Work to allow for such inspection or test shall be borne by the Contractor. Reexamination of any Work may be ordered by Owner. In the event of such reexamination, if any material, equipment or any part of the Work is determined by Owner to be defective, Contractor shall not be reimbursed for uncovering, repair or corrective and restoration costs. If such Work is found to be in accordance with the Contract requirements upon such reexamination, Owner shall pay Contractor the cost of uncovering and restoration.
- 5.5 Rejection by Owner of any or all parts of defective Work for failure to conform with this Contract shall be final and binding. Such rejected Work shall be promptly corrected or replaced by Contractor at Contractor's expense. If Contractor fails to commence and diligently continue correction or replacement of such rejected Work immediately after receipt of written notice from Owner to correct or replace the rejected Work, Owner may at its option remove and replace the rejected Work, and Contractor shall promptly reimburse Owner for the costs of such removal and replacement of defective Work.

6. **CONDITIONS AND RISKS OF WORK**

Contractor represents that it has carefully examined the documentation, drawings and specifications for the Work and has fully acquainted itself with all other conditions relevant to the Work, and its surroundings, and Contractor assumes the risk of such conditions and will, regardless of such conditions (including the expense, difficulty of performing the Work, and/or negligence) fully complete the Work for the stated Contract Price without further recourse to Owner. Information on the site of the Work and local conditions at such site furnished by Owner in specifications, drawings or otherwise is not guaranteed by Owner and is furnished only for the convenience of Contractor.

7. **ISSUED FOR CONSTRUCTION DRAWINGS AND SPECIFICATIONS**

- 7.1 The Work shall be performed using only drawings and specifications marked "Issued for Construction" or equivalent by Owner. Such indication shall not relieve Contractor of any obligations under this Contract, nor constitute Owner assumption of responsibility for the accuracy or adequacy of any of Contractor's information or Work incorporated in such documents.
- 7.2 Contractor shall perform all Work outside of the areas marked "HOLD" on "Issued for Construction" specifications and drawings to maintain the schedule of Work, but shall not perform any Work in the areas or sections marked "HOLD" on "Issued for Construction" specifications and drawings until revised "Issued for Construction" specifications and drawings are received with the "HOLD" markings deleted.
- 7.3 If Contractor's schedule will be delayed by "HOLD" markings on specifications and drawings, Contractor shall report such delay to Owner in writing not less than five (5) working days prior to the start of the delay.

- 7.4 Contractor shall maintain at the work site a complete and current set of "Issued for Construction" drawings and specifications.

8. INTENT OF SPECIFICATIONS AND DRAWINGS

- 8.1 (For those drawings not supplied by Contractor) The specifications and drawings may not be complete in every detail. Contractor shall comply with their manifest intent and general purpose, taken as a whole, and shall not make use of any errors or omissions therein to the detriment of the Work. Should any conflict, error, omission or discrepancy appear in the drawings, specifications, instructions, in work done by others, or in site conditions Contractor shall notify Owner in writing at once and Owner will issue written instructions to be followed. If Contractor proceeds with any of the Work in question prior to receiving such instructions then required corrections shall be at Contractor's expense.
- 8.2 Contractor shall not deviate from the specifications and drawings without prior written approval from Owner.
- 8.3 Materials shall not be substituted for those specified, nor shall "or equal" items be furnished pursuant to the specifications without Owner prior written approval.

9. SAFETY

- 9.1 Contractor shall hold personnel safety at its highest priority and ensure that this is engrained in all personnel. Contractor shall be proactive in ensuring that safety is an integral part of all tasks. Contractor shall furnish all applicable personnel safety protection equipment and ensure that it is properly used at all times.
- 9.2 Contractor shall take necessary safety and other precautions to protect property and persons from damage, injury or illness arising out of the performance of the Work. Contractor shall comply strictly with plant safety procedures, local, municipal, provincial, state and national laws, orders, and regulations pertaining to health or safety which are applicable to Contractor or to the Work, including without limitation the Occupational Safety and Health Act of 1970 (84 U.S. Statutes 1590), as amended, and any state plans approved thereunder and regulations thereunder, to the extent applicable, and Contractor warrants the materials, equipment and facilities, whether temporary or permanent, furnished by Contractor in connection with the performance of the Work shall comply therewith. At all times while any of Contractor's employees, agents or subcontractors are on Owner's premises, Contractor shall be solely responsible for providing them with a safe place of employment, and Contractor shall inspect the places where its employees, agents or subcontractors are or may be present on Owner's premises and shall promptly take action to correct conditions which are or may become an unsafe place of employment for them.
- 9.3 Accidents, injuries and illnesses requiring medical attention other than first aid, damage to property of Owner or Contractor, and fires shall be orally reported to Owner at the time of the incident. Written reports, satisfactory in form and content to Owner shall be submitted by Contractor within forty-eight (48) hours after each incident.
- 9.4 Contractor shall maintain, in form and content approved by Owner, jobsite accident, injury and illness statistics which shall be available for inspection by, and submitted to, Owner upon its written request.

- 9.5 Contractor must complete Attachment B in Part I of this Contract, Contractor Safety Information / Checklist and maintain a current copy on file with Owner's Designated Representative.
- 9.6 Contractor shall provide and maintain adequate first-aid facilities and shall cooperate with all other contractors at the site and with Owner in their respective safety programs.
- 9.7 Contractor shall conform to all safety requirements set forth in Part II, Section 6.2 Safety Plan.

10. SUBCONTRACTS AND PURCHASE ORDERS

- 10.1 Contractor shall not subcontract performance of all or any portion of the Work under this Contract without first notifying Owner of the intended subcontracting and obtaining Owner acceptance in writing of the subcontracting and the subcontractor. Contractor shall submit its list of proposed subcontractors (utilizing Schedules E and F of Part III) to Owner's Designated Representative for approval. If requested by Owner, Contractor shall furnish Owner a copy of the proposed subcontract (with price deleted if the subcontracted work is part of fixed price Work of Contractor under this Contract) for Owner review of the terms and conditions thereof and shall not execute such subcontract until Owner has accepted such terms. Failure of Contractor to comply with this Section may be deemed by Owner to be a material breach of this Contract.
- 10.2 The general terms and conditions of this Contract and any Contract Amendment regarding the Work to be performed including but not limited to insurance requirements must be incorporated into and attached to any subcontract or assignment, subject to the conditions set forth in Part I Section 35 Insurance. Contractor guarantees that its subcontractors will comply fully with the terms of this Contract applicable to the portion of the Work performed by them. If any portion of the Work which has been subcontracted by Contractor is not prosecuted in accordance with this Contract, on request of Owner, the subcontractor shall be replaced at no additional cost to Owner and shall not be employed again on the Work.
- 10.3 Contractor shall include a provision in every subcontract that it places authorizing assignment of such subcontract to Owner without requiring further consent from such subcontractor or Contractor.
- 10.4 Owner shall have the right from time to time to contact Contractor's subcontractors to discuss their progress.
- 10.5 As used in this Contract, the term "subcontract" shall also include purchase orders and rental agreements for materials or equipment, and the term "subcontractor" shall also include vendors or Contractors of such material or equipment.
- 10.6 Contractor shall not be relieved of its responsibility for the Work by virtue of any subcontracts it may place regardless of Owner's acceptance of such subcontract.

11. TERMINATION FOR DEFAULT

- 11.1 The following actions by Contractor shall give Owner the right to terminate the Contract in whole or in part five (5) calendar days after Contractor's receipt of written notice.
 - (1) Contractor fails to carry forward and complete Work as rapidly as

Contract 433059: Part I

required under the Contract specifying the Work, or if no deadlines are set in the Contract, as rapidly as Owner determines is required or that the circumstances will permit.

- (2) Contractor fails to comply with applicable laws, regulations or ordinances.
 - (3) Contractor becomes involved in a labor problem which in the opinion of Owner impedes or slows down the Work.
 - (4) Contractor fails to commence correction of defective Work immediately after notification of the defect or as otherwise specified by Owner and to continuously and diligently pursue correction of the defect until the Work is completed to the full satisfaction of Owner.
 - (5) Contractor in any way breaches the material terms of this Contract.
 - (6) Contractor makes a general assignment for the benefit of its creditors.
 - (7) Contractor has a receiver appointed because of insolvency.
 - (8) Contractor files bankruptcy or has a petition for involuntary bankruptcy filed against him.
 - (9) Contractor fails to make prompt payments for materials or labor used in performance of the Work.
 - (10) Contractor fails to comply with Owner's safety standards.
- 11.2 It is agreed that if Owner exercises its right to terminate this Contract for any of the above reasons, the termination shall not prejudice any other right or remedy available to Owner.
- 11.3 Upon termination for cause of the Contract Owner may take control of the Work; take possession of all materials at the Work location which were intended for incorporation into the Work; and shall be allowed to utilize any of Contractor's equipment or tools at the site. Owner may complete the Work itself or hire another contractor to complete it. Contractor shall receive no further payments until all Work is completed. Upon completion, Contractor will be paid as follows:
- (1) If the Contract provides for a fixed price, Contractor will be paid the unpaid balance remaining under the Contract less all reasonable costs and damages incurred in finishing the Work, including reasonable compensation for overhead, for administrative and managerial services and for any legal expenses incurred by Owner to affect the takeover and complete the Work. If Owner's reasonable costs exceed the unpaid balance, Contractors shall pay the difference to the Owner.
 - (2) If the Contract provides for Work to be undertaken on other than a fixed price basis, Contractor shall be liable to Owner for any reasonable differential between the rates agreed upon by Owner and Contractor for the Work and the new rates agreed upon by Owner and the replacement contractor or the cost to Owner for undertaking the Work itself, including reasonable compensation for overhead, for administrative and managerial

services, and for any legal expenses incurred by Owner. Contractor's liability for the differential shall apply until the completion of the authorized Work. In addition, if Owner incurs any other reasonable costs or damages as a result of the Contract termination, including but not limited to costs for additional hours worked due to mobilizing the replacement personnel, necessity of hiring less efficient replacement personnel, or replacing or repairing any part of the Work performed by Contractor prior to termination, Contractor shall be liable for these costs. Any outstanding balance payable to Contractor for Work performed prior to termination shall be paid, less the amounts specified above. If Owner's reasonable costs exceed the unpaid balance, Contractors shall pay the difference to the Owner and Contractor's liability shall be limited to the Contracts value.

- (3) What costs are considered to be "reasonable" shall be determined based on conditions in existence when the costs or damages are incurred, including Owner's need to operate and dispatch the plant.

11.4 Contractor shall be allowed a credit by Owner at the agreed-upon prices (if applicable) for all materials purchased by Contractor and subsequently incorporated into the Work by a replacement contractor or Owner. If there are no agreed-upon prices for materials, Contractor shall be credited for the materials at actual cost. Contractor shall also be allowed a credit for the fair market rental value for any of Contractor's equipment or tools used to complete the Work.

11.5 If, after termination, it is determined that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the Contract had been terminated for the convenience of Owner in accordance with the Termination for Convenience section set forth below.

12. **NOT USED**

- TIMING OF WORK -

13. **SCHEDULING, REPORTING AND COORDINATION**

13.1 Contractor shall schedule and coordinate the details of the Work being performed to meet the schedule requirements set forth in PART I of this Contract. Within thirty (30) calendar days after award of this Contract and before submittal of the first progress payment invoice, Contractor shall submit to Owner for approval, a detailed schedule showing the sequence in which Contractor proposes to perform the Work, the start and completion dates of all separable portions of the Work. Contractor will notify Owner Ninety (90) days prior to arrival of any material on site, and any other information specified by Owner. Contractor agrees to adhere to the schedule approved by Owner and attend and participate in scheduled progress and coordination meetings called by Owner.

13.2 During the performance of Work, Contractor shall submit to Owner periodic progress reports on the actual progress and updated schedules as may be required by this Contract or requested by Owner. In the event Contractor's performance of the Work is not in compliance with the schedule established for such performance Owner may, in writing, require the Contractor to submit its plan for schedule recovery, or specify in writing the steps to be taken to achieve compliance with such schedule, and/or exercise any other remedies under this Contract. Contractor shall thereupon take such steps as may be

Contract 433059: Part I

directed by Owner or otherwise necessary to improve its progress without additional cost to Owner.

13.3 Contractor recognizes that Owner, other contractors and subcontractors may be working concurrently at the jobsite. Contractor agrees to cooperate with Owner and other contractors so that the project as a whole will progress with a minimum of delays. Owner reserves the right to direct Contractor to schedule the order of performance of its Work in such manner as not to interfere with the performance of others.

13.4 If any part of Contractor's Work is dependent upon the quality and/or completeness of work performed under another contract, Contractor shall inspect such other work and promptly report to Owner any defects therein which render such work unsuitable for the proper execution of the Work under this Contract. Failure to make such inspections or to report any such defects to Owner shall constitute Contractor's acceptance of such other work as suitable to receive Contractor's Work provided however, that Contractor shall not be responsible for defects which could not have reasonably been detected.

14. **NOT USED**

15. **FORCE MAJEURE**

15.1 Any delays in performance by Owner or Contractor, shall not constitute a default hereunder if and to the extent such delays of performance are caused by occurrences beyond the reasonable control of Owner or Contractor, as the case may be, including but not limited to: acts of God or the public enemy; expropriation or confiscation of facilities; compliance with any order or request of any governmental authority; changes in law; act of war (declared or undeclared), hostilities or acts of terrorism; rebellion or sabotage or damage resulting therefrom; fires, floods, explosions, accidents; or any causes, whether or not of the same class or kind as those specifically above named, which are not within the control of Owner or Contractor respectively, and which by the exercise of reasonable diligence, Owner or Contractor, respectively, is unable to prevent or overcome. Contractor's scheduled completion date shall be adjusted to account for any force majeure delay. The affected party shall exercise all reasonable efforts to overcome and mitigate the effects of any force majeure event at its own cost.

15.2 Contractor shall, within five (5) working days of the commencement of any delay, give to Owner written notice thereof and of the anticipated effects thereof. Within two (2) working days of the termination of any delay, Contractor shall file a written notice with Owner specifying the actual duration of the delay. If Owner determines that a delay was beyond the control and without the fault or negligence of Contractor or its subcontractors and not foreseeable by Contractor at the effective date of this Contract, Owner shall determine the duration of the delay and shall extend the time of performance of this Contract thereby.

15.3 Contractor shall not be entitled to, and hereby expressly waives recovery of, any damages suffered by reason of delays of any nature, and extension of time shall constitute the Contractor's sole remedy for excusable delays.

16. **POSSESSION PRIOR TO COMPLETION**

Owner shall have the right to move into Contractor's working and storage areas and the right to take possession of or use any completed or partially completed part of Contractor's Work as Owner deem necessary for their operations. In the event Owner desires to exercise the foregoing right, Owner will so notify Contractor in writing. Such possession or use shall not constitute acceptance of Contractor's Work.

17. **NOTICE OF COMPLETION AND FINAL ACCEPTANCE**

17.1 When Contractor deems the Work fully completed, including satisfactory completion of such inspections, tests and documentation as are specified in this Contract, Contractor shall, within ten (10) working days thereafter, give a written Notice of Completion of the Work to Owner, specifying the Work completed and the date it was completed. Within thirty (30) calendar days after receipt of said Notice of Completion, Owner may inspect the Work and shall either reject the Notice of Completion and specify defective or uncompleted portions of the Work, or conditionally accept the Work either for the purpose of final payment only, or accept the Notice of Completion (reference Attachment L) for the purposes of final payment and final acceptance.

17.2 In the event Owner rejects the Notice of Completion and specifies defective or uncompleted portions of the Work, Contractor shall within five (5) working days provide for Owner review and approval a schedule detailing when all defects will be corrected and/or the Work will be completed and shall proceed to remedy such defective and uncompleted portions of the Work. Thereafter, Contractor shall again give Owner a written Notice of Completion of the Work, specifying a new date for the completion of the Work based upon the date such defective or uncompleted portions of the Work were corrected. The foregoing procedure shall apply again and successively thereafter until Owner has given Contractor written Notice of Acceptance (reference Attachment K) for purposes of final payment and final acceptance.

17.3 Any failure by Owner to inspect or to reject the Work or to reject Contractor's Notice of Completion as set forth above, shall not be deemed to be acceptance of the Work for any purpose by Owner nor imply acceptance of, or agreement with, said Notice of Completion.

17.4 Final acceptance of the Work by Owner shall not excuse any breach of this Contract and shall not constitute a waiver of any right or remedy under this Contract or at law.

- WORK CHANGES -

18. **CHANGES**

18.1 The Scope of Work shall be subject to Change by additions, deletions or revisions thereto by Owner. Contractor will be notified of such Changes by receipt of additional and/or revised drawings, specifications, exhibits or other written notification and Contractor shall notify Owner within seven (7) working days of receiving any revised or additional drawings if it believes such revisions constitute a change or else Contractor shall be deemed to have waived such claim.

- 18.2 Contractor shall submit to Owner within (7) seven working days after receipt of notice of a Change, a detailed takeoff with supporting calculations and pricing for the Change together with any requested adjustments in the schedule. The pricing shall be itemized as required by Owner and shall be in sufficient detail to permit an analysis of all labor, material and equipment and shall cover all work involved in the Change, whether such work was deleted, added or modified. Pricing shall be based on the rules set forth in Part III, Sections 4.0 and 5.0. Amounts related to subcontracts shall be supported in similar detail. In addition, if the proposal includes a time extension, justification therefore shall also be furnished.
- 18.3 Contractor shall not perform Changes in the Work in accordance with Sections 18.1 and 18.2 until Owner has approved in writing the pricing for the Change and any adjustment in the schedule for performance of the Work, except as set forth in Section 18.4. Upon receiving such written approval from Owner, Contractor shall diligently perform the Change in strict accordance with this Contract.
- 18.4 Notwithstanding Section 18.3 Owner may expressly authorize Contractor in writing to perform the Change prior to such approval by Owner. Contractor shall not suspend performance of this Contract during the review and negotiation of any Change, except as may be directed by Owner pursuant to Section 19B. In the event Owner and Contractor are unable to reach timely agreement regarding any Change, Contractor shall then comply with Section 20.0, CLAIMS.
- 18.5 Contractor is not authorized to proceed with any oral Changes in the Work. If Contractor believes that any oral notice or instruction received from Owner will involve a Change in the cost, time to perform or integrity of the Work, it shall require that the notice or instruction be given in writing and shall comply with the provisions of Sections 18.2, 18.3 and 18.4. Any costs incurred by Contractor to perform oral Changes shall be for Contractor's account, and Contractor waives any and all rights to claim from Owner for such costs or additional time to perform the Work as a result of compliance by Contractor with such oral Changes.

19. **TERMINATION AT OWNER'S OPTION AND SUSPENSION OF WORK**

A. Termination for Convenience

Owner shall have the right to terminate this Contract either in whole or in part at any time, including prior to commencement of any Work, for Owner's convenience. Upon receiving notice of termination, Contractor shall discontinue the Work on the date and to the extent specified in the notice and place no further orders for materials, equipment, services or facilities except as needed to continue any portion of the Work which was not terminated. Contractor shall also make every reasonable effort to cancel, upon terms satisfactory to Owner, all orders or subcontracts related to the terminated Work.

In paying Contractor for Work performed under this Contract that is terminated for Owner's convenience, Owner will make payments to Contractor as follows:

- (1) If this Contract is terminated prior to Contractor's having commenced any Work or preparation for Work, no payment will be made to Contractor.

- (2) If this Contract is terminated after the Contractor has commenced mobilization or other off-site activities but prior to any performance of the authorized Work, Owner will pay Contractor the actual cost, including administrative and general overhead, of any preparation to perform the authorized Work that cannot be recovered by Contractor in future Work done for Owner or otherwise. This paragraph does not apply to engineering, design, fabrication or other off-site Contractor expenditures that are actually part of the Work rather than preparation to perform the Work.
- (3) If a Contract is terminated for Owner's convenience after commencement of the authorized Work, then except as provided in (4) below, Owner will pay Contractor for Work performed prior to termination as follows:
 - (a) For Work, including demobilization, under Contract where payment is on a unit price basis, or a time-and-materials basis, Contractor will be compensated at the rates specified in the Contract. If profit is included in the authorized rates no additional payments will be made for anticipated profits; if profit is not included in the rates, the amount paid will be increased by ten percent (10%) to account for profit. Notwithstanding the above, Owner will not pay for time worked by Contractor's employees which as a percentage of total anticipated hours to be worked unreasonably exceeds the percentage of Work completed prior to termination.
 - (b) Where Work is to be performed on a fixed-price basis, Contractor will be paid its reasonable actually incurred costs, including administrative and general overhead costs and demobilization costs, determined in accordance with generally accepted accounting principles consistently applied, plus an amount equal to ten percent (10%) of those costs to account for profit. Notwithstanding the above, Owner will not pay an amount for costs actually incurred which unreasonably exceeds the percentage of total costs as compared to the percentage of total work completed prior to termination. In no event will Owner pay Contractor an amount that exceeds the fixed price.
- (4) If (1) at the time of termination Contractor has prepared or fabricated any goods or purchased or leased any materials or equipment intended for subsequent incorporation into the Work, and (2) these goods or materials cannot be incorporated into any other work for Owner or otherwise, then Contractor will be paid for the actual cost of the goods or materials.
- (5) Contractor agrees that it has an affirmative duty to mitigate all damages to it upon termination of the Contract. In no event shall Owner be responsible to pay Contractor for its anticipated profits or any sales commissions or any special, indirect, incidental, or consequential damages of any kind or nature whatsoever.
- (6) Contractor shall maintain adequate documentation to support its claim for payment. Any part of Contractor's claim that is not supported by adequate documentation will not be paid by Owner. Payment of the amounts specified above shall be Contractor's sole and exclusive remedy for termination of Work for Owner's convenience.

B. Suspension of Work

Owner may, for any reason, elect to temporarily suspend performance of any or all of the Work to be performed under this Contract for a period of time as specified by Owner's Designated Representative. Contractor shall be informed of Owner's desire to suspend the Work by either receipt of a written directive or a verbal directive followed by a written confirmation from Owner's Designated Representative within three (3) working days of the verbal directive. Upon receipt of this directive, Contractor shall immediately cease all efforts to perform the Work or that part of the Work which is suspended. Demobilization of Contractor's personnel and equipment from Owner's Work site shall be in accordance with Owner's directive. Contractor shall resume performance in accordance with the written directive of Owner's Designated Representative. Except as hereinafter provided, the time for completion of the suspended Work will be extended by a Contract Amendment for a period of time not to exceed the period of suspension.

Within ten (10) calendar days from reinstatement of the Work, Contractor shall notify Owner in writing of any equitable adjustment it deems necessary to the price because of the suspension. These claims must be itemized and supported with adequate documentation. Increases in compensation resulting from suspension must be agreed upon by both parties in a Contract Amendment. Unless Contractor is required by Owner's written directive to maintain affected personnel and equipment on Owner's Work site, increases in compensation shall be limited to charges and costs directly related to mobilization of personnel and equipment.

If Owner suspends the Work for any of the reasons specified in Section 11.0, TERMINATION FOR DEFAULT, then no additional compensation will be paid by Owner, and the time for completion of the Work will not be extended.

20. CLAIMS

Contractor shall give Owner written notice within five (5) working days after the happening of any event which Contractor believes may give rise to a claim by Contractor for additional time or money. Within ten (10) working days after the happening of such event, Contractor shall supply Owner with a statement supporting Contractor's claim, including but not limited to, Contractor's detailed estimate of the Change in Contract Price and scheduled time occasioned thereby.

Contractor shall substantiate its claim with payroll documents, paid invoices, receipts, records of performance and other documents satisfactory to Owner and subject to its verification. Owner shall not be liable for, and Contractor hereby waives, any claim or potential claim of Contractor which was not reported by Contractor in accordance with the provisions of this Section. The parties shall negotiate diligently to reach an agreement, but in no case, except with Owner prior written consent, shall any Work be halted pending such agreement, whether or not the claim can be resolved to Contractor's satisfaction, and Contractor shall be bound by the terms and conditions of this Contract to prosecute the Work without delay to its successful completion. Any claim that is not resolved within a reasonable time shall be subject to the provisions of Section 21, Dispute Resolution. Owner shall not be bound to any adjustments in the Contract Price or scheduled time unless expressly agreed to by Owner in writing. No claim hereunder by Contractor shall be allowed if asserted after final payment under this Contract. Contractor's remedies are limited to those expressly set forth in this Contract.

21.0 DISPUTE RESOLUTION

In the event of any dispute under this Contract which cannot be readily resolved, it shall be referred to the appropriate executives of the respective Parties for negotiation and resolution as described below:

- a. Either Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties who have not previously been involved in the dispute shall meet at a mutually acceptable time and place within thirty (30) Days after delivery of such notice and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved by these persons within sixty (60) Days of the disputing Party's notice, or if the Parties fail to meet within thirty (30) Days, the Parties may agree to an alternative dispute resolution procedure, or either Party may commence appropriate legal proceeding to resolve the dispute.
- b. All negotiations pursuant to this Section shall be confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and State Rules of Evidence.
- c. If the dispute has not been resolved by negotiation as provided herein, the Parties may by mutual written consent attempt to settle the dispute by mediation. Any such proceeding will be conducted in accordance with the then current Center for Public Resources ("CPR") Model Procedure for mediation of Business Disputes, with the following exceptions:
 1. if the Parties have not agreed within thirty (30) Days of the agreement to mediate on the selection of a mediator willing to service, the CPR, upon the request of either Party, shall appoint a member of the CPR Panels of Neutrals as the mediator; and
 2. efforts to reach a settlement will continue until the conclusion of the proceeding, which is deemed to occur when: (a) a written settlement is reached, or (b) the mediator concludes and informs the Parties in writing that further efforts would not be useful, or (c) the Parties agree in writing that an impasse has been reached. Neither Party may withdraw before the conclusion of the proceeding.
- d. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the executive meetings and mediation procedures specified in this Section are pending. The Parties will take such action, if any, required to effectuate such tolling.

- MATERIALS AND EQUIPMENT -

22.0 NOT USED

23.0 OWNER'S TOOLS, MATERIALS AND EQUIPMENT

Contractor shall equip all employees with all tools and equipment necessary to perform the Work unless otherwise expressly provided in this Contract. All tools and equipment belonging to Contractor or its employees shall be clearly marked as to their owner. Contractor shall provide storage facilities for all tools and equipment at or near the job site. Storage facilities on the site shall be located in a place approved by Owner's Designated Representative.

All materials, tools and equipment furnished by Owner shall remain its property. Contractor agrees not to use Owner-supplied materials, tools or equipment for any purpose other than Work for which these items were supplied, unless written permission is given in advance by Owner's Designated Representative. Contractor shall reimburse Owner at Owner's replacement cost plus a factor to cover current administrative and general overhead costs for all materials, tools or equipment placed in Contractor's possession which are not included in the completed Work or returned to Owner in kind. When requested in writing, Contractor agrees to purchase special equipment or tools or furnish them on a rental basis. The purchase price or rental cost of such equipment and/or tools and the basis of payment will be as agreed upon, if not previously established in the Contract Rate Schedule. Any tools specifically purchased for authorized Work and paid for by Owner are the property of Owner and shall be turned over to Owner upon completion of the Work.

24.0 RESPONSIBILITY FOR WORK

Contractor is responsible for and shall bear all risk of loss or damage to Work, and all materials, tools and equipment delivered to the Work location by Contractor or its subcontractors, until completion by Contractor and final acceptance of Work by Owner, unless the loss or damage to the Work results solely from the negligence of Owner. Owner is not responsible for any loss or damage to the Work, or to materials, tools and equipment of Contractor resulting from any act or omission of any other contractor.

Contractor shall be responsible, at no additional cost to Owner, for taking all precautions necessary to prevent damage or injury to the Work of Contractor, Owner or its contractors, and to the property of Contractor, Owner, other contractors, or any of their employees, and members of the general public. These measures shall include, but not be limited to laying dropcloths, constructing shields and guard fences, and any other precautionary measures Owner may direct.

Asbestos Containing Material (ACM) shall not be used by Contractor or his subcontractors in any Work performed under this Contract unless specifically agreed to in writing by Owner's Designated Representative prior to the start of the Work

When the Contractor's supervision is not present on any part of Owner's premises where it becomes necessary to give directions in an emergency, orders may be given by Owner's Designated Representative and shall be received and obeyed by Contractor's personnel. If requested to do so, Owner shall confirm such orders in writing.

The use of explosives in a manner which disturbs or endangers the stability, safety or quality of the Work or of Owner or third-party property will not be allowed.

25.0 CONTRACTOR'S CONSTRUCTION EQUIPMENT

Construction equipment obtained or furnished by Contractor which is to be used by Contractor on the jobsite shall be in first-class operating condition, safe, fit for the uses for which intended, and suitable for the safe, legal and efficient performance of the Work. Such equipment shall be subject to inspection from time to time by Owner. Any such equipment of Contractor which is rejected by Owner as not conforming with the foregoing shall be promptly removed by Contractor and replaced with equipment acceptable to Owner, without additional cost to Owner and without delaying the schedule for performance of the Work by Contractor.

26.0 CONTRACTOR'S SHIPMENTS

- 26.1 Contractor shall be responsible for arranging all shipments of Contractor supplied materials and equipment to the site of the Work and shall consign such shipments to itself as Consignee at the project shipping address, freight fully prepaid. Contractor shall be responsible for making demurrage agreements and settlement with carriers for its shipments.
- 26.2 Contractor shall advise Owner in writing in advance of major shipments of Contractor's materials and equipment and shall coordinate with Owner the arrival, unloading and release of carriers' equipment. Contractor shall promptly unload its shipments and promptly release carrier's equipment.
- 26.3 In the event Contractor is unable to promptly unload its shipment, Contractor shall notify Owner of such inability not less than ten (10) working days in advance of arrival. Owner, at its option, may unload or make arrangements for others to unload such shipments for the account and risk of Contractor. Contractor will promptly pay Owner for such costs of unloading.

27.0 CONTROL OF OWNER FURNISHED MATERIALS

- 27.1 Materials and equipment furnished by Owner shall be received by Contractor in the presence of Owner authorized representative and quantities thereof shall be checked jointly by Contractor and Owner. The delivery and acceptance of all such materials and equipment shall be recorded in writing, and Contractor shall evidence receipt and acceptance of such materials and equipment by signing forms satisfactory to Owner.
- 27.2 Contractor shall carefully note any visible damage to Owner furnished materials and equipment prior to Contractor's acceptance of delivery. After Contractor has accepted delivery of such materials and equipment, Contractor shall assume full responsibility for any loss of or damage to such materials and equipment. Contractor shall notify Owner of any materials and equipment supplied to Contractor by Owner which are surplus and, without additional compensation, shall cooperate with Owner in the disposition of such surplus as directed by Owner.
- 27.3 Contractor shall notify Owner of any lack of, or requirement for, materials and equipment required under this Contract to be supplied by Owner in sufficient time for Owner to furnish said materials or equipment in advance of Contractor's need. In the event of misfit of Owner furnished materials or equipment, Contractor shall promptly notify Owner of such misfit. Contractor shall take all reasonable steps to avoid standby time due to such misfit or lack of Owner furnished materials or equipment and to continue progress of other portions of Work pending correction of such misfit and/or the furnishing of materials or equipment.

28.0 CARE, CUSTODY, CONTROL AND TITLE TO MATERIALS AND EQUIPMENT

- 28.1 Good and clear title to all materials and equipment furnished by Contractor under this Contract for the Work shall, except as expressly provided otherwise, elsewhere in this Contract, pass to Owner upon receipt of payment for those materials. Contractor shall ensure that subcontractors from whom Contractor obtains materials and equipment do not retain, encumber or reserve title to such items, and Contractor shall defend, indemnify and hold Owner harmless from any such claims by its subcontractors.

- 28.2 Notwithstanding the provisions of Section 28.1, the care, custody and control of Contractor's Work incorporated into the permanent plant shall remain with Contractor until such Work has been accepted in writing by Owner and shall thereupon pass to Owner unless Owner notify Contractor in writing that such care, custody, and control is assumed by Owner at an earlier date. The taking of possession of such Work pursuant to Section 16.0, POSSESSION PRIOR TO COMPLETION, shall not constitute the assumption of care, custody and control of such Work until such time as such Work has either been accepted in writing by Owner or Contractor has been notified as set forth herein.
- 28.3 Contract revenues representing payments to subcontractors shall not be considered to be earned by Contractor unless and until Contractor has paid the current invoices of such subcontractor. In the event Owner determines, in its sole discretion, that Contractor has become insolvent or is in danger of becoming insolvent, then Owner is authorized, but not required, to make direct payment to Contractor's subcontractors with respect to any current or past-due invoices then outstanding. Alternatively, Owner may, in its sole discretion, require that contracts between Contractor and any such subcontractor be assigned to Owner, and Contractor hereby authorizes and consents to any such assignment. Owner shall be entitled to full credit against any obligations to Contractor for any payments made to any subcontractor under this Section 28.3, whether made pursuant to assigned subcontracts or otherwise. Title to any materials or equipment for which such direct payment is made shall pass directly from such subcontractor to Owner.

29.0 CLEAN UP

Contractor shall be responsible for keeping the area where its employees and subcontractors are working clean at all times. If Contractor fails or refuses to maintain a clean Work area, Owner may perform or arrange to have performed a cleanup of the area. If Owner incurs any cost performing cleanup of Contractor's Work, that cost times a factor sufficient to cover Owner's then applicable administrative and general overhead costs shall be paid to Owner or may be deducted by Owner from any amount owed to Contractor.

Upon completion of identifiable segments of Work, Contractor is to remove all waste or debris from its Work area unless the waste or debris is subject to the conditions set forth with Subsection titled, "Environmental Provisions" of the Section titled, "Regulatory Compliance Issues". Contractor is responsible for restoring its Work area and any areas affected by its Work to at least as good an order and condition as the area was in prior to commencing the Work unless the restoration would conflict with Subsection titled, "Environmental Provisions" of the Section titled, "Regulatory Compliance Issues". See site Rules in Attachment C in Part II of this Contract.

- LABOR AND WORK RULES -

30.0 CONTRACTOR'S PERSONNEL

Personnel provided by Contractor under this Contract shall at all times remain the sole responsibility of said Contractor for purposes of personal and professional liability. Attachment P – "Contractor's Organizational Chart" shows the key design and management personnel critical for the performance of this Work. Contractor shall not change these personnel unless agreed to, in writing, by Owner.

Contract 433059: Part I

All personnel to be provided by Contractor under this Contract shall be employees of Contractor and shall not be independent contractors. Contractor shall withhold from each employee's pay sufficient funds for federal, state and local income taxes as required by applicable laws, funds required by the Federal Insurance Contributions Act, and as may otherwise be required by applicable law. Contractor further agrees to defend, indemnify, and hold Owner harmless from any claims, fines and penalties based on any allegations that such withholdings were not made, or that such withholdings were inadequate.

Contractor is solely responsible for all aspects of the labor relations of its personnel, including but not limited to, wages, benefits, discipline, hiring, firing, promotions, pay raises, overtime and job and shift assignments. Owner shall have no responsibility for or power over these areas. Such personnel shall be and remain the employees of Contractor at all times.

Contractor shall comply with the Fair Labor Standards Act, and shall pay overtime to its employees as required by all applicable federal, state and local laws, rules, regulations, and ordinances. In the event that Contractor fails to comply with this requirement, Contractor shall be required to indemnify, defend and hold Owner harmless from all claims, actions, fines, penalties, and liabilities resulting from any such failure.

In selecting employees to undertake any Work, Contractor shall select only those persons who are qualified by the necessary education, training and experience to provide a high quality performance of the Work. If Owner determines, in its sole discretion, that any personnel or subcontractor supplied by Contractor are unsuitable for the Work, Owner shall so advise Contractor and Contractor shall remove that employee or subcontractor from the premises and assign other individuals to perform the Work. If Owner determines, in its sole discretion, acting reasonably, that the presence on Owner's premises of any employee of Contractor is not consistent with the best interest of Owner, Owner may direct Contractor to remove that employee from performing Work under this Contract. Contractor shall assign another employee to work in place of the unacceptable employee. Replacement of employees under either of the above circumstances shall be at no cost to Owner. Contractor shall absorb any travel costs or travel time to the site for the replacement employee and from the site for the replaced employee. Contractor shall give Owner advance notice prior to removing Contractor's supervisory or professional personnel from the job.

Contractor's employees' vehicles and Contractor's vehicles and equipment shall be parked in areas expressly approved by Owner's Designated Representative, when parking on Owner owned or controlled property.

Contractor's employees and subcontractors shall be properly dressed to Owner's standards at all times while on Owner's Work site. Employees not properly dressed will be refused entry to or will be subject to discharge from the Work site.

Contractor shall secure from each employee and subcontractor, prior to that employee's arrival at any Owner Property:

- (a) the employee's agreement to abide by Owner's Fitness-for-Duty Policy, as set forth in Section 62;
- (b) the employee's consent to a search or inspection of the employee and the employee's property, including the employee's vehicle and closed containers within the vehicle, upon admission to and departure from any Owner facility and at any time while on Owner Property;

(c) the employee's agreement to abide by all Owner security practices and procedures as set forth in Section 61.

Use of Non-English Speaking Workers

Prior to the beginning of any task under this contract, the Contractor shall notify Owner if it anticipates using any non-English speaking personnel at Owner's facilities. If such personnel are used, the Contractor shall provide an on-site bilingual person to translate the site orientation and safety information training. Contractor shall be solely responsible for ensuring that the non-English-speaking workers are fully trained and understand the site orientation and safety information. In addition, any time the Contractor's non-English speaking workers are present at a Owner facility, the Contractor shall provide at least one bilingual person in each applicable work crew capable of both communicating in English and instructing the non-English speaking workers. The Contractor shall specifically identify these bilingual interpreters to Owner Designated Representative. For this purpose, a work crew is defined as any worker or group of workers in any specific location on Owner property, regardless of how the Contractor organizes his work force.

Owner may assist in facilitating communication of important safety information by offering bilingual versions of safety brochures or video presentations. If these are available, it in no way relieves the Contractor of providing the interpreter services stated above.

31.0 LABOR HARMONY

Contractor agrees that all labor employed by it, its agents, and/or subcontractors for Work on the jobsites shall be in harmony with and be compatible with all other labor used by Owner or other Contractors. Whenever Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of the Work, Contractor shall immediately give notice thereof including all relevant information to Owner.

32.0 EMPLOYMENT CERTIFICATIONS AND PRACTICES

Contractor certifies that it has an affirmative action policy ensuring equal employment opportunity without regard to race, color, national origin, sex, age, religion or handicap, that it maintains no employee facilities segregated on the basis of race, color, religion or national origin and that it is not debarred or suspended from being awarded Federal or Federally assisted contracts.

33.0 NOT USED

- INDEMNIFICATION AND INSURANCE -

34.0 INDEMNITY

To the maximum extent permitted by applicable law, Contractor shall indemnify and defend OWNER (including its parent, subsidiary and affiliate companies), its officers, employees, agents, and any other party with an ownership interest in the premises, from and against all liability, loss, costs, claims, damages, expenses, judgments, and awards, whether or not covered by insurance, arising or claimed to have arisen:

- (a) from and to the extent of negligent acts or omissions of, or as a result of Work done or omitted from being done, or as a result of negligence by Contractor, its subcontractors or assignees and their agents or employees, which resulted in:

- (1) injury to (including mental or emotional) or death of any person, including employees of Owner (including its parent, subsidiary and affiliate companies), or
 - (2) damage to or destruction of any property, real or personal, including without limitation property of Owner (including its parent, subsidiary and affiliate companies) and its other contractors, Owner's (including its parent, subsidiary and affiliate companies') employees, and fellow employees;
- (b) out of injuries sustained and/or occupational diseases contracted by Contractor's, subcontractor's, or assignee's employees, if any, of such a nature and arising under such circumstances as to create liability by Owner (or its parent, subsidiary or affiliate companies) or Contractor under the Workers' Compensation Act, and all amendments thereto, of the state having jurisdiction, including all claims and causes of action of any character against Owner (and its parent, subsidiary and
- affiliate companies) by any employee of Contractor, its subcontractors or assignees, or the employer of such employees, or any person or concern claiming by, under or through them resulting from or in any manner growing out of such injuries or occupational diseases; and
- (c) from demands, actions or disputes asserted by any subcontractors, employees or suppliers of Contractor.

Indemnification shall include all costs including attorney's fees reasonably incurred in pursuing indemnity claims under or enforcement of this Contract.

To the maximum extent permitted by applicable law, Contractor shall indemnify and defend Owner (including its parent, subsidiary, and affiliate companies), its officers, employees, agents, and the architect/engineer and any other party with an ownership interest in the premises, from and against all liability, loss, costs, claims, damages, expenses, judgments, and awards, whether or not covered by insurance, arising or claimed to have arisen.

Notwithstanding the foregoing, Contractor's indemnification obligations shall be limited to the extent of Contractor's negligence or willful misconduct or that of its subcontractor's or anyone else Contractor is liable for, and Contractor shall NOT be required to protect, indemnify or hold harmless the Owner Indemnities from any claims to the extent such claims are due to Owner Indemnities willful misconduct or neglect.

35.0 INSURANCE

General

- 35.1 Contractor shall, at its own expense, maintain in effect at all times during the performance of the Work insurance coverage with limits set forth below with insurers and under forms of policies satisfactory to Owner. It shall be the responsibility of Contractor to maintain adequate insurance coverage and to assure that Subcontractors are adequately insured at all times. Failure of Contractor to maintain adequate coverage shall not relieve Contractor of any contractual responsibility or obligation.

Contract 433059: Part I

- 35.2 The requirements specified herein as to types and limits of insurance coverage to be maintained by Contractor and its Subcontractors are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Contractor and its Subcontractors under this Contract.
- 35.3 Any insurance carried by Owner which may be applicable shall be deemed to be excess insurance and Contractor's insurance shall be primary for all purposes despite any conflicting provision in Contractor's policies to the contrary.
- 35.4 Certificate of Insurance.
1. At the time of execution of this Contract and each subcontract, but in any event prior to commencing work at the Jobsite, and as a condition precedent to Contractor's and its Subcontractors' initiation of performance, and prior to payment of any invoices, Contractor and its Subcontractors of any tier shall furnish Owner with certificates of insurance as evidence that policies providing the required coverage and limits of insurance are in full force and effect. The certificates shall provide that any Owner issuing an insurance policy for the Work under this Contract shall provide not less than thirty (30) days' advance notice in writing to Owner prior to cancellation, termination or material change of any policy of insurance. In addition, Contractor shall immediately provide written notice to Owner upon receipt of notice of cancellation of an insurance policy or a decision to terminate or materially alter an insurance policy.
 2. All certificates of insurance shall be completed by Contractor's insurance carrier and shall clearly state that the Contractor carries the requisite insurance and that said policies satisfy all applicable requirements including insurance for the liabilities assumed by Contractor under Section 34, Indemnity. Certificates covering general liability and umbrella liability insurance shall indicate that these policies are "occurrence" type. Duplicate copies of certificates of insurance for Contractor- and Subcontractor-furnished insurance and notices of any cancellations, terminations or alterations of such policies shall be mailed to Owner.
 3. Contractor shall provide copies of the complete policies to Owner, if requested.
 4. No payment shall be made to Contractor prior to receipt by Owner of an acceptable Certificate of Insurance.
- 35.5 Insureds.
1. All insurance coverage furnished by Contractor under this Contract, with the exception of Workers' Compensation and Employers' Liability coverage, shall include Owner, its parent companies, and their directors, officers, agents, shareholders, and employees as additional insureds and all of Owner's parent, subsidiary, and affiliate companies to Contractor's liability insurance policies as additional insureds. Contractor shall require its insurance carrier or agent to certify that this requirement has been satisfied on all Insurance Certificates issued under this Contract.

Contract 433059: Part I

2. These policies shall contain a "cross liability" or "severability of interest" clause or endorsement. Notwithstanding any other provision of these policies, the insurance afforded shall apply separately to each insured, named insured, or additional insured with respect to any claim, suit, or judgment made or brought by or for any other insured, named insured, or additional insured as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount or amounts for which the insurer would have been liable had only one insured been named.
3. Owner shall not by reason of their inclusion under these policies incur liability to the insurance carrier for payment of premium for these policies, or incur liability to Contractor for payment of any policy retentions or deductibles.

35.6 Waiver of Subrogation.

1. Contractor and Owner shall require their insurance carriers, with respect to all insurance policies, to waive all rights of subrogation against each other and their directors, officers, officials, agents, subcontractors, shareholders, and employees.
2. Contractor and Owner and their insurers waive all rights of subrogation against each other and their directors, officers, officials, agents, subcontractors, shareholders, and employees for damages covered by the Builder's Risk insurance during the completion of the Work and covered by property insurance during the waived period.

35.7 Contractor shall provide and maintain in full force and effect, at no additional cost to Owner for the duration of the Contract, the following amounts of insurance:

1. **Workers' Compensation and Employer's Liability.** This insurance shall protect Contractor against all claims under applicable state workers' compensation laws. Contractor shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of a workers' compensation law. This policy shall include an "all states" or "other states" endorsement.

The liability limits shall not be less than:

Workers' Compensation Employer's Liability Minimum Limit	Statutory. \$1,000,000 (each occurrence)
---	--

2. **Comprehensive Automobile Liability.** This insurance shall be written in comprehensive form and shall protect Contractor and the additional insureds against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles, and shall cover operation on or off the Jobsite of all motor vehicles licensed for highway use, whether they are owned, non-owned or hired.

The minimum liability limits shall be:

Bodily Injury and Property Damage	\$1,000,000 combined single limit each occurrence and in the aggregate.
--------------------------------------	--

Contract 433059: Part I

3. **Commercial General Liability.** This insurance shall be an “occurrence” type policy written in comprehensive form and shall protect Contractor and the additional insureds against all claims arising from bodily injury, sickness, disease or death of any person or damage to property of Owner or others arising out of any act or omission of Contractor or its Subcontractors, agents or employees. This policy shall also include protection against claims insured by usual personal injury liability coverage, a “contractual liability” endorsement to ensure the contractual liability assumed by Contractor under Section 34 Indemnity, and “Completed Operations and Products Liability” coverage (to remain in force for two (2) years after Commercial Operation).

The minimum liability limits shall be:

Bodily Injury and Property Damage each occurrence \$1,000,000 ; aggregate \$2,000,000

If Contractor’s Work, or Work under its direction, requires blasting, explosive conditions, or underground operations, the commercial general liability coverage shall contain no exclusion relative to blasting, explosion, collapse of structures or damage to underground property.

4. **Umbrella Liability Policy.** This insurance shall protect Contractor and the additional insureds against all claims in excess of the limits provided under the employer’s liability, comprehensive automobile liability, and commercial general liability policies. The minimum liability limits of the umbrella liability policy shall be \$20,000,000 per occurrence. The policy shall be an “occurrence” type policy.
5. **Builder’s Risk Insurance.** Owner provide “All Risk” Builder’s Risk Insurance including windstorm, earthquake and flood perils.

This insurance will cover at the Jobsite, the actual physical construction itself, the Work installed, and construction materials, fixtures, supplies, machinery and equipment (other than construction machinery and equipment owned or leased by Contractors, Subcontractors and/or their employees) to be incorporated into the physical construction, charged to the project and only while stored at the Jobsite. In instances where the claim against the Builder’s Risk policy is due to the negligence, willful misconduct, or strict liability of Contractor or its subcontractors, Contractor shall be responsible for the deductible and all costs and damages not covered by the Builder’s Risk insurance policy. Owner is otherwise responsible for Builder’s Risk deductible.

The Builder’s Risk Policy shall include:

- Policy shall include all risk coverage including losses during testing/commissioning, due to flood, windstorm, or earthquake.
- Policy minimum limits of full Contract value plus the value of any owner-furnished equipment and materials that will be permanently incorporated into the project.

Contract 433059: Part I

- Coverage for inland transportation including inland waterways of all equipment and materials to the job-site from anywhere in the Continental United States and Canada, including coverage while stored off-site.
- Coverage for resultant damage due to faulty design or construction.
- Waiver of subrogation against the Contractor, including all of its affiliates and subsidiaries and all employees, agents and other contractors of Contractor.
- Cost of opening/closing/gaining access to damaged equipment-coverage.

Exclusions from such insurance are, but not limited to, the following:

- Loss from mysterious disappearance or caused by any wrongful removal of any property of a named insured or any additional insured by the employee(s) of said named insured or additional insured.
- Loss or damage to any automobiles, vehicles (highway or otherwise), mobile equipment, cranes, hoists, and rolling stock.
- Cost of making good faulty workmanship, materials, construction, or design.
- Loss of or damage to Contractor's tools or equipment which are not specifically charged to the project and to become a part of the completed project.
- Loss of use or occupancy, however caused, or penalties for delay in completion or noncompliance with contracts.
- Loss or damage covered by a manufacturer's warranty or guarantee.

The foregoing represents only certain general conditions of a Builder's Risk Policy. The exact terms of the coverage are set forth only in the policy itself, a full copy of which will be made available to the Owner.

6. **Other Insurance.** Contractor and Subcontractors of any tier shall maintain the option to either self-insure or to procure insurance for damage to their owned and leased property including property onsite. Contractor and Subcontractors of any tier shall retain risk of loss for any damage whatsoever to their own equipment, stationary or mobile, tools, supplies, materials, automobiles and vehicles, highway or otherwise, cranes, and hoists or any other property owned or leased which shall not be incorporated into the physical construction.

If separate insurance is maintained for any property described in this Section, it shall contain a Waiver of Subrogation on the part of the insurance in favor of Owner including all of its affiliates and subsidiaries and all employees and agents and all other contractors and subcontractors of any tier. If Contractor or Subcontractors of any tier choose to self-insure any of the property described under this Section, it is agreed that Owner and all other contractors and subcontractors of any tier shall be held harmless for any loss or damage to the property described under this Section.

Contract 433059: Part I

7. Subcontractor Insurance. Before permitting any subcontractors to perform Work at the Jobsite, Contractor shall obtain a Certificate of Insurance from such Subcontractor evidencing that such subcontractor has obtained insurance as specified in Sections 35.1, 35.2; 35.3, 35.4 35.5, 35.6, and 35.7 1-4 above. If subcontractors cannot meet these insurance requirements, then Contractor shall hold responsibility for the additional levels of coverage.

36.0 NOT USED

37.0 NOT USED

- WORK CONDITIONS -

38.0 NOT USED

39.0 PERMITS, LICENSES AND TAXES

The Work performed under this Contract qualifies for both the Florida Steam Tax Exemption and the Florida Pollution Control Tax Exemption, as defined below.

Owner holds a "Florida Steam Tax Exemption Affidavit." This certificate exempts Owner from Florida sales or use tax on purchases of all qualified property and/or labor. The appropriate affidavit is hereby furnished to Contractor for use on this Contract only (Attachment N). Therefore, on qualified property and/or labor Contractor shall not include sales or use tax in the Contract price or on its invoices to Owner. This exemption should be used only for material or equipment used specifically for energy production.

Owner holds a "Florida Pollution Control Affidavit." This certificate exempts Owner from Florida sales or use tax on purchases of all qualified property and/or labor. The appropriate affidavit is hereby furnished to Contractor for use on this Contract only (Attachment O). Therefore, on qualified property and/or labor Contractor shall not include sales or use tax in the Contract price or on its invoices to Owner. This exemption should be used only for material or equipment used specifically for pollution control.

Unless otherwise stated in the Contract Documents, the Contractor shall apply for and obtain all licenses, permits, or other approvals from any governmental or regulatory body which are necessary to perform the Work contracted for herein. Contractor shall be responsible for any cost incurred in obtaining said licenses, permits, or approvals. Contractor shall obtain and maintain and shall require all Subcontractors to obtain and maintain all appropriate professional registrations, licenses, and special permits which are necessary to enable it and its Subcontractors to perform the Work.

40.0 INDEPENDENT CONTRACTOR

Nothing in this Contract shall be deemed to represent that Contractor or any of Contractor's employees or agents, are the agents, representatives or employees of Owner. Contractor shall be an independent contractor and shall have responsibility for and control over the details and means for performing the Work, provided that Contractor is in compliance with the terms of this Contract. Anything in this Contract which may appear to give Owner the right to direct Contractor as to the details of the performance of the Work or to exercise a measure of control over Contractor shall mean that Contractor shall follow the desires of Owner only as to the intended results of the Work.

41.0 CONFIDENTIAL INFORMATION

The terms of this contract and all Amendments to it or Work Authorizations issued under it are to remain confidential and shall be not provided in any form to any other party except upon order of a regulatory body or a court of competent jurisdiction.

Contractor agrees that if access is granted to Owner's computer network or a segment thereof, that this access is solely for the business purpose(s) described in this Contract. Contractor agrees that access for any other purpose or the use of Owner's computer network to access other networks, is strictly forbidden and that Contractor is responsible and liable for all damages or unauthorized access resulting from these actions. This activity will result in the discontinuation of any and all network connections, and Contractor understands that it may be subject to civil and/or criminal prosecution. Contractor further agrees that any information that it obtains from Owner's computer network is subject to all of the terms and conditions of this Contract.

Any program, document, data or information supplied by Contractor to Owner may be used, copied or disclosed by Owner as necessary in the normal course of its business, notwithstanding any copyright of Contractor in such materials and notwithstanding any notices or legends appearing thereon, unless otherwise agreed in the applicable Work Authorization.

Drawings, specifications, and other information obtained by Contractor from Owner in connection with the Work shall be held in confidence by Contractor and shall not be disclosed to third parties or used by Contractor for any purpose other than for the performance of Work or as authorized in writing by Owner. All such documents furnished by Owner to Contractor shall remain their property, and upon completion of the Work Contractor shall, as requested by Owner, either destroy or return such documents including any copies thereof.

Materials which are reviewed by Contractor in the course of the Contract may contain trade secrets which are the property of Owner or which have been loaned, licensed, purchased, or leased for Owner's use. Contractor agrees not to reveal any trade secret material which has been marked by Owner to any person in any form and further agrees not to use the material for itself for any purpose not connected with this Contract.

42.0 DELIVERABLES

Drawings, specifications and other documentation prepared by the Contractor as the work product under this Contract, as well as the Tower and any materials procured and delivered in performance of this Contract (the "Deliverables") shall become the property of the Owner, and shall be delivered to Owner as a part of the Work. Contractor shall mark any Contractor owned property as proprietary and/or confidential only where the release of such information would be injurious to Contractor or would otherwise impair the competitiveness of the Contractor.

Notwithstanding any other provision of this Section, there shall be no restriction on Owner's copying, use or disclosure (including to third parties) of Deliverables to the extent such use or disclosure is:

- a. required by Owner for the supply, construction, installation, operation, inspection, and/or maintenance, replacement, modification and/or expansion of Owner's facilities, or
- b. necessary to secure or maintain in effect any license or permit from any applicable government authority; or
- c. required pursuant to an order of a court of competent jurisdiction, a request of any legal requirement.

If Owner intends to disclose Contractor's confidential information to any governmental agency or to a court or pursuant to any other legal requirement, Owner shall, to the extent it does not violate any such order or unduly delay or interfere with Owner's operations, advise the Contractor prior to disclosure and cooperate in any reasonable effort by the Contractor to minimize the amount of confidential information disclosed, secure confidential treatment of such confidential information, or seek permission of such governmental agency or court to revise the confidential information in a manner consistent with the Contractor's interest, the interests of Owner, and in a manner that meets the requirements of the governmental authority or court.

Except as otherwise provided in this Section with respect to Deliverables, Owner agrees not to knowingly reveal any other clearly designated proprietary information of the Contractor ("Non-Deliverable Proprietary Information") to any person in any form, and further agrees not to make any use of such Non-Deliverable Proprietary Information of the Contractor for any purpose not connected with or permitted by this Contract. Non-Deliverable Proprietary Information of the Contractor is disclosed to Owner in confidence, and shall be clearly designated in writing as proprietary and/or confidential. Contractor agrees not to mark any information as proprietary and/or confidential unless the release of such information would be injurious to Contractor or would otherwise impair the competitiveness of the Contractor.

The provisions set forth above shall not apply to (a) information that Recipient can show by cogent evidence was already in Recipient's possession at the time of disclosure by the Disclosing Party; (b) information that is generally available in the public domain other than as a result of a breach of this Agreement; (c) any information which was received in good faith from an independent source without knowledge of any obligation of non-disclosure to the Disclosing Party; (d) information that is independently developed or acquired by Recipient through persons who have not had, either directly or indirectly, access to or knowledge of such confidential information; or (e) any information that is disclosed with the prior written consent of the Disclosing Party.

43.0 PATENTS, COPYRIGHTS, AND TRADE SECRETS

Royalties and fees for patents, copyrights, trade secrets and other proprietary rights of third party covering materials, articles, apparatus, devices, equipment, or processes used in the Work shall be included in the Contract Price. The Contractor shall satisfy all demands that may be made at any time for such royalties or fees and it shall be liable for any infringement damages or claims for Contractor's patent, copyrights or trade secret infringements against Owner and its successors, and assigns. The Contractor shall, at its own cost and expense, defend all suits or proceedings that may be instituted against Owner for its use for alleged infringement of any patents, copyrights or trade secrets involved in the Work and, in case of an award of damages, the Contractor shall pay such award. If final payment is to be made while any suit or claim remains unsettled, the Contractor shall first obtain a surety bond in favor of Owner or other security acceptable to Owner as a condition of payment and the penal sum of the bond or other security will be at least 125% of the amount of the suit or the claim. Should use of the Work or any portion thereof be enjoined, Contractor shall, at Owner's election, and at its sole expense: (i) modify the Work so that it is no longer infringing without degrading form, fit or function; (ii) replace the infringing Work with equal or better non-infringing Work; or (iii) obtain a license for Owner to keep using the Work. Any assistance requested from Owner shall be supplied at Contractor's expense. The Contractor represents that it has full and unfettered rights to use all technology that it will use to perform the Work.

44.0 PUBLICITY

Contractor agrees to cooperate with Owner in maintaining good community relations. Owner will issue all public statements, press releases, and similar publicity concerning the Work, its progress, completion and characteristics. Contractor shall not make or assist anyone to make any such statements, releases, photographs, or publicity without prior written approval of Owner.

45.0 NOT USED

46.0 ASSIGNMENTS

Contractor shall not assign this Contract wholly or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of Owner. Any assignment of this Contract in violation of the foregoing shall be, at the option of Owner, void. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and assigns of the parties hereto. Owner reserves the right at its sole option to assign this Contract to Owner's designated agent, or to Owner affiliates.

47.0 EMERGENCY MEDICAL SERVICES

Owner may furnish emergency medical treatment or related services to Contractor's employees in the case of job connected illness or injury occurring at the jobsite. In the event that such services are available, all such treatment or services, if any, are furnished on a Good Samaritan basis and not as a contractual obligation. In consideration of any such treatment or services, Contractor acknowledges that it assumes full and complete responsibility and liability for all injuries and damages to any of its employees arising out of or allegedly attributable in any way thereto. Nothing herein contained shall be construed as imposing any duty upon Owner to provide facilities necessary to furnish emergency medical treatment or related services to Contractor's employees or to make such facilities and/or services available to Contractor's employees.

48.0 OWNER'S DESIGNATED REPRESENTATIVE

As used in this Contract, Owner's Designated Representative means Mark Hickman, who is the liaison between Owner and Contractor during performance of the Work. No agreement with Owner's Designated Representative shall affect or modify any of the terms or obligations contained in this Contract, except as provided in Section 18, Changes. A copy of all correspondence concerning the Work shall be sent to Owner's Designated Representative. Owner reserves the right to change its Designated Representative at any time.

Contractor's representative, Mark Hickman is fully authorized to make commitments for and on behalf of Contractor until such times as the authorization is withdrawn or until satisfactory conclusion of this Contract.

Contractual notices to Owner shall be addressed to Owner's Home Office/Field Address set forth herein and marked Attn.:

Mark Hickman
Crystal River Unit 3 (SA2C)
15760 West Powerline Street
Crystal River, FL 34428-6708

Contract 433059: Part I

Contractual notices to Contractor shall be addressed to Contractor's Home Office/Field Address set forth herein marked Attn.:

Mr. Gregg Mailen
EvapTech Inc.
8331 Nieman Road
Lenexa, KS 66214

- DOCUMENTATION, LIENS AND OFFSETS -

49.0 DOCUMENTATION AND RIGHT OF AUDIT

Contractor shall maintain accurate and detailed records, in accordance with generally accepted accounting principles consistently applied, of all expenditures or costs relating to any Work performed under this Contract and of any performance statistics relevant to this Contract. Contractor shall maintain these records for the life of the Contract plus five (5) years. If the Work is being performed other than on a fixed price basis and/or includes incentive provisions, Owner shall have the right to inspect, examine and make copies of any or all books, accounts, records and other writings of Contractor relating to the performance or cost of the Work. If the Work is being performed on a fixed-price basis only, Owner shall have the above-specified rights only upon termination or suspension of the Work. Such audit rights shall be extended to Owner or to any representative designated by Owner. Audits shall take place at times and locations mutually agreed upon by both parties, although Contractor must make the materials to be audited available within one (1) week of the request for them. Costs incurred in undertaking the audit will be borne by Owner but costs incurred by Contractor as a result of Owner's exercising its right to audit will be borne by Contractor.

50.0 LIENS

If requested by Owner and as a condition precedent to payment, Contractor and its subcontractors shall supply a release of lien related to the authorized Work, or affidavits that all bills for materials and labor have been paid and receipts showing the payment of these bills. Failure or refusal by Contractor to comply with such request shall excuse Owner from making any further payments to Contractor until Contractor does comply. Owner reserves the right to pay any outstanding obligations of Contractor for labor and materials used in the authorized Work by a check made payable jointly to Contractor and Contractor's vendors, subcontractors or employees. Any payment made in this manner shall apply as a payment to Subcontractor under this Contract. Owner may deduct from any payment any amounts owed to Owner by Contractor. In connection with Work to be performed by Contractor, Contractor agrees to indemnify and hold harmless Owner from any construction, materialmen's or laborer's liens or encumbrance arising out of the Work and to cause any such liens to be promptly discharged, at Contractor's sole cost, within five working days of getting notice of the lien.

51.0 RIGHT TO OFFSET

Owner, without waiver or limitation of any rights or remedies of Owner, shall be entitled from time to time to deduct from any amounts due or owing by Owner to Contractor in connection with this Contract (or any other contract with Owner), any and all amounts owed by Contractor to Owner in connection with this Contract.

52.0 NOT USED

- GENERAL -

53.0 NOT USED

54.0 SEVERABILITY

Any provision of this Contract which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof, and such remaining provisions shall remain in full force and effect.

55.0 WAIVER

Owner's failure to insist on performance of any term, condition, or instruction, or to exercise any right or privilege included in this Contract, or its waiver of any breach, shall not thereafter waive any such term, condition, instruction, and/or any right or privilege.

No asserted waiver of any right or benefit by Owner shall be valid unless such waiver is in writing, signed by Owner, supported by consideration and specifies the extent and nature of the rights or benefits being waived.

56.0 GRATUITIES

Contractor, its employees, agents or representatives shall not offer or give to an officer, official or employee of Owner, gifts, entertainment, payments, loans or other gratuities to influence the award of a contract or obtain favorable treatment under a contract.

Violation of this Section may be deemed by Owner to be a material breach of this Contract and any other contract with Owner and subject all contracts with Contractor to Termination for Default, as well as any other remedies at law or in equity.

57.0 INTERPRETATION

Headings and titles of Sections, paragraphs or other subparts of this Contract are for convenience of reference only and shall not be considered in interpreting the text of this Contract. No provision in this Contract is to be interpreted for or against any party because that party or its counsel drafted such provision.

58.0 SURVIVAL

The provisions of this Contract which by their nature are intended to survive the termination, cancellation, completion or expiration of this Contract shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion or expiration.

59.0 IMMIGRATION LAW COMPLIANCE

Owner is committed to complying with all applicable immigration laws of the United States including the Immigration Reform and Control Act of 1986, as amended. This law requires that all employees hired since 1986 provide proof of identity and employment eligibility before they can work in the United States. It is the policy of the Owner to comply fully with this requirement, and to require compliance by all Contractors performing services at the Owner's worksites. Contractor shall not place any employee of Contractor at the Owner's worksite, nor

shall Contractor permit any employee, nor any contractor or subcontractor, to perform any work on behalf of or for the benefit of the Owner, without first verifying and ensuring said employee's authorization to lawfully work in the United States.

To that end; Contractor acknowledges, agrees and warrants (a) that Contractor maintains and follows an established policy to verify the employment authorization of its employees, and to ensure continued compliance for the duration of employment (b) that Contractor has verified the identity and employment eligibility of all employees, in compliance with applicable law, (c) that Contractor has established internal safeguards and reporting policies to encourage its employees to report any suspected violations of immigration policies or of immigration law promptly to Contractor's senior management, (d) that Contractor has implemented a policy to verify the validity of Social Security information provided by its employees at the time of hire by Contractor, (e) that Contractor is without knowledge of any fact that would render any employee, Contractor or subcontractor of the Contractor ineligible to legally work in the United States. Contractor further acknowledges, agrees, and warrants that Contractor (f) has complied, and shall at all times during the terms of this Contract comply, in all respects with the Immigration Reform and Control Act of 1986, as amended, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, as amended, and all of the laws, rules and regulations relating thereto, (g) has properly maintained, and shall at all times during the term of this Contract properly maintain all records required by the United States Citizenship and Immigration Services (the "US CIS"), including, without limitation, the completion and maintenance of the Form I-9 for each of Contractor's employees, and (h) has responded, and shall at all times during terms of this Contract respond, in a timely fashion to any inspection requests related to such I-9 Forms. During the term of this Contract, Contractor shall, and shall cause its directors, officers, managers, agents, and employees to fully cooperate in all respects with any audit, inquiry, inspection or investigation that may be conducted by the US CIS of Contractor, or any of its employees. Contractor will also allow Owner to audit its process and inspect Contractor's records relating to this matter. Contractor shall, on a bi-annual basis during the terms of this Contract, conduct an audit of the I-9 Form for its employees and shall promptly correct any defects or deficiencies which are identified as a result of such audit.

60.0 CODE OF ETHICS

Contractor, Contractor's employees, and employees of Contractor's subcontractor(s) performing Work under this Contract shall comply with Owner's Code of Ethics. Owner will make the Code of Ethics available to Contractor in order for Contractor to provide a copy to any employee with (i) a presence for a single period of 15 calendar days or more upon property owned or leased by Owner (except right-of ways) or any of Owner's subsidiaries or affiliates and/or (ii) access to Owner's business critical infrastructure and/or (iii) security badge access to Owner facilities. Each such employee shall sign an Acknowledgment Form (Contained in Attachment D) in substantially the form set forth by Owner. Contractor shall retain the signed forms for Owner audit purposes for the term of the Contract plus one (1) year. The audit right provided herein shall not be restricted by any other audit provisions of the Contract. Contractor shall not be required to obtain signatures on Acknowledgment Forms for those employees assigned to Owner sites exclusively to provide storm support.

Contractor, Contractor's employees, and employees of Contractor's subcontractor(s) performing Work under this Contract are obligated to comply with all applicable laws and regulations and with all applicable health, safety and security rules, programs and procedures. The Owner Code of Ethics identifies principles concerning lawful and ethical conduct that must be followed by Contractor's employees in the performance of Work. The Code of Ethics also provides for an Alert Line reporting mechanism that enables the reporting of suspected violations of law and of the Code of Ethics as a part of Owner's program to prevent and detect violations of law and

criminal or unethical conduct.

In order for Owner to confirm Contractor's compliance with the Code of Ethics requirements in this Contract, Contractor is required to complete the Code of Ethics Compliance Plan attached. This Plan identifies the points of contact within Contractor's organization and other information for Owner to use in verifying Contractor's compliance. Should any information on the Compliance Plan change during the term of the Contract, Contractor shall notify Owner's Designated Representative in writing within thirty (30) days of the change.

61.0 SECURITY

Contractor and Contractor's employees who perform Work at any Owner property shall comply with the security practices and procedures prescribed by Owner to cover that property.

Contractor shall advise its employees of these practices and procedures and secure their consent in a form satisfactory to Owner to abide by these procedures. Owner will make a copy of these practices and procedures available to Contractor upon request.

62.0 FITNESS-FOR-DUTY POLICY

Contractor acknowledges its awareness of Owner's contract personnel Fitness-For-Duty Program (FFDP) Drug and Alcohol Abuse Policy, which is as follows:

The use, possession, or sale of narcotics, hallucinogens, depressants, stimulants, marijuana, or other controlled substances on Owner Property or while in pursuit of Owner business is prohibited. (This does not apply to medication prescribed by a licensed physician and taken in accordance with such prescription.) Unauthorized consumption of alcohol on Owner Property is also prohibited. The use of the above substances or alcohol on or away from Owner Property which adversely affects the employee's job performance, or may reflect unfavorably on public or governmental confidence in the manner in which Owner carries out its responsibilities, as determined by Owner, is also prohibited.

The term "Owner Property" includes any property or facility owned, leased, or under control of Progress Energy, Inc. or any of its subsidiaries, wherever located, including land, buildings, structures, installations, boats, planes, helicopters, and other vehicles.

1. Contractor shall advise its employees and the employees of any subcontractors and assignees [hereinafter referred to as "Contractor's employee(s)] of the following:
 - a. Owner's contract personnel Fitness-For-Duty Program (FFDP) Drug and Alcohol Abuse Policy as set forth above.
 - b. That by entry onto Owner Property, Contractor's employee consents to testing for the presence of drugs or alcohol, search or inspection of him or his property, including his vehicle and closed containers within the vehicle, at any time while on the Property.
 - c. That any of Contractor's employees found in violation of the policy, or who refuses to permit a search, inspection or testing as specified above, may be removed and barred from Owner Property at the sole discretion of Owner.

2. Contractor shall also institute control measures to prevent the use, possession, or sale of drugs, controlled substances, or the unauthorized consumption of alcohol on Owner Property or while engaged in Work for Owner.

63.0 FEDERAL SUBCONTRACTING REQUIREMENTS

The provisions of the following Laws, Executive Orders, and any rules and regulations issued thereunder, are incorporated herein by reference as part of this Contract.

- Provisions of the Utilization of Small Business Concerns clause set forth at Section 52.219-8 of the Federal Acquisition Regulations, Title 48 of the Code of Federal Regulations
 - Provisions of the Small Business Subcontracting Plan clause set forth at Section 52.219-9 of the Federal Acquisition Regulations, Title 48 of the Code of Federal Regulations.
1. The Contractor agrees to fully comply with such provisions and any amendments thereof. In addition, all subcontracts and agreements that the Contractor enters into to accomplish the Work under the terms of this Contract shall obligate such subcontractors to comply with such provisions.
 2. Compliance with the above provisions involve the development of a subcontracting plan, as prescribed in 19.704 of the Federal Acquisition Regulations, herein incorporated by reference. The attached Contractor Diversity and Business Development Subcontracting Report shall be used to report awards to small business concerns under the subcontracting plan, (Attachment E).

64.0 WORKPLACE VIOLENCE PREVENTION

Owner strives to provide a workplace for a worker that is free from physical attack, threats of violence and menacing or harassing behaviors.

Owner will not tolerate any unwanted or hostile physical contact, including physical attack, threat of violence, harassment, or damage of property by or against any worker including Owner employees.

Any worker who experiences, witnesses, or has knowledge of acts, conduct, behavior, or communication (threat) that may constitute or may lead to a workplace violence event should immediately report the incident to any of the following:

- Contractor Supervisor or Owner supervisor or manager, AND
- Corporate Security 1-888-275-4357 or
- The Ethics Line at 1-866-8Ethics (1-866-838-4427)

65.0 MUTUAL PREPARATION

Each party to this agreement and its counsel have participated in the creation of this agreement. The normal rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement or of any amendments or exhibits to this agreement.

66.0 BACKGROUND INVESTIGATION AND DRUG SCREEN

NOTE: The requirements of this Section do not apply to nuclear protected/vital area access. If Contractor requires access to nuclear protected/vital areas, Contractor shall obtain those requirements from Owner's Designated Representative and comply with those requirements when obtaining access to nuclear protected/vital access areas.

In order for Owner to confirm Contractor's compliance with the Background Investigation/Drug Screen requirements in this Contract, Contractor is required to complete the Background Investigation/Drug Screen Compliance Plan (Attachment A). This Plan identifies the points of contact within Contractor's organization and other information for Owner to use in verifying Contractor's compliance. Should any information on the Compliance Plan change during the term of the Contract, Contractor shall notify Owner's Designated Representative in writing within thirty (30) days of the change.

Contractor shall conduct a Background Investigation ("BI") and pre-assignment Drug Screen ("DS") as described below for all Contractor's employees and/or Contractor's subcontractor employees where the scope of work to be performed will require: (i) a presence for a single period of 15 calendar days or more upon property owned or leased by Owner (except right-of ways) or any of Owner's subsidiaries or affiliates and/or (ii) access to Owner's business critical infrastructure and/or (iii) security badge access to Owner facilities. In addition, BI/DS requirements may be applied to other personnel at the sole discretion of Owner's Designated Representative. Owner shall reimburse Contractor in accordance with Paragraph E of this Section for each Contractor employee and subcontractor employee for whom an approved provider performs full or updated BIs and DSs, unless Work is performed on a firm fixed price basis. Owner shall not be obligated to reimburse Contractor for any BI or DS expense for any Contractor employee or subcontractor employee who fails to meet the minimum acceptable qualifications. The BIs and DSs must be performed by service providers approved by Owner as acceptable to conduct BIs and DSs (the "Approved BI and DS Providers"). Paragraph E of this Section lists the Approved BI and DS Providers.

Contractor shall obtain a release from each of its employees and subcontractor employees that will perform Work under the terms of this Contract that allows Owner to access the BI and DS records from the Approved BI and DS Provider's web enabled access systems or through other methods agreeable to Owner. Owner will access these records only for the purpose of conducting periodic audits to ensure compliance with the conditions herein, and for the purpose of audit required by a governmental agency. In instances in which an employee or any subcontractor employee of Contractor is granted access to a facility or property that is covered within the scope of the North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) regulations, 18 CFR 39, or the Chemical Facility Antiterrorism Act (CFATS) regulations, 6 CFR 27, Contractor agrees to permit Owner to obtain and maintain a copy of the BI and DS of each Contractor employee or subcontractor employee in order for Owner to demonstrate access eligibility and compliance with the NERC CIP and CFATS regulations.

In the event Contractor uses a BI and/or DS provider or process that is not pre-approved by Owner, Contractor is required to submit its BI and DS program to Owner for review and approval. Contractor agrees to permit Owner to obtain copies of the BI result information when needed for regulatory reasons, and to audit the BI result information as necessary to establish Contract compliance.

Contractor agrees to maintain BI records for a minimum of seven (7) years after the Work is completed.

Contract 433059: Part I

Contractor is solely responsible for ensuring that Contractor's employees and any subcontractor employees assigned to the Work meet or exceed the requirements of this Section. Contractor must have all BIs and DSs completed prior to the start of Work. In the case of emergencies, Contractor may be permitted to start Work while the BIs or DSs are being conducted. (If an emergent need requires delay in processing, Owner approval is required, and all BIs and DSs must be completed within 10 working days of the start date).

A. Responsibilities

Contractor shall be responsible to:

1. Comply with the legal requirements of the Immigration Reform and Control Act of 1986, including, but not limited to, verifying its employees' and ensuring its subcontractors verify their employees' eligibility for U.S. employment through the completion of an I-9 form for each employee or subcontractor employee. Documentation of I-9 form completion will be maintained by the Contractor and made available to Owner upon request. Contractor is the employer and makes decisions regarding assignments.
2. Initiate and ensure the completion of the appropriate BIs. Contractor's employees and Contractor's subcontractor employees should be required to complete a background questionnaire or employment application which includes additional names used by applicant, history of residences and criminal history. Contractor is the employer and makes decisions regarding assignments based on these guidelines.
3. Notify its employees and any subcontractor employees of the terms and conditions of the BI and DS and requirements of this Contract.
4. Furnish Owner with any Contractor employees and subcontractor employees who meet or exceed the requirements of the BI and DS and the terms and conditions of the Contract.
5. Obtain written permission for the release to Owner of its employees' and any subcontractor employees' personal history information and information contained in the BI report and DS.
6. Require its employees and subcontractors to report any arrest and evaluate under the Rejection Criteria to determine if Contractor's employee or any subcontractor employee meets Owner's criteria for rejection. (All Contractor employees and any of its subcontractor employees who meet the Rejection Criteria must be removed from Owner's Work immediately.)
7. Abide by the Fair Credit Reporting Act (FCRA) requirements and all other applicable state and federal laws regarding BIs and DSs, and consent to release information.

B. Types and Components of Background Investigation

1. Full Background Investigation

a. Social Security Number/Name/Address Validation

Contractor shall verify the Social Security Number (SSN), name, date of birth and/or addresses of its employees, and ensure its subcontractors verify the same of their employees, from sources such as an SSN trace report available through credit databases. Contractor agrees to perform, and ensure its subcontractors perform, additional criminal history checks for names and addresses that appear on the SSN report within the past seven (7) years and cannot be attributed to a spouse's

Contract 433059: Part I

surname or typographical error. Contractor, and its subcontractors, shall resolve any discrepancies discovered, including multiple SSNs that do not appear to be typographical in nature, fraud alerts, and any address associated with Correctional, Hospital or Clinical Institutions. Contractor shall verify its employees', and ensure its subcontractors verify its employees', SSNs through the Social Security Administration.

b. Criminal Record

Prior to Contractor's employee or subcontractor employee performing Work, Contractor shall conduct a criminal history record check covering the previous seven years, or to age 18, in each state/locality where Contractor's employee has resided, including addresses within the past seven years identified on the SSN Trace Report, or where Contractor's employee disclosed criminal history on the background questionnaire. Contractor shall take action to ensure its subcontractors conduct the same criminal history record check and comply with the requirements listed in this subsection for each of its employees.

Record checks should be conducted by contacting the appropriate agency of record such as state law enforcement agency, state criminal record repositories (normally statewide repositories should only be used for states such as New York and North Carolina, unless otherwise approved), local law enforcement agencies, state and local courts. Contractor shall ensure record repositories hold complete criminal history information (pending cases, misdemeanor records, and felony records, etc).

Reported criminal records should include specific offense information, court and jurisdiction and disposition of charge.

c. Terrorist Watch List Search (Patriot Act)

Contractor shall conduct a Terrorist Watch List search through the U. S Office of Foreign Asset Control on Contractor's employees and subcontractors employees intended to perform Work. The search shall include a check of whether the employee or subcontractor employee is a Designated National or Blocked Person, as defined by the U. S Office of Foreign Asset Control.

d. Drug Screen

Contractor shall conduct a DS as defined in this Section.

2. Updated Background Investigation

An updated BI is acceptable for Contractor's re-hired employees or subcontractors' employees if the employee or subcontractor employee previously had a full BI and DS completed that meets Owner's criteria described in this Section and it was completed by the current Contractor within the past three years of current effective Work start date. The following components shall be checked:

- Criminal history checks in the county or counties where Contractor's employee or subcontractor employee has resided, including addresses on the SSN Trace Report since the last seven year check was performed.
- Terrorist Watch List search
- DS

C. Rejection Criteria to Disqualify Candidates for Assignment

The decision by Contractor to disqualify an employee or subcontractor employee for assignment shall be based upon consideration of all relevant information, favorable and unfavorable, as to whether the assignment would be clearly consistent with the necessity to maintain an environment conducive to a safe work place.

To assist in making appropriate determinations, this matrix identifies several types of adverse information. These are not all-inclusive, but contain many of the factors, which may raise legitimate questions to a Contractor's employee's or subcontractor employee's eligibility for assignment. Contractor is the employer and makes decisions regarding assignments based on these general guidelines.

1. Criminal Charges

a. Criminal Charges Pending

"Pending" is defined as awaiting formal review by the court to determine the disposition of the arrest. All pending charges will be evaluated on a case by case basis; however pending charges which may meet Owner's criteria for disqualification if convicted will normally preclude an acceptable recommendation.

Charges which result in a disposition of adjudication withheld, nolle pross, pre-trial intervention, prayer for judgment continued or are otherwise unadjudicated shall be evaluated on a case by case basis. This evaluation shall focus on the status of the charge, and the behavior or incident which resulted in the charge being made, and the effect on an applicant's trustworthiness and reliability.

b. Felony Convictions

CRITERIA FOR REJECTION	ACTIONS TO BE CONSIDERED
Any felony conviction with in the last five years	Not eligible for assignment for five years from the date of conviction.
Persons currently on active probation/parole or a work furlough program for a felony conviction or participating in court diversion program for charges which would meet rejection criteria. (Ex. Pre-trial intervention and deferred prosecution).	Not eligible for assignment until completion of probation or parole or court diversion program. Eligibility must also comply with criteria above. (As if convicted)
Failure to fulfill a court order (i.e. failure to appear) for any felony conviction.	Not eligible for assignment until disposition of court order is completed.

c. Misdemeanor Convictions

CRITERIA FOR REJECTION	ACTIONS TO BE CONSIDERED
Any misdemeanor conviction within the last five years involving illegal drugs (includes individuals currently serving a court-ordered diversion program)	Not eligible for assignment for five years from date of last conviction.

Contract 433059: Part I

Any misdemeanor conviction within the last year involving violence or theft.	Not eligible for assignment for one year from the date of conviction.
Three or more misdemeanor convictions involving alcohol, violence or theft within the last five years. For example, convictions in 11/2005, and 11/2006 and 6/2007 not eligible until 11/2010	Not eligible for assignment for five years from the date of earliest conviction.
Persons on active probation/parole or a work furlough program for a misdemeanor conviction or participating in court diversion program for charges which would meet rejection criteria. (Ex. Pre-trial intervention and deferred prosecution).	Not eligible for assignment until completion of probation or parole or court diversion program. Eligibility must also comply with criteria above. (As if convicted)
Multiple misdemeanor convictions; including, but not limited to acts of violence, alcohol, and theft that demonstrate a pattern of continued disregard for the laws of the land and adversely reflects on the person's reliability and trustworthiness.	Contractor shall exercise reasonable discretion to determine appropriate action on a case by case basis.
Failure to fulfill a court order (i.e. failure to appear) for any misdemeanor conviction	Assignment may not be recommended based on the severity of the court order.

d. Other

CRITERIA FOR REJECTION	ACTIONS TO BE CONSIDERED
One drug test failure	Not eligible for assignment for 5 years.
Evidence or admission of use, possession or sale of illegal substances	Not eligible for assignment for 5 years from the most recent occurrence.
The refusal to participate in drug testing	Not eligible for assignment.
Attempted to subvert the testing process, or has shown in anyway to have altered a specimen provided for testing	Not eligible for assignment for 5 years.
Any other information that would adversely reflect upon the reliability and trustworthiness of the person as it relates to their assignment to Owner	Not eligible for assignment – eligible to reapply determined on a case by case basis.
Prior termination due to a Progress Energy Code of Ethics Violation	Not eligible for assignment.
Information regarding denial at any of Owner's nuclear facilities.	Employment may not be recommended based on the reason for denial.
Social Security Number not verified by Social Security Administration	Not eligible for assignment until verification of Social Security Number is validated.

D. Drug Screen

All of Contractor's employees and subcontractors' employees who will require a BI will also be required to have a DS. Contractor must have all DSs completed prior to the start of Work. In the case of emergencies, Contractor may be permitted to start Work while the DSs are being conducted. (All DSs must be completed within 10 working days of starting work.)

Contract 433059: Part I

A certified Health and Human Services Laboratory must perform all DSs. Only Contractor employees and subcontractor employees whose test result is determined to be negative are eligible to work on Owner controlled property. In addition, Contractor employees and subcontractor employees who refuse to participate in DSs, attempt to subvert the DS testing process, or are shown in any way to have altered a specimen provided for any DS are not eligible to work under this Contract.

Owner shall not be obligated to reimburse Contractor for any DS expense for Contractor employees or subcontractor employees who fail to meet the minimum acceptable qualifications.

The screening for the substances below and the testing levels generally follow the Department of Transportation Guidelines. Laboratories that use lower cut off levels for drugs or Metabolite than those listed below are acceptable by Owner.

1. Drug Screen Cut Off Concentrations for Screening and Confirmation Levels

Type of Drug or Metabolite	Initial Test	(f) (e) Confirmation Test
Marijuana Metabolites	50	15
Cocaine Metabolites	30	150
(Benzoylecgonine)	0	
Phencyclidine (PCP)	25	25
Amphetamines	10	
	00	
Amphetamine		500
Methamphetamine		500 (specimen must also contain amphetamine at a concentration of greater than or equal to 200 ng/ml.)
Opiate metabolites	20	
	00	
Codeine		2000
Morphine		2000
6-monacetylmorphine (6-MAM)		10 (Test for 6-MAM in the specimen. Conduct this test only when specimen contains morphine at a concentration greater than or equal to 2000 ng/ml.)

2. Specimen Collection

The specimen must be collected by trained and qualified collectors and collected under conditions that protect the integrity of the specimen. Laboratory patient service centers and Doctor's Urgent Care are suggested for collection purposes.

E. Approved Background Investigation and Drug Screening Providers

1. Sterling Testing Systems
Attn: Lance Zacker
Regional Director of Sales

Phone: 212-812-1045

Fax: 646-435-2273
E-Mail: Lzacker@sterlingtesting.com
www.sterlingtesting.com

2. A-Check America, Inc.
Attn: Alanna Flores

Phone: 877-345-2021 ext. 3085
Fax: 951-750-1667
E-Mail: aflores@acheckamerica.com
progressenergy@acheckamerica.com
www.acheckamerica.com

BI/DS Pricing:

The providers listed above have pre-established pricing with Owner for performing a BI/DS. Owner reimbursements will be at the pre-established rates. If Contractor chooses to use a provider not listed above, reimbursements will be capped by the rates charged by the above providers. The cost for performing a BI/DS is currently capped at \$55.00. This amount is subject to increase only if the pre-established rates increase for the above providers. Criminal Searches within the 7 year time frame required outside of the United States will be reimbursed as pass-through expenses at reasonable and customary costs.

67.0 REGULATORY COMPLIANCE

The Contractor shall comply with the following regulatory compliance issues:

Contractor is to notify the Owner's Designated Representative or his designee on a weekly basis as to the number of employees per shift reporting to the Site.

Owner will be responsible for all written and telephone notifications and communications with all regulatory agencies, except for any such notifications which may be the sole responsibility of the Contractor as required by law.

68.0 LAWS AND PROJECT RULES

A. General

Contractor and its subcontractors, if any, shall observe and abide by all applicable laws, federal, state and local, and the rules and regulations of any lawful regulatory body acting thereunder in connection with the Work. Without limiting the foregoing, Contractor agrees to comply with applicable provisions of the Americans with Disabilities Act, Fair Labor Standards Act of 1938, Executive Order No. 11246, the Rehabilitation Act of 1973, the Vietnam Veterans Readjustment Act of 1974, as amended, and their respective implementing regulations, which are made a part hereof as if set out herein. Contractor warrants that it will meet the legal requirements of the Immigration Reform and Control Act of 1986, including, but not limited to, verifying workers' eligibility for U.S. employment through the completion of an I-9 form. Contractor and its subcontractors, if any, shall also comply with all applicable Owner health, safety and security rules, programs or procedures.

Contractor shall indemnify and hold Owner (including its parent, subsidiary and affiliate companies) and its plant co-owners harmless with respect to any claims, expenses (including attorney's fees), liability or damages arising out of Contractor's failure to comply with any applicable laws, rules, or regulations, or any Owner rules, programs, or procedures.

Work performed and materials and equipment provided by Contractor shall conform to and comply with all the applicable site safety programs and procedures, federal, state, and municipal laws, rules, and regulations concerning occupational health and safety, including, but not limited to, the Occupational Safety and Health act of 1970 and the regulations and standards issued thereunder (hereinafter "OSHA requirements"). Contractor warrants that any work performed in a location partially or entirely under Contractor's control shall be performed in accordance with "OSHA Requirements". Contractor further warrants that all materials and equipment furnished by Contractor shall conform to and comply all applicable provisions of "OSHA requirements" and the regulations and standards issued thereunder, specifically those (designed to accept a lockout device, machine guards in place, etc.) Contractor shall require these warranties of adherence to "OSHA requirements" from each subcontractor and Contractor it employs. Contractor shall indemnify and hold harmless Owner (including its parent, subsidiary and affiliate companies) from all damages suffered by Owner (including its parent, subsidiary and affiliate companies) (including damages to third parties) as a result if the failure of Contractor or any of its subcontractors or Contractors to comply with "OSHA requirements" and for the failure of any of the materials or equipment furnished to so comply.

B. Employment Taxes and Contributions

Contractor assumes exclusive liability for all contributions, taxes or payments required to be made under the applicable federal and state Unemployment Compensation Act, Social Security Acts and all amendments, and by all other current or future acts, federal or state, requiring payment by the Contractor on account of the person hired, employed or paid by Contractor for Work performed under this Contract. When Work is to be performed in South Carolina, Contractor shall submit to Owner, prior to commencement of Work, a properly completed State of South Carolina, Department of Revenue, Nonresident Taxpayer Registration Affidavit Income Tax Withholding form which will be included as an attachment.

C. Drawings and Specifications

It is the intent of Owner to have all drawings and specifications for the Work comply with all applicable statutes, regulations, and ordinances. If Contractor discovers any discrepancy or conflict between the drawings and specifications and applicable legal requirements, Contractor shall immediately report the discrepancy in writing to Owner's Designated Representative.

D. General Contractor's License Requirements

The Contractor shall comply with the applicable requirements of the governing state to regulate the practice of general, mechanical, and electrical contracting.

E. Environmental Provisions

1. Compliance with Environmental Laws
 - a. In performing its obligations and other activities pursuant to this Agreement, Contractor shall comply with all Environmental Laws.
 - b. If while performing Work Contractor encounters ACM and/or lead, Contractor immediately shall notify the Designated Representative. Contractor shall not Manage such ACM and/or lead without Owner's prior approval. Contractors shall perform any such work in accordance with the acceptable industry standards and practices.

Contract 433059: Part I

- c. Contractor may obtain from the Designated Representative any records and other information which the Designated Representative deems relevant to Contractor's compliance with Environmental Laws. Owner does not warrant the accuracy or completeness of such records and information, and Contractor shall determine independently how to conform its activities to the requirements of Environmental Laws.

2. Regulated Substances and Hazardous Chemicals

- a. For purposes only of this Subsection 2., Owner Property means property Owner owns, leases and/or operates.
- b. Prior to bringing any Regulated Substance onto Owner Property Contractor shall deliver to the Designated Representative: (1) notice of the Regulated Substance's identity and intended use, (2) notice of the length of time the Regulated Substance will be used on Owner Property and (3) a description of any wastes that will be generated as a result of using the Regulated Substance.
- c. Prior to bringing onto Owner Property any Regulated Substance, Contractor shall deliver to Owner a description of the potential for Owner employee exposure to the hazardous chemical, the hazardous chemical's brand name (including generic name and chemical abstract number [CAS#]), container volume or weight, number of containers, container pressure and temperature, physical state, storage location, estimated annual usage, manufacturer and material safety data sheet.
- d. Contractor shall deliver to Owner for Management any hazardous waste which Contractor generates on Owner Property. Contractor shall not remove such hazardous waste from Owner Property.
- e. Upon completion of the Work, Contractor shall remove all of Contractor's unused chemicals from Owner Property.

3. Releases

- a. Contractor shall not Release any Regulated Substance on Owner Property, or on any roadways leading to or from Owner Property.
- b. In the event Contractor Releases any material or substance on Owner Property, Contractor immediately shall notify the Designated Representative and remediate the Release pursuant to all applicable Environmental Laws and to Owner's direction and reasonable satisfaction. Owner's costs in supervising, directing, inspecting and/or assisting Contractor to respond to the Release shall be subject to Indemnification under Subsection 4. hereof.
- c. If following a Release Contractor fails to comply with the terms of Subsection 3.b., Owner may in its discretion remediate the Release and otherwise perform Contractor's obligations. Owner's costs in performing Contractor's remedial activities shall be subject to Indemnification under Subsection (4) hereof.

4. Environmental Indemnity

- a. Contractor shall Indemnify Owner (including its parent, subsidiary and affiliate companies) from any Claim or loss in property value arising in any way from Contractor's Management of any Regulated Substance or Contractor's failure to comply with the terms of this Agreement.

5. Environmental Audits

Owner shall have the right to conduct an on-site environmental review of any of the Contractor's or its subcontractor's or Contractor's facilities at any time to verify compliance with federal, state and local statutes, regulations and ordinances. Contractor shall ensure that Owner shall have the right to conduct on-site environmental audits of any subcontractor's facilities to verify compliance with all federal, state and local statutes.

6. Definitions

The definitions below only are applicable to this Section.

- a. ACM or Asbestos-Containing Material means (a) friable asbestos material, (b) Category I nonfriable ACM (as defined in 40 C.F.R. §61 (Subpart M)) that has become friable, (c) Category I nonfriable ACM that will be or has been subjected to sanding, grinding, cutting or abrading or (d) Category II nonfriable ACM (as defined in Subpart M) that has a high probability of becoming or has become crumbled, pulverized or reduced to powder by the forces expected to act on the material in the course of demolition or renovation operations.

69.0 REPORTS

Whenever requested by Owner, Contractor shall furnish within a reasonable period of time and in the manner directed, written reports about the authorized Work. Owner may require these reports to show the progress or status of the Work of any other matter pertaining to it.

70.0 AMENDMENT OF CONTRACT

The terms and conditions of this Contractor may be changed or modified only by execution of a written Contract Amendment executed by both parties. Oral Changes to this Contract or to any Amendment issued under it shall have no effect.

71.0 GOVERNING LAW

This Contract shall be governed by the laws of the State of North Carolina, except that the North Carolina conflict-of-law provisions shall not be invoked in order to apply the laws of any other state or jurisdiction. Owner and Contractor expressly waive their rights to a trial by jury in any action brought hereunder.

72.0 LIMITATION OF LIABILITY

Neither Owner, nor Contractor shall be liable to each other for any consequential damages arising out of any breach of Contract. Excluding any claims against Owner and Owner's officers, employees, agents (including Owner's parent, subsidiary and affiliate companies and their officers, employees, agents) that are covered by any indemnity obligation of Contractor, and excluding any claims against Owner and Owner's officers, employees, agents (including Owner's parent, subsidiary and affiliate companies and their officers, employees, agents) for infringement of intellectual property rights (including patents, copyrights, trade secrets, trademarks or other third party intellectual property rights), Contractor's total liability to Owner under this Contract shall not exceed the total value of the Work to be performed by Contractor under this Contract.

73.0 TRANSPORTATION WORKERS IDENTIFICATION CREDENTIAL

Owner's Bayboro, Bartow and Crystal River Complex are federally regulated facilities under 33 CFR 105 of the Maritime Transportation Security Act of 2002. Within these facilities there are secure areas that require any person entering the secure areas to be a Transportation Workers Identification Credential (TWIC) holder for unescorted access. The areas affected by this regulation include:

Bayboro: Fuel tank farm and fuel port terminal.

Bartow: North and South fuel port terminals, T1 and T2 fuel tank farm, # 2 fuel tank farm, and Gulfstream meter station.

Crystal River: South Coal Yard and South port terminal.

Contractor is required to supply personnel who have been processed through the TWIC and hold the credential prior to assignment or arrange for escort with Owner.

74.0 PASSPORT DATA LOADING

Contractor shall provide upon final as-built delivery the information as indicated in the PassPort Data Load Template for all drawings and Vendor manuals, see Attachment G.

The parties execute this Contract by their signature or the signature of their authorized agents.

PROGRESS ENERGY FLORIDA, INC.

BY: Mark A. Muder

NAME (printed): *Mark A. Muder*

TITLE: *President - EvapTech Inc.*

DATE: 5-01-09

BY: Tony Owen

Tony Owen

Manager - NGG Major Projects
As agent for
Progress Energy Florida

DATE: 6/28/2009

Indicate your Social Security Number (SS#) OR your Employer Identification Number (EIN). This number shall correspond with the Consultant name indicated above and shall be the same TIN under which you report income. COMPLETE ONLY ONE.

EIN 20-2114254	SS# _____
----------------	-----------

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements.

If you do not provide your correct Taxpayer Identification Number (TIN), your payments may be subject to 20% backup withholding.

Under penalties of perjury, I certify that the TIN shown above is correct for the consultant named.

JOHN FOERSTER CONTROLLER
(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Consultant concerning this Contract should be directed.

BACKGROUND INVESTIGATION/DRUG SCREEN COMPLIANCE PLAN

CONTRACT # 433059

Company Name: _____

Person providing this information: _____

Title: _____

Phone number: _____ Email: _____

1. Which of the two preferred vendors will you use to perform your background investigations?
 Sterling (Preferred Vendor) A Check America Inc. (Preferred Vendor)

If leveraging another company, you will be required to submit your program to Owner for approval (see Preferred Vendor Exception sheet for required criteria and instructions).

Other: _____ (Owner approval required)

2. Who has overall responsibility for ensuring the completion of the background investigations and drug screens within your company?

Name: _____

Title: _____

Phone Number: _____ Email: _____

3. Who within your company reviews findings of background investigation and drug screen results to confirm that a worker satisfies Owner's criteria, as defined in the Contract?

Name: _____

Title: _____

Phone Number: _____ Email: _____

4. Describe the retention plan for the background investigation/analysis data and drug screen results.

Format Stored: Hard Copy Scanned PDF Other (explain) _____

Location Stored: _____

5. Describe the review/audit process for this data when Owner requests to review.

Point of contact: _____ Phone Number: _____

Email: _____

If using Sterling and/or A Check America, Inc. . . . Will you provide electronic access to Owner to through Sterling and/or A Check America, Inc.'s website when background/drug screen data is needed as defined in the Contract?

Yes No If no, or not using an Owner recommended vendor, will records be provided by:

Fax Hardcopy via mail Other (explain) _____

**BACKGROUND INVESTIGATION/DRUG SCREEN COMPLIANCE PLAN:
PREFERRED VENDOR EXCEPTION**

In order for Owner to approve the use of an alternate background/drug screen vendor, your company's Background Investigation/Drug Screen Plan must be submitted to Owner for review and approval, and must include ALL of the following criteria:

- A mechanism for obtaining information, including past criminal history from the employee (i.e. employment application)
- A process for verification of employee Social Security Numbers
- Program must address who is responsible for the review of documentation from the BI/DS to determine if requirements for access as described in the background and drug testing criteria are met
- Steps which the company takes if an arrest/conviction is discovered or reported after the BI is complete
- Mechanisms used to obtain permission from the employee for PE personnel to access their records for review and audit
- Record Retention Program
- I9 Verification Process
- Drug Screening Program shall include:
 - Number of drugs tested and type of drug
 - Confirmation Levels
 - Specimen Collection Process
 - Process used for evaluating Positive test results
- Please provide a Sample Background Investigation and Drug Screen result, received from the background vendor, with the following elements included:
 - SSN Trace
 - 7 Year Criminal Records Search
 - OFAC – Terrorist Watch List Search
 - Drug Screen Result

This information should be submitted to Owner with your signed Contract if an exception is taken to using the preferred background/drug screen vendors. Failure to submit your company's Background Investigation/Drug Screen Plan will result in a delay of the issuing of your Contract.

Contract No. 433059: Part I: Attachment C

NOT USED

Page 1 of 3

PEF-POD4-00189

CODE OF ETHICS COMPLIANCE PLAN

CONTRACT # _____

Company Name: _____

Person providing this information: _____

Title: _____

Phone number: _____ Email: _____

1. Owner requires Contractor adherence to conduct/ethics compliance standards for its workers. Owner offers its own Code of Ethics standards for any company desiring to use them; however, if exception is taken, Contractor is required to demonstrate that their workers are covered by Contractor's equivalent program. Please indicate the program which applies to this Contract?

___ Owner's Code of Ethics

___ Contractor's internal program standards (Owner review and approval required. Please attach information about your Code of Conduct/Ethics, acknowledgment and documentation procedures.)

2. Who within your company has overall responsibility for worker acknowledgement forms related to the Code of Conduct/Ethics?

Name: _____

Title: _____

Phone Number: _____ Email: _____

3. What is your process for ensuring each of your employees provides written acknowledgment of his/her awareness of code of Conduct/Ethics standards and expectations prior to performing work for Owner?

4. Describe the retention plan for the Code of Conduct/Ethics acknowledgement forms once signed by your employees.

Format Stored: ___ Hard Copy ___ Scanned PDF ___ Other (explain) _____

Location Stored: _____

5. Describe the review/audit process for the signed acknowledgement forms when Owner requests to review.

Point of contact: _____ Phone Number: _____

Email: _____

Location where forms can be reviewed: _____

Notification interval required for review (how many hours/days): _____

Procedure for getting access: _____

**Contract Employee
Code of Ethics Acknowledgment Form**

Please go to the following website to review the Progress Energy Code of Ethics prior to signing this Acknowledgment Form. Hard copies are available upon request.

<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Social Security Number

Contractor Organization

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT SUBCONTRACTING REPORT

REPORTING METHOD AND DEFINITIONS

REPORTING METHOD

Please complete the attached form, Supplier Diversity & Business Development Subcontracting Report, to record your awards with small business concerns that are directly related to fulfilling a specific Progress Energy contract. Provide contract number, dollar amount and the per cent of award to small business concerns. Quarterly and cumulative annual period reporting is required.

REPORTING TIME SCHEDULE

Please provide the information requested for subcontracting quarterly report by the 15th of the month following the end of the quarter that you are reporting. The completed form may be faxed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, (919) 546-6750 or mailed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, P.O. Box 1551, Raleigh, NC 27602.

SMALL BUSINESS CONCERNS (SBC) DEFINITIONS*

- **Small Disadvantaged Business Concern (SDB)** - A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more minority individuals or other individuals found to be disadvantaged as established by the Small Business Administration and whose management and daily operations are controlled by individuals including the following minority classes (for clarification, refer to FAR 52.219-8).

Minority Type:

- African American Male	- Hispanic American Male	- Asian-Pacific American Male
- African American Female	- Hispanic American Female	- Asian-Pacific American Female
- Native American Male	- Asian-Indian American Male	
- Native American Female	- Asian-Indian American Female	

Native American	Includes American Indians, Eskimos, Aleuts and Native Hawaiians
Asian Pacific	Includes U.S. citizens where origins are from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, U.S. Territories of Pacific, Laos, Cambodia and Taiwan
Asian Indian	Includes U.S. citizens where origins are from India, Pakistan and Bangladesh

- **Women-Owned Business Concern (WOSB)** – A business that is at least 51 percent owned by a non-minority woman and who controls the daily management (for clarification, refer to FAR 52.219-8).

- **Hubzone Small Business Concern (HBZ)** – A business that appears on the list of qualified hubzone small business concerns maintained by the Small Business Administration.

- **Veteran-owned Small Business Concern (VOSB)**- A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more veterans and whose management and daily operations are controlled by one or more veterans.

- **Small Business Concern (SB)**- A business independently owned and operated that is not dominant in its field and that meets Small Business Administration standards as to the number of employees, generally under 500, and/or dollar volume of its business (for clarification, refer to 13 CFR Part 121 and FAR 19.102).

- **Handicapped/Sheltered Workshop** - this must be a charity organization or institution conducted not for profit, but for the purpose of carrying out a recognized rehabilitation program for handicapped workers and/or providing individuals with paid employment.

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT SUBCONTRACTING REPORT

Date _____
 Contractor Name _____
 Qtr. _____
 Type of Business _____
 Contract Number _____
 Dollar Amount of Contract _____

CERTIFIED SMALL BUSINESS CONCERNS INFORMATION

List all small business concerns subcontractor(s) used on the project and subcontracted percent and amount

NAME	PRODUCTS/SERVICES TO BE PROVIDED	\$ AMOUNT	YTD \$ Amount	%	*SBC code

SOURCING EFFORT FOR CERTIFIED SMALL BUSINESS CONCERNS

List all small business concerns subcontractor(s) contacted on the project that will not be used

NAME	ADDRESS	PHONE NUMBER	CONTACT	*SBC code

LIST ANY ORGANIZATIONS, AGENCIES, OR GROUPS THAT YOU CONTACTED TO SOURCE CERTIFIED SMALL BUSINESS CONCERNS

NAME	ADDRESS	PHONE NUMBER	CONTACT

Attach sheet if additional space is needed.

Suggested Organizations:
 Carolinas Minority Supplier Development Council 704-536-2884
 South Carolina's Governor's Office of Small & Minority Business Assistance 803-734-0657
 State of North Carolina Historically Underutilized Business Program 919-733-8965
 Raleigh/Durham Minority Business Development Center 919-833-6122
 The North Carolina Institute of Minority Economic Development 919-831-2467
 National Association of Women Business Owners 703-506-326

Contract No. 433059: Part I: Attachment F

NOT USED

Page 1 of 1

PEF-POD4-00194

**PassPort Dataload Template
(Header Explanation)**

	Three character plant acronym as used in PassPort (e.g., Asheville = 'ASH', Roxboro="ROX")
	The Unit No. that is to be used in the PassPort DID. For documents that apply to multiple units, this is the lowest common denominator unit number. This is procedurally referred to as the "Unit Base Rule". <i>Example:</i> If a drawing applies to Units 1, 2 and 3, the PassPort DID will contain reference to Unit 1. The additional units are entered into a Unit Table Array in PassPort (via the "Additional Unit Xrefs" data field below) to provide appropriate cross referencing of the document to the other units. For additional information on the "Unit Base Rule" please refer to procedure #EGR-POGX-00003 "POG Drawing Management & Control Program".
	Any additional units that the drawing applies to (comma-separated, no spaces) for multiple unit references to a single drawing.
	The original document number (e.g., vendor drawing number that appears in the drawing title block), as found on the document. In cases where more than one vendor drawing number resides on the drawing place both drawing numbers in the data field, separated by a coma followed by a space. For example, an old CP&L drawing number (X) that also has a B&W number on it (Y), would be entered as "X, Y"
	The name of the primary vendor of the drawing. <i>Example:</i> If a drawing was developed by vendor "ABB" and is distributed by "Parsons Engineering" such that the document also displays a Parsons "DV" (vendor drawing) number, the drawing developer "ABB" is considered the "primary" vendor and Parsons is considered to be a "secondary" vendor. "Parsons" should be added to the "Additional Vendors" data field.
	Add additional vendor names here (comma-separated, no spaces) to provide search capabilities for multiple vendor references on a single drawing.
	PassPort Document Type (i.e., Drawings = 'DRAW', Vendor Manuals = 'MAN', Specifications = 'SPEC', Reports = 'RPT';
	Subtype of Manual - Environmental = 'ENV'; Operating = 'OPM'; Vendor Technical Manual = 'VTM'; Program Users Manual = 'PUM'
	Primary drawing discipline sub-type. Additional Sub-types can be added in this column in coma-delimited format. (i.e. E03, I03) Note: A/E or vendor drawing type matrix can be supplied and all translations (cross refermcing between the two codes) can be done by PGN
	Vendor subtype applicable to Owner's Subtype

PEF-POD4-00196

**PassPort Dataload Template
(Header Explanation)**

	Type of Specification - EQUIP: Equipment; INSTL: Installation; MATRL: Material; SERVC: engr services (Inspection, test, engineering)
	Specification Subtype - A: Architectural; C: Civil; E: Electrical; G: General; H: Chemical; I: Instr & Controls (Software); M: Mechanical; S: Structural
	The drawing sheet number (as found on the document). If no sheet number, leave blank.
	The document revision number (Alpha/Numeric), as found on the document. If no number, leave blank.
	The document revision date, in format mm/dd/yy
	PassPort document status (i.e., Active, Change, Superseded, History, Obsolete)
	The actual title of the document (verbatim), as it appears in the drawing title block.
	Additional information to be added parenthetically to the title (facilitate searching by keyword). This information will need to be manually entered. <i>Example:</i> If a vendor drawing has the title "Electrical Main One Line Diagram" it really doesn't provide much in the way of information to be used in narrowing a search in PassPort using the title data field. Therefore, one might want to add something like "(Roxboro Unit #4 SCR Project)" to further describe the title and make it more useful as search criteria. Refer to procedure #EGR-POGX-00003 "POG Drawing Management & Control Program" for more information on the "Title" data field requirements for the PassPort Metadata for drawings. Note: It is preferred that the drawing be eventually revised to reflect the desired new title.
	The name of the electronic file, like a CADD file (e.g., "ROX001E0300002002004.dwg"), word document (e.g., "This Plan.doc"), etc.
	If populated, these System Code numbers will provide cross-referencing of the documents by System code. Multiple System Codes can be entered "comma-delimited" with no spaces between the codes.
	If populated, these Equipment Type Code numbers will allow auto-linking of the documents to the Equipment. Multiple Equipment Codes can be entered "comma-delimited" with no spaces between the codes.
	Attribute flag in PassPort denoting that the document requires perpetual Professional Engineering (PE) sealing upon future revisions ("Y" if applicable, leave blank if not)

PEF-POD4-00197

Contract No. 433059: Part I: Attachment H

NOT USED

Page 1 of 1

PEF-POD4-00198

PROGRESS PAYMENT RELEASE CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS, THAT

WHEREAS, ("Contractor"), having its principal offices at , and (hereafter referred to as "Owner") have heretofore entered into a certain Contract, (the "Contract") dated relating to the furnishing of materials, labor and/or equipment for construction or services of (description of Contractor's Work in connection with a certain contract performed by Owner (the "Project") located at .

NOW, THEREFORE upon actual receipt by Contractor of payment from Owner in the sum of dollars (\$) to Contractor, which sum represents the full amount due Contractor as of ("Release Date") less and except that retention in the amount of dollars (\$) still being withheld by Owner all under and pursuant to the Contract, this document shall become effective to release pro tanto any mechanic's lien, stop notice or bond right that Contractor has on the project as of the Release Date. Contractor does hereby and thereby:

1. Certify to Owner that all persons, firms, associations, corporation, or other entities furnishing labor, materials, equipment, supplies or services to Contractor with respect to the Contract have been paid in full as of Release Date, including any and all applicable federal, state, and local sales, use, excise or similar taxes or import duties, licenses and royalties, except the following (none, unless noted):

(attach additional page, if necessary, and so note)

and

2. Release and waive any and all manner of liens, whatsoever which Contractor, its successors or assigns may have upon any portion of the lands of Owner or the buildings thereon standing, or any personal or intangible property of Owner, for labor, material, equipment or services furnished under the Contract, as of Release Date, and

3. Further remise, release and forever discharge Owner, their successors and assigns of and from any and all manner of claims, demands, and causes of action whatsoever against Owner which Contractor, its successors or assigns may have for, upon or by reason of any matter, cause or thing whatsoever arising under or out of the Contract, as of Release Date, except the following (none, unless noted):

(attach additional page, if necessary, and so note)

and

4. Agree to indemnify and hold harmless Owner, their successors or assigns, against all loss, cost, damage or expense by reason of any and all manner of liens, claims or demands which anyone may have for labor performed, or for materials, equipment or services furnished under the Contract as of Release Date, except as specifically noted.

IN WITNESS WHEREOF, Contractor has duly caused these presents to be signed and attested by its duly authorized owner, partner or officer (and, if a corporation, its corporate seal to be hereunto affixed) on the day of , 20XX.

CONTRACTOR

By

Title

FINAL PAYMENT RELEASE CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS, THAT

WHEREAS, ("Contractor"), having its principal offices at , and (hereafter referred to as "Owner") have heretofore entered into a certain Contract, (the "Contract") dated relating to the furnishing of materials, labor and/or equipment for construction or services of (description of Contractor's Work in connection with a certain contract performed by Owner (the "Project") located at .

NOW, THEREFORE upon actual receipt by Contractor of payment from Owner in the sum of Dollars (\$), which sum shall represent payment in full and final payment due to Contractor under and pursuant to the above-referenced Contract resulting in a total Contract price of Dollars (\$), Contractor does hereby:

1. Certify to Owner that all persons, firms, associations, corporation, or other entities furnishing labor, materials, equipment, supplies or services to Contractor with respect to the Contract have been paid in full as of Release Date, including any and all applicable federal, state, and local sales, use, excise or similar taxes or import duties, licenses and royalties, except the following (none, unless noted):

(attach additional page, if necessary, and so note)

and

2. Remise, release, waive, relinquish and forever quitclaim unto Owner, its affiliates, successors and assigns, any and all manner of liens, claims or demands whatsoever which against Owner, Contractor ever had, now has, or which it or its successors or assigns hereafter can, shall or may have upon any portion of the lands of Owner or the buildings thereon standing, for labor, material, equipment or services furnished under the Contract, and

3. Further remise, release and forever discharge Owner, their affiliates, successors and assigns of and from any and all manner of liens, claims, demands, and causes of action whatsoever against Owner which Contractor ever had, now has, or which it or its successors or assigns hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever arising under or out of the Contract, and

4. Agree to indemnify and hold harmless Owner, their successors or assigns, against all loss, cost, damage or expense (including but not limited to attorneys' fees) by reason of any and all manner of liens, claims or demands which anyone may have for labor performed, for material, equipment or services furnished, or by reason of any matter, cause or thing whatsoever arising under or out of the Contract.

IN WITNESS WHEREOF, Contractor has duly caused these presents to be signed and attested by its duly authorized owner, partner or officer (and, if a corporation, its corporate seal to be hereunto affixed) on the day of , 20XX.

CONTRACTOR

NOTARY PUBLIC SEAL

By

Title

NOTICE OF ACCEPTANCE

Project: _____	Location: _____
Contract: _____	
Contractor: _____	
Notice of Acceptance Number: _____	Date: _____

NOTICE is hereby given to the above named Contractor that the Work performed by Contractor pursuant to the above Contract for said Project is accepted as of the below stated date for and only for: (check applicable)

- Purposes of final payment under said Contract.
- Purposes of final acceptance of said Work under said Contract.
- Acceptance of this Work is contingent upon Contractor completing the following incompletd Work by
If such Work is not completed by this date, this acceptance shall be void and as if never given.

This notice shall not relieve Contractor of any responsibilities under the guarantee provisions of the Contract.

Dated: _____	
Signed: _____	(Owner)

**ATTACHMENT L
NOTICE OF COMPLETION**

Project: _____	Location: _____
Contract: _____	
Contractor: _____	
Notice of Completion Number: _____	Date: _____
<p>NOTICE is hereby given by the above named Contractor that pursuant to Section 17.0 NOTICE OF COMPLETION AND FINAL ACCEPTANCE of Part I, of the above Contract for said Project all work for the above referenced Work Release is complete.</p>	
Date: _____	
Signed: _____	(Contractor)

STANDARD WARRANTY TERM

Contractor warrants to Owner that the cooling tower will be free from defects in material, workmanship and design under normal use and service for a period of twenty-four (24) months after Mechanical Completion. In addition to the rules set forth in Part I Section 4.0 Warranty, the following shall apply when Contractor is required to perform Work under the provisions of Part I Section 4.0 Warranty:

1. Written notice of the defect is given to Contractor within thirty (30) calendar days of discovery thereof;
2. The equipment has been operated in accordance with the operating and maintenance instructions provided by Contractor; and no alterations or substitutions have been made in the equipment without the express written authorization of Contractor.

10-YEAR FRP PULTRUDED STRUCTURE WARRANTY

Contractor warrants the pultruded FRP structure against any defects in material and workmanship under normal use and service for a period of ten (10) years after Mechanical Completion. Contractor's obligation under this warranty is to supply, pursuant to the delivery terms of the proposal, replacement parts for those parts which are shown to have been defective as to material, workmanship or design, provided that:

1. Written notice of the defect is given to Contractor within thirty (30) calendar days of discovery thereof;
2. The equipment has been operated in accordance with the operating and maintenance instructions provided by Contractor; and no alterations or substitutions have been made in the equipment without the express written authorization of Contractor

ATTACHMENT N



AFFIDAVIT OF EXEMPTION

Florida Power Corporation (dba Progress Energy Florida, Inc.) hereby states and affirms that it is acquiring machinery and equipment and other qualifying property; or labor and/or parts for the necessary repair, maintenance, or replacements of machinery and equipment and other qualifying property, for use at its generation facilities, from _____, which is necessary for the production of electrical or steam energy resulting from the burning of boiler fuels other than residual oil and is exempt from the tax imposed by Chapter 212, Florida Statutes, Sales and Use Tax Act, pursuant to Section 212.08(5)(c), Florida Statutes.

NOTE: The units at the Anclote, Bartow and Suwannee generation facilities which operate on residual oil (No.6 oil) are excluded from this exemption.

I understand any person furnishing a false affidavit to a vendor for the purpose of evading payment of any tax imposed under Chapter 212, Florida Statutes, shall be subject to the penalty set forth in section 212.085, Florida Statutes, and as otherwise provided by law.

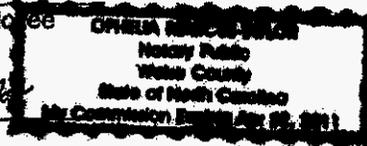
IN WITNESS WHEREOF, the undersigned duly authorized agent of Florida Power Corporation, does hereby execute this Affidavit this 21st day of September, 2007.

Jocelyn Thornton
Name of PGN Employee

Jocelyn Thornton
Signature of PGN Employee

Chief Procurement Officer
Title of PGN Employee

Sphelia Marie Taylor
Notary



PLEASE NOTE THAT FLORIDA POWER CORPORATION PURCHASES BOTH TAXABLE ITEMS, AND TAX EXEMPT ITEMS PURSUANT 212.08(5)(c), F.S., FROM YOUR COMPANY. A STATEMENT WILL BE INCLUDED WITH EACH TAX EXEMPT PURCHASE ORDER. THEREFORE, THE ATTACHED AFFIDAVIT OF EXEMPTION SHOULD ONLY BE USED WHEN PURCHASE ORDERS STATE THIS EXEMPTION APPLIES. THIS AFFIDAVIT IS VALID UNTIL REVOKED IN WRITING. AN EXPIRATION DATE DOES NOT APPLY.

Progress Energy Tax Department
410 S. Wilmington Street, Raleigh, NC 27602
(919) 546-2886

ATTACHMENT O



POLLUTION CONTROL EQUIPMENT

Florida Power Corporation (dba Progress Energy Florida, Inc.) hereby states and affirms that it is acquiring machinery and equipment or other qualifying property, for use at its generation facilities, from _____ and will be primarily used for the control or abatement of pollution or contaminants in the manufacturing, processing, compounding, or production of tangible personal property for sale. Further, the undersigned declares that said items are required pursuant to a law implemented by the Florida Department of Environmental Protection (DEP), or required under the condition of a permit issued by DEP.

I understand any person furnishing a false affidavit to a vendor for the purpose of evading payment of any tax imposed under Chapter 212, Florida Statutes, shall be subject to the penalty set forth in section 212.051(1), Florida Statutes, and as otherwise provided by law.

This certification relieves the vendor from the responsibility of collecting tax on exempt amounts. The Department looks solely to the purchaser for recovery of tax if the purchaser was not entitled to the exemption.

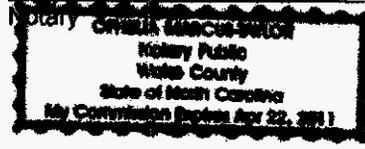
IN WITNESS WHEREOF, the undersigned duly authorized agent of Florida Power Corporation, does hereby execute this Affidavit this 21st day of September, 2007.

Jocelyn Thornton
Name of PGN Employee

Jocelyn Thornton
Signature of PGN Employee

Chief Procurement Officer
Title of PGN Employee

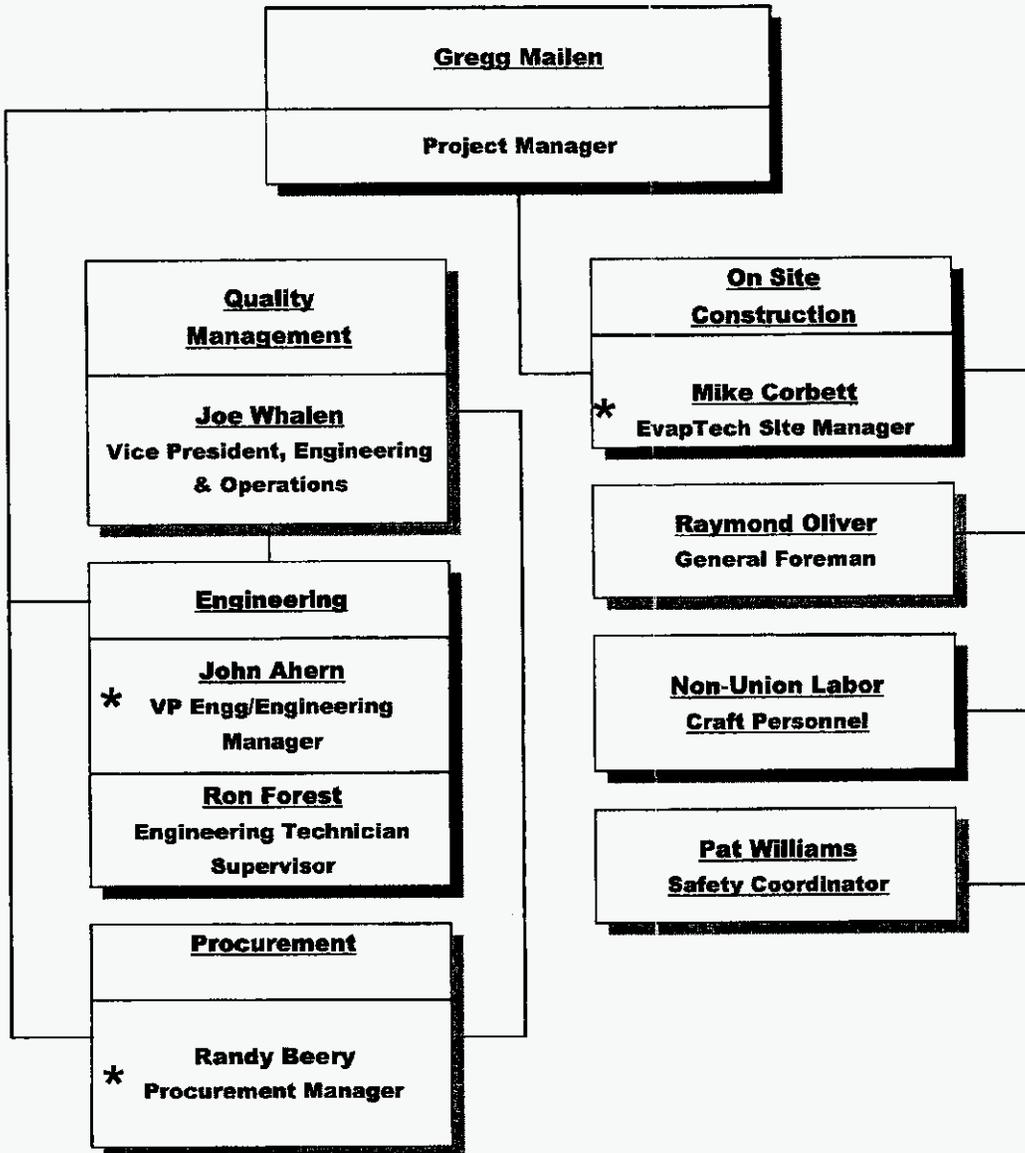
Ophelia Marie Taylor



Progress Energy Tax Department
410 S. Wilmington Street, Raleigh, NC 27602
(919) 546-2886

Crystal River Unit 3 Project Project Organization

12/8/2008



* Progress Energy shall participate in decisions related to selection and/or replacement of these personnel

Contract No. 433059

Part II

Statement of Work

Contractor's Scope of Work shall consist of the entirety Task 5a, Tasks 1, 2, 3, and 4 as relative to the performance of Task 5a, and all planning and interfaces as necessary to fully perform the Work.

PEF-POD4-00207

STATEMENT OF WORK

TABLE OF CONTENTS

1.0	INTRODUCTION / BACKGROUND	3
2.0	DESCRIPTION OF WORK - GENERAL	4
3.0	DESCRIPTION OF WORK - SPECIFIC.....	8
3.1	Task 1 Update and Maintain the Design Criteria Manual.....	9
3.2	Task 2 Update & Maintain Procurement Specifications.....	9
3.3	Task 3 Update & Maintain Project Design Drawings.....	9
3.4	Task 4 Provide Construction Guidelines & Test Procedures	10
3.5	NOT USED	
3.6	Task 5a Design & Construct the EPU Cooling Tower..... and Update Calculations (Clarifier Pond Location)	11
3.7	NOT USED	
3.8	Task 6a Design the EPU Cooling Tower Basin and	14
	Surrounding Laydown Area (Clarifier Pond Location)	
3.9	NOT USED	
3.10	Task 7a Design Intake Structure and Related Systems (Clarifier	18
	Pond Location)	
3.11	NOT USED	
3.12	Task 8a Design Discharge Structure and Related Systems (Clarifier	20
	Pond Location)	
3.13	NOT USED	
3.14	NOT USED	
3.15	Task 10a Design Software & Hardware to Interface	21
	with Existing DCS (Clarifier Pond Location)	
3.16	NOT USED	
3.17	Special Requirements.....	22
3.18	Organizational Interfaces	22
3.19	Work Not Included.....	22
3.20	Owner Furnished Materials and Equipment.....	23
3.21	Site Conditions and Known Hazards.....	23

4.0	TECHNICAL REQUIREMENTS AND ACCEPTANCE CRITERIA.....	23
4.1	Design Interfaces.....	24
4.2	Codes and Standards	25
4.3	Specifications	25
4.4	Drawings	25
4.5	Exhibits.....	27
4.6	Electrical Safety Requirements	27
4.7	Hoist and Rigging Requirements	27
4.8	Fire Prevention Requirements.....	28
4.9	Acceptance Criteria	28
5.0	PERSONNEL REQUIREMENTS.....	32
5.1	Training and Qualification	32
5.2	Security and Badging Requirements	33
5.3	Site Access and Work Hours.....	33
6.0	ENVIRONMENTAL, SAFETY, HEALTH, AND QUALITY REQUIREMENTS	33
6.1	Environmental Requirements.....	35
6.2	Safety Requirements.....	37
6.3	Quality Assurance and Control	39
6.4	Quality Assurance/Inspection Requirements	39
6.5	Software Products and/or Services Where Software is Used.....	46
7.0	MEETINGS, SUBMITTALS, WORK & PROJECT CONTROL REQUIREMENTS ...	50
7.1	Meetings	50
7.2	Request for Information	52
7.3	Submittals.....	52
7.4	Work Control Requirements	53
8.0	DELIVERABLES, MILESTONES AND PERFORMANCE SCHEDULE.....	53
8.1	Deliverables.....	53
8.2	Milestones	54
8.3	Performance Schedule	54

ATTACHMENTS

- A SUBMITTAL REGISTER
- B SITE COORDINATION REQUIREMENTS, FACILITIES AND UTILITIES
- C NOT USED
- D PHASE 2 CONCEPTUAL DESIGN REPORT
- E REQUEST FOR INFORMATION FORM

STATEMENT OF WORK

INTRODUCTION / BACKGROUND

Owner's Crystal River Nuclear Unit 3 (CR3) is part of the larger Crystal River Energy Complex (CREC) located in Citrus County, Florida. The CREC is comprised of 4,738 acres and includes a single nuclear unit (CR3) and four coal-fired units, CR 1, 2, 4, and 5. CR3 and the four coal-fired units lie in the developed area of the site.

Cooling water for CR 1, 2, and 3 is withdrawn from an intake canal which connects to Crystal Bay and the Gulf of Mexico and returned to the Gulf via a common Discharge Canal. The Florida Department of Environmental Protection (FDEP) Issued a National Pollution Discharge Elimination System (NPDES) permit (FL0000159) with limits on the combined condenser flow from CR 1, 2, and 3 to 1,898 million gallons per day (MGD) during the period of May 1 through October 31, and 1,613.2 MGD during the remainder of the year.

The 14-mile-long intake canal is dredged to a depth of approximately 20 feet (ft) to also accommodate coal barges which unload and dock on the south side of the Intake Canal, just west of the intakes for CR 1 and 2. The Intake Canal is bermed by northern and southern dikes. The northern dike continues along the channel for another 5.3 miles. There are openings in the dikes at irregular intervals to allow north-south boat traffic in the area of CREC. Movement of water into the canal is tidally influenced. At the mouth of the canal, current velocities ranged from 0.6 to 2.6 feet per second (fps) when last measured in 1983-1984.

Studies have demonstrated that in order to reduce Owner's total fuel cost, increased efficiencies can be realized from technological advancements and system modifications to increase generation capacity from the company's lowest cost fuel source. Following Owner's request, the Florida Public Service Commission (PSC) has determined that a power uprate is an economical option to add capacity and power output to the existing nuclear unit, CR3. The CR3 Uprate Project will result in economic benefits to customers and the community by providing additional clean energy at lower cost to consumers. An increase in the plant's gross output from 900 MW to 1,080 MW can serve the equivalent of an additional 110,700 homes.

The CR3 Extended Power Uprate (EPU) Project will occur over two phases. The first phase (Phase I) will occur during a 2009 planned refueling outage and scheduled steam generator replacement. The improvement to the turbine center line components will increase the efficiency of power production resulting in decreasing consumer costs. The second phase will result in an additional 140 MW of power and will require a large number of smaller yet substantial modifications to assure long term reliability of all plant systems at the conditions necessary to support a higher licensed power level.

The work identified in this statement of work (SOW) is to obtain the services necessary to design, procure, and construct (as identified below) the necessary Discharge Canal cooling equipment to mitigate the increased thermal heat rejected into the Discharge Canal by CR3 and to replace the heat removal capacity of temporary cooling equipment.

DESCRIPTION OF WORK – GENERAL

Owner requires Contractor to design and develop, procure, and construct the New EPU Cooling Tower as defined below so as to provide a minimum of 2.33 B BTUs/Hr heat removal from the Discharge Canal water prior to the water's return back to the Gulf of Mexico as identified below. The heat removal is required in order keep the water temperature below the NPDES three hour rolling average limit of 96.5⁰F. The Design Criteria Manual and associated specifications, calculations, modeling, studies, and drawings were generated during the Study Phase of this Project. Contractor shall update the Study Phase conceptual design documents such that they will become the final design documents to be used for the Project's procurement of materials and construction.

The Work is broken down into work tasks. For this Contract, Contractor shall perform Task 5a and the associated Work necessary therefore, including but not limited to Tasks 1, 2, 3, and 4. Tasks 6a, 7a, 8a, and 10a will be performed by a different vendor under a separate contract. However, these tasks are included in this Statement of Work to provide clarification and guidance relative to Contractor's necessary interfaces and the information Contractor will be required to provide to Owner and the vendor performing these other tasks.

The major tasks are stated below. Details of each work task are provided in Section 3 of this document, in the Design Criteria Manual, and in the appropriate specifications.

- **New EPU Cooling Tower** – This scope includes engineering, procurement, construction of the EPU cooling tower, & startup testing. Performance testing will be done by an independent third party under a separate contract. The cooling tower Contractor will support the performance testing. The cooling tower is defined as the support structures and associated equipment attached to and located above the cooling tower cold water basin. The cooling tower is further detailed in Section 3 of this document, the DCM, and Specification S2a, incorporated herein as Attachment B to Part IV of this Contract.
 - The boundary of the EPU cooling tower is at the cold water basin. The Contractor completing the cooling tower must:
 - provide the engineering detail for each interface point of the cooling tower with respect to the cooling tower basin,
 - complete the mechanical work up to and including the first flange off the cooling tower,
 - the first flange connection includes the flange, gaskets, and isolation valve and operator,
 - complete all the design, procurement and construction for low voltage electrical (≤ 480 v circuits) components, including wiring terminations at the

- first electrical panel off the cooling tower (including providing and installing the first electrical panel off the cooling tower),
- complete all the design & procurement specifications for electrical work supporting high voltage (≥ 480 v circuits) components located on the cooling tower. The cables to the high voltage equipment will be pulled to the cooling tower and terminated at the equipment by the intake structure work scope.
 - complete the design, procurement and construction of all support systems located on the cooling tower (i.e. lighting, etc.).
 - Complete the design for monitoring and controls of cooling tower fans, pumps, and related equipment.
- **EPU Cooling Tower Basin & Foundations** – The scope of this work is to engineer & design the new EPU cooling tower cold water basin and foundations as defined below. Construction will be completed under a separate contract. The detailed requirements for this work are stated in Section 3 of this document and the DCM. The basin and foundations are defined as all concrete components and structures necessary to support the installed cooling tower and to facilitate proper hydraulic operation of the cooling tower system. The technical requirements for this work include:
 - Design of the basin and foundations subject to the following boundary conditions:
 - the Contractor that is awarded the basin and foundation design work will base his design on the cooling tower Contractor's loading diagram and mounting & support requirements. The design and engineering details of all interfaces between the cold water basin and the cooling tower structure will be developed by the cooling tower Contractor,
 - one physical boundary of this scope is up to and including the first flanged connection (with isolation valve & controls),
 - a second physical boundary of this scope is up to & including the first electrical box off the cooling tower maintenance area,
 - this scope includes the 40' maintenance area around the circumference of the cooling tower basin,
 - the cooling tower basin height will be adequate to allow gravity drain back to the Discharge Canal or to the Intake Canal (the intake canal connection will be blanked off).
 - the cooling tower and basin design will allow for easy access and cleaning of marine growth from the basin and cooling tower structural members.
 - maintenance area (approximately 40' perimeter around the cooling tower basin),
 - electrical and instrumentation panels, conduits, cable trays, supports and restraints, for components mounted on the cooling tower basin or maintenance area,

- the design will include appropriate maintenance handling equipment and systems,
- some geotechnical soil characterization has been done by Owner. The Contractor is responsible for reviewing this information and finalizing the characterization as necessary to complete the cooling tower design.
- **Intake & Discharge Structures** – The scope of this work is to engineer & design the intake and discharge structures. The scope of work for the intake and discharge structures are further detailed in Section 3 of this document, the DCM, and specifications for equipment within this scope of work (i.e., S-4 – Trash Racks & Traveling Screens, S-5 Concrete, S-6-1 Fiberglass Reinforced Piping, S-6-2 – HDEP Piping, and others). The boundary of this task is defined as follows:
 - Design requirements and drawings of termination detail for high voltage cables on the cooling tower equipment,
 - Design requirements and drawings of termination detail for low voltage wiring at the first panel off the cooling tower,
 - Design of cable and wire ways to the cooling tower basin and to the cooling tower motors,
 - Design requirements and design for electrical power from the substation to the distribution center in the intake structure,
 - Design requirements and design detail of instrumentation and controls to the Unit 1 / 2 control room DCS.
 - Piping to and from the cooling tower basin,
 - The scope of this work also includes all geotechnical sampling required to complete the final design of the intake and discharge structures.
- **Monitoring & Control Software & Hardware** – The scope of this work is to design and develop the software and hardware for the equipment monitoring and control system for the new cooling tower equipment. The monitoring and control system must be compatible with the existing cooling tower Distributed Control System (DCS). The features of the monitoring and control system must be similar to the existing equipment. The Contractor will work closely with Owner personnel in completing this work.

The Contractor will provide the technical and engineering expertise to design and develop the procurement specifications for the cooling equipment and systems identified above and further described in section 3 of this document and in the Design Criteria manual.

The Contractor will develop & implement the associated calibration and test procedures to demonstrate proper equipment capabilities during equipment and component startup.

The Contractor will supply all management, supervision, labor, equipment, materials, tools, consumable supplies, and each and every item necessary to perform the Work describe in this Contract.

The Contractor will perform both on-site and off-site activities necessary to complete the stated design and develop procurement specifications.

On site activities require preapproved access. The Contractor will submit site access forms 48 hours before expected CREC access unless otherwise approved by the Designated Representative.

The result of this Contract will be the final design for the installation and operation of Discharge Canal cooling equipment that provides a minimum of 2.33 B BTU/Hr of Discharge Canal heat removal.

DESCRIPTION OF WORK – SPECIFIC

The design criteria for this section is contained in the Design Criteria Manual (DCM) included in this Contract as Attachment A to Part IV. The Contractor will maintain the DCM up to date as the final design is completed.

The Contractor will design the equipment and systems described below. The Contractor will also review and update the specifications for all the project materials. New specifications may be required to be generated by the Contractor to meet this requirement. The Contractor will also generate a list of potential vendors for each specification.

Task 1 Update and Maintain the Design Criteria Manual

The Design Basis of the DCM must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

The Design Basis was developed from information evaluated during the Study Phase of the Project. During the Project's Study Phase two important activities were completed. First, an Alternatives Analysis was completed. The Alternatives Analysis identified potential thermal mitigation technologies that could be used to reduce the thermal energy of the Discharge Canal water. The Alternatives list was then narrowed to the technologies that could be used at Crystal River. The technologies were then run through heat balance modeling to determine the optimal solutions and to provide a recommendation for further development in the second Study Phase task (conceptual design). The conceptual design further refined the alternatives analysis decision, defined the location of the cooling equipment, identified the equipment support utilities, stated the design standards for further design, developed design specifications for long lead items, and generated conceptual design drawings.

The Design Basis contains the Project's Design Requirements Section. The other DCM sections are developed based on the Design Requirements. As the final design evolves, the Contractor must revise the DCM Design Basis to maintain the design requirements in line with the current project directions.

Task 2 Update & Maintain Procurement Specifications

The Project Specifications of the DCM must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

The DCM also contains the Project's draft procurement specifications for long lead items. The procurement specifications for items identified as long lead were drafted during the study phase. The Contractor must update the long lead procurement specifications as soon as is feasible and identify potential vendors for each specification.

Task 3 Update & Maintain Project Design Drawings

The Project Drawings (contained in the DCM) must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

The Project drawings of the conceptual design are currently attached to the DCM. These drawings are to be revised and new drawings added during the final design effort.

Task 4 Provide Construction Guidelines & Test Procedures

The Construction Guidelines and Test Procedures (to be contained in the DCM) must be updated and maintained as the engineering design and procurement specification generation is completed. This task is a component of tasks 5 through 10.

All the construction guidelines, test procedures and special instructions generated for and implemented for the construction effort are to be maintained in the DCM. The construction

guidelines and special instructions will be revised by the Contractor as the final design is completed.

Not Used

Task 5a Design & Construct the EPU Cooling Tower & Update Calculations (Clarifier Pond)

The Contractor must comply with specification (S2a) and the below requirements in designing and constructing the EPU cooling tower. The Contractor will update design calculations (C2 & C2a) in completing this work. The cooling tower specification incorporates the design requirements for the EPU cooling tower. The desired mechanical draft cooling tower design requirements are summarized as follows:

- complete tasks 1 through 4 as they relate to this task,
- revise specification S-3 – lift pumps, as an early task,
- the cooling tower will be a circular counterflow multi-fan design,
- the cooling tower will be located where the percolation clarified pond is now located,
- the cooling tower will provide a minimum heat rejection capability of 2.33 BBTU/Hr at an approach temperature of 11.0°F to an ambient wet bulb temperature of 79.0°F and a flow capacity of 320,000 gpm.
- the cooling tower fill is to be splash or trickle fill material that provides for easy maintenance and reliability,
- the cooling tower will have drift eliminators that limit drift to $\leq .0005\%$,
- the construction material will be concrete with corrosion resistant coated rebar or pultruded composite FRP with high strength stainless steel fasteners or other material that withstand the harsh saltwater environment over a 30 year operating life,
- individual cooling tower fan cells must be capable of being taken out of service without shutting down the remainder of the cooling tower (isolation of air and water to individual cells)
- the cooling tower and maintenance area must fit within the area currently occupied by the clarifier pond and adjacent roads. The adjacent roads will become part of the maintenance pad around the new cooling tower.
- fans will be monitored and normally controlled from the control room,
- fan local operation will available for fan testing,
- local and remote control room monitoring instrumentation will provide operating status, fan current, fan vibration, bearing temperature, motor temperature,
- fan local instrumentation will have operating status motor & fan oil level,

- local and remote control room instrumentation for equipment controls will provide operating functions for the cooling tower pumps, fans, and valves,
- the cooling tower will be supplied with visual observation ports to observe the cooling tower fans,
- the cooling tower and basin must be designed to provide easy access for cleaning of marine life from the basin and cooling tower structural members,
- cooling tower riser isolation valves will have 480 volt motor operators. The valves will normally be remotely controlled but, will be capable of local and manual operation,
- the cooling tower will have a walkway through the air inlet sector that allows personnel access to the cooling towers inter ring header area from grade level,
- the cooling tower will have a permanent personnel walkway access to the spray nozzles for maintenance and inspection,
- the cooling tower will have personnel access to one of the cooling tower cells for thermal performance monitoring,
- the cooling tower will have an internal ring header to direct water to the cooling tower risers. The supply piping & ring header will be supplied by another contractor. Design details of the risers are provided as part of this task. The risers installation is part of this task.

Not Used

Task 6a Design the EPU Cooling Tower's Basin and Surrounding Laydown Area (Clarifier Pond Location)

The Contractor will complete the cooling tower basin scope as follows:

- Complete tasks 1 through 4 for the affected sections, related to this task.
- Subsurface Investigation - All soil investigation work shall be the responsibility of the Contractor
 - Borings in soil, recovery of samples, tests on samples, or other soil investigations and exploratory procedures shall be performed as necessary for the design and construction of the EPU cooling tower foundations.
 - The number and size of soil samples, the methods of obtaining samples, and the field and laboratory tests and records for determining and recording the soil data shall be those that are usual and customary in the field of foundation engineering and are necessary and appropriate for the safe design of the foundations. As a minimum, the soil parameters that affect the stiffness and lateral load capacity of the deep foundation components shall be determined and strength and settlement parameters shall be determined for the design of foundations on soil.
- Cooling Tower Site Preparation

- Contractor shall prepare the cooling tower site, providing backfill, excavation, grading and compaction as required to stabilize the sites.

Basin Outlet Structure -

- The cooling tower cold water basin shall be a watertight structure. The height of the cooling tower basin and outlet structure curb shall be sufficient to prevent splash-over during normal operation. Water stops shall be installed at all construction and expansion joints to prevent leaks. Contractor shall have a geotechnical survey performed to establish foundation requirements.
- The cold water basin shall be designed for control of cracking. The average calculated crack width under service conditions shall not exceed 0.013 inch. The average crack width shall be computed from:

$$W = 0.076 R f_s \sqrt[3]{d_c A}$$

where:

W = The average crack width in units of 0.0001 inch

R = Ratio of distances to the neutral axis from the extreme tension fiber and from the centroid of the tension reinforcement

f_s = Calculated stress in the reinforcement at service, ksi
(including temperature and shrinkage loads)

d_c = Thickness of concrete cover measured from the extreme tension fiber to the center of the bar located closest thereto which is perpendicular to the crack

A = $2d_c$ times the spacing of the reinforcement

Basin Foundation –

- The foundations for the EPU cooling tower shall be completely suitable for the structure, the loads, the subsurface conditions and the service.
- Foundation settlements shall be investigated and their effects provided for in the structural design and in the construction details.
- If piling is to be used for the basin, fill, and water distribution system foundations, at least one satisfactory load test shall be made for each size pile at each tower location.

Construction Guidance

- Forms shall conform to the lines and dimensions called for on approved Contractor's drawings. They shall be substantially and properly braced and supported so as to maintain their position during thorough compaction of the

- concrete with internal vibrators and shall be sufficiently tight to prevent leakage of water.
- No construction load shall be supported upon, nor any shoring removed from, any part of the structure under construction until that portion of the structure has attained sufficient strength to adequately support its weight and the loads placed thereon.
 - Forms shall be removed and reset in such a way as to avoid damage to the concrete and to avoid disturbing reinforcement projecting above any concrete section to such an extent as to break the bond between this reinforcement and the recently placed concrete.
 - Forms shall be designed to permit uniform spacing of horizontal and vertical joints where practical.
 - Forms for exposed surfaces shall be such as to provide a smooth plane concrete surface equivalent to rough or board form finish as specified in Section 10.2 of ACI 301.
 - gravity return of cooled water to the Discharge Canal,
 - cooling tower basin allows for easy access and maintenance for marine growth removal
 - relocate electric utility as necessary to provide for safe construction and maintenance, Owner will provide direction for new routing,
 - the maintenance area has a minimum of 40' width surrounding the cooling tower basin to the edge of the paved maintenance area,
 - the maintenance area will provide for traffic around the cooling tower when maintenance is not being performed,
 - a retention wall will be designed to maintain the necessary separation from the percolation pond and the cooling tower area however the wall will allow for the necessary over flow from the percolation pond,
 - the percolation over flow will be directed around the cooling tower basin to the Discharge Canal, Task 8a will direct the water from the cooling tower basin to the discharge structure,
 - the Contractor will include a storm water run-off design that maintains the existing storm water collection basin (east of the cooling tower) operational. The storm water will be collected and pumped to the percolation pond system,
 - the cooling tower basin will include pipe support saddles for a water supply ring header to be supplied and installed by the cooling tower Contractor, the support saddles will be constructed on a concreted pad within the cooling tower basin.

Not Used

Task 7a Design Intake Structure and Related Systems (Clarifier Pond Location)

The Contractor must use the conceptual design information in the DCM & complete the design of the intake structure and related equipment and systems for the cooling tower. The following is a summary of the intake structure design requirements:

- Complete tasks 1 through 4 for the affected sections, related to this task.
- The intake structure will be located on the discharge canal just north of the cooling tower,
- This task will develop procurement specifications (many draft specifications are drafted and need to be completed/updated) for all the material required to support this task.
- Defined as the intake structure on the Discharge Canal and the piping (with valves, expansion joints, restraints, and supports) between the intake structure and the cooling tower basin. This scope includes items listed below.
- The physical structures at the discharge canal,
- The maintenance and equipment handling equipment required off the cooling tower maintenance area (i.e. breaker handling removal, traveling screen removal, pump maintenance & isolation).
- The piping fill & priming system,
- The AC electrical system from the CREC substation to the electrical transformers, through the electrical distribution panels, and to the equipment or to the first electrical panel off the cooling tower maintenance area (including ETAP analysis),
- The DC electrical system,
- The instrumentation monitoring & controls system from the equipment or the first instrumentation panel off the cooling tower maintenance area, back to the local and remote control rooms,
- The local area lighting,
- Service water system,
- Compressed air system,
- the intake structure will have dual flow traveling screens to filter the water, one traveling screen for each lift pump, the traveling screen will have:
 - through screen velocity of < 0.5 feet per second flow at mean tide level,
 - Local and remote control room operation functions (primary operation will be from the remote operating console),

- Control room instrumentation that indicates operating status, operating current, lift pump intake temperature, and differential screen pressure,
- Local instrumentation that includes operating status, operating current, and differential screen pressure, and visual observation window to view the traveling screen surface. (see DCM for additional requirements),
- the intake structure will have a dual flow traveling screen wash system,
 - the screen wash system will be operated remotely with the capability of local operation,
 - the screen wash system will have appropriate wash material handling equipment, return piping, baskets and containers,
 - screen wash system instrumentation will include pump operation status & spray header pressure,
- the intake structure will have lift pumps (the number and size to be calculated by the cooling tower Contractor), the lift pumps will:
 - normally operate 3 to 4 pumps that have the capacity to provide the total amount of cooling tower flow,
 - have excess lift pump capability that can supply 100% backup capacity of normally operating lift pumps,
 - be normally operated from the control room but have remote operation capability for testing,
 - Configured with instrumentation to remotely monitor bearing temperatures, motor temperature, motor current, and pump flow.
- The Contractor's intake structure design will have a weather enclosed and climate controlled housing for transformers & electrical switchgear and distribution panels, the enclosure will have breaker handling equipment, adequate lighting and room to properly maintain the switchgear. The height of the electrical equipment will be above the storm surge level or otherwise protected.
- The design for this task will include all the electrical equipment procurement specifications, installation details, electrical single line drawings, schematics, and other design documents needed to power all the equipment installed for the cooling tower, intake structure equipment and related system systems.
- The Contractor's design will also include piping, pipe supports, and restraints between the cooling tower and the intake structure.
- The water supply to the cooling tower will terminate internal to the cooling tower basin with flanged connections designed to attach to the cooling tower ring header.

Not Used

Task 8a Design Discharge Structure and Related Systems (Clarifier Pond Location)

The Contractor must use the conceptual design information in the DCM & complete the design of the Discharge Structure for the cooling tower. The following is a summary of the Discharge Structure design tasks and requirements:

- Complete tasks 1 through 4 for the affected sections, related to this task.
- The design Contractor will develop a design and cost estimate for piping and supports from the cooling tower basin to the discharge canal structure located west of the Helper cooling tower intake structure.
- The Contractor's discharge structure design will return flow in such a manner that the water will not be entrained with the HCT intake water,
- this design will include the piping, valves, and supports for piping returning water to the discharge canal, the design will be such that the construction and final installation will not interfere with site traffic.
- The design must be to return the water such that the water will not erode the canal bank at the local point of discharge or further along the canal flow path.
- The design will include incorporation of flow from the percolation pond over flow from the cooling tower basin to the discharge structure.
- The design for this task includes development of a system to help predict the POD temperature as an operator aid.

Not Used

Not Used

Task 10a Design Software & Hardware to Interface with Existing DCS (Clarifier Pond Location)

The Contractor will develop software and hardware as necessary to allow local and remote monitoring and control of the new equipment installed by this Project.

- Complete tasks 1 through 4 for the affected sections, related to this task,
- To the extent possible the software and equipment should be off the shelf material,
- The monitoring and control display should look and have the same type of control feel as the existing equipment,
- The control system will be for all the newly installed equipment and systems

Not Used

Special Requirements

The Discharge Canal cooling equipment being designed and constructed for this effort will be in a harsh salty environment. The materials of construction must be corrosion resistant in

this environment. For example; exposed metal will be monel or 316 stainless steel, & rebar will be coated steel. Other exposed material will be UV protected pultruded composite FRP or equivalent. Electrical distribution equipment should be protected by placing it in an environmentally controlled facility.

The Contractor will identify potential vendors for procurements. The Contractor will identify all the material handling equipment and equipment short term storage requirements.

Organizational Interfaces

The Contractor shall interface with various Owner organizations through the Owner Designated Representative (or designee) as identified in the organization chart and work process plan.

The Contractor will complete the engineering design and provide specific instruction to tie-in new equipment and systems to existing CREC systems. The Contractor will also develop test instructions for component functional testing, startup testing, and performance testing.

Owner Furnished Materials and Equipment

The following materials and equipment will be furnished by Owner at no cost to the Contractor:

Owner has obtained subsurface characterization and geotechnical testing of the proposed cooling tower location. This information will be provided to the Contractor.

The Contractor is responsible for verification that all procurement specifications are adequate and that they will obtain the correct equipment needed for the project. The Contractor's verification of procurement specifications will be completed during the first 4 months of the engineering phase.

Site Conditions and Known Hazards

The Crystal River Energy Complex (CREC) is an industrial facility with continuing operations other than this project. Potential Hazards associated with this Project are as follows:

- The work area is within a security area. Un-escorted access to the work area requires facility specific training and an authorization badge.
- There are several other projects and operations that will have activities continuing in parallel with this project. Due to the number of site activities the traffic on the CREC facility and nearby areas will make traffic to and from the work area a hazard.

TECHNICAL REQUIREMENTS AND ACCEPTANCE CRITERIA

The Work to be completed as a part of this Contract is defined in Section 3 of this document and in the Design Criteria Manual. The Design Criteria Manual (DCM) will contain the design requirements that are to be used as the project's final design documentation. The design documents will contain construction implementation requirements and standards. Equipment and component specific requirements have been rolled into the drafted procurement specifications attached to the DCM. The DCM will be expanded by the Contractor, during the final design work, to become the design basis document for the

Project. The documents generated for and contained within the DCM will become the Project's construction documents.

The scope of the DCM covers all the design elements of the project. The DCM will be expanded from the design basis requirements during the final design and will house all the procurement specifications, engineering calculations, and drawings for the project.

The design criteria manual is divided into 8 design sections and three major Attachment sections as described below:

- Section 1 – Introduction and Plant Description
- Section 2 – General Design Criteria
- Section 3 – Architectural, Civil, and Structural Design Criteria
- Section 4 – Electrical Design Criteria
- Section 5 – Instrumentation and Controls Design Criteria
- Section 6 – Mechanical Design Criteria
- Section 7 – Plant Design Criteria
- Section 8 – Environmental Design Criteria
- Attachment 1 – Procurement Specifications and design calculations
- Attachment 2 – Project Drawings
- Attachment 3 – Construction Guidelines and test procedures

Design Interfaces

The design will potentially interface with the following CREC site systems and additional Project personnel:

- Electrical substation
- Electrical building and switchgear at the HCTs.
- Unit 1 Control Room DCS and DCS remote consoles in CRS Main Control Room and existing HCT control room,
- Waste water piping from Unit 1, 2, & 3.
- Potable water system
- Electrical distribution (4.16 KV, 480 V, & 120V, etc.) local to the work facilities
- Telephone distribution system
- The design implementation will require obtaining CREC Operations personnel input.

The design requirements are well defined in the Design Criteria Manual with the exception of the following.

- Equipment monitoring, controls, and display functions. The Contractor will work with Owner's personnel in developing the hardware and software to communicate

and interface with the existing Distributed Control System (DCS). The new indication and controls must look and operate similar to the existing control room equipment.

- Additional electrical power will be distributed from the onsite electrical substation. The specific design of the modifications will require close work with the Progress Energy Florida (Owner) Transmission Group. The Owner Transmission Group will design and modify the substation equipment. The Contractor's designed equipment will tie into the substation provided disconnect. Owner Transmission will make the final tie-in at the CREC substation. The Contractor will re-do the ETAP analysis as part of the final design.
- Another design and construction interface is with PMI Ash. PMI Ash loads ash from the southeast tank and transports the ash to another location. A transportation route will need to be maintained open by the Contractor during the construction of the cooling tower. The design for the cooling tower basin and cooling tower must make provisions to maintain PMI Ash transportation capabilities.
- The access around the construction site will also be used by other CREC operations for;
 - Security Patrols,
 - Access to percolation ponds,
 - Access to maritime transportation security administration offices,
 - And others.

Codes and Standards

Unless specified otherwise, the current edition or revision of the code in effect on the date of award shall be used. Applicable codes and standards have been identified in the DCM and draft specifications.

Specifications

Specifications for several of the long lead items were drafted during the conceptual design phase of the project. The Contractor is responsible for validation of the specifications as an early part of this work (within 4 months of NTP). The long lead items will then be procured in parallel with completing the final design.

The draft specifications are located in the DCM. New and revised specifications are to be maintained as part of the DCM by the Contractor.

Drawings

The drawings included in the DCM are hereby incorporated into, and made a part of this Contract. The drawings will be revised as necessary to reflect the final design. New drawings shall be made part of the DCM by the Contractor. Site drawing will be updated by the Contractor to indicate the new installations and equipment modifications.

- A. Bidder shall submit with his bid general arrangement drawings; descriptive information covering the design and site layout of the EPU cooling tower, inlet header

pipng, cold water outlet connections, and ancillary equipment; and an equipment list including manufacturer and model numbers.

- B. After Contract award, Contractor shall submit five copies of each drawing and associated installation and removal instructions to Owner. Drawings and installation / removal instructions submitted to Owner shall be of a quality such that they will be capable of yielding hard copy reproductions with every line, character, and letter clearly legible and useable for further reproduction. Copies of the electronic files for all CAD drawings shall be submitted in AutoCAD Version 2006. Electronic copies of all project drawings shall be submitted to Owner.
- C. All submittals of drawings and installation instructions shall include identifying information such as the Specific Plant Name, Specification number, drawing subject, and drawing number / revision, and the intended use, i.e. "For Construction" or "For Comments", or "For Reference", etc. The intended use shall also be specified on the transmittal letter.
- D. All design drawings and data shall be submitted to Owner for review. Drawings and data submitted for review shall be complete in all respects and thoroughly checked by the Contractor. Drawings that are reviewed by Owner will be returned, properly noted with respect to their status for fabrication / construction; comments shall be incorporated and drawings and data shall be resubmitted to Owner.
- E. All design drawings shall be stamped by a Professional Engineer registered in the State of Florida or by a Structural Engineer licensed in the State of Florida as appropriate.
- F. All drawings prepared by the Contractor for this project shall become the property of Owner.
- G. All drawings shall follow Owner's numbering scheme.
- H. All equipment, pipes, valves, junction boxes shown on the drawings shall be labeled on the drawings with identification numbers supplied by Owner.
- I. Drawings shall depict information appropriate to its division:
 - 1. Mechanical (including general arrangement, schematic, and physical drawings)
 - 2. Electrical / Instrumentation / Controls (including schematics, logic diagrams and physical drawings, P & ID)
 - 3. Civil / Structural
- J. An original copy of all calculations needed for completion of the design shall be submitted to Owner for review. Any comments from Owner shall be resolved by the Contractor prior to final acceptance by Owner.
- K. Vendor manuals for all supplied equipment shall be submitted to Owner "For Record". Five copies shall be submitted. Vendor manuals shall include a list of recommended preventive maintenance practices and a list of spare parts for the EPU cooling tower.

Exhibits

The Project's Phase 1 Alternatives analysis and related information will be made available to the Contractor as requested.

The Project's Phase 2 Conceptual Design Report and related information are available with this Contract.

Electrical Safety Requirements

1. All electrical equipment and industrial control panels delivered or brought onto the site in performance of this contract must be labeled by an OSHA approved nationally recognized testing laboratory (NRTL).
2. All electrical equipment installed as part of this contract must comply with the National Electric Code (NEC), NFPA 70 and where applicable ANSI C2 (NEC). The Buyer reserves the right to inspect electrical equipment and installations. Contractor is responsible for notifying Owner when installations are available for inspection.
3. Electric motors shall be labeled to be in accordance with NEMA MG-1 or listed by an OSHA approved NRTL.
4. Electrical equipment and devices for which there is a NRTL listing category must be Listed or Labeled by UL or another OSHA approved NRTL.
 - a. The Canadian Standard Association (CSA) is not a recognized OSHA approved NRTL marking unless the label includes "US" or "NRTL".
 - b. The European Union CE Markings Directive 93/68EEC is not a recognized OSHA approved NRTL marking.
 - c. The International Electrotechnical Commission (IEC), IEC Standard 60529 for enclosures (IPxx), is not recognized as an acceptable OSHA approved NRTL label.

Electrical equipment for which there is no listing category must be evaluated or tested using a method submitted to and approved by Owner prior to delivery of the equipment.

Electrical equipment is also subject to the "Counterfeit Suspect Item Program."

Hoisting and Rigging Requirements

The Contractor will identify any special hoist or rigging requirements associated with the designed equipment.

Fire Prevention Requirements

No fire prevention system is expected to be required however; the final design will determine the need for fire prevention systems.

Acceptance Criteria

The DCM identifies the engineering and design functions that will need to be completed as a part of the work for this Contract. In addition, the final design, as required by the DCM, will conclude with providing a statement of Construction instructions. The final design documents (including: procurement specifications, Project drawings, and construction instructions) will be used by the Contractor to install the necessary Discharge Canal cooling equipment and support systems.

1.1.1 Acceptance Criteria for Task 1 - Update & Maintain the DCM as the engineering design & procurement specification generation is completed.

- The Contractor will provide a Design Construction Manual that contains a design basis section that:
 - A. Identifies the systems to be installed by the project,
 - B. Identifies the major components and equipment to be installed by this Project,
 - C. Provides the system requirements for each of the systems installed for the project,
 - D. Clearly identify the component design requirements for all the components installed for this Project.
 - E. The DCM will reflect the final design & as built conditions of the modified & newly constructed equipment & systems.

1.1.2 Acceptance Criteria for Task 2 -- Procurement Specifications & Design Calculations

The Contractor will update the cooling tower specifications and update the other specifications as necessary. The specification will then be provided to Owner with proposed vendors as part of this effort. The acceptance criterion for this work is the development of specifications and support calculations that contain the correct design requirements for the equipment and systems.

1.1.3 Acceptance Criteria for Task 3 – Project Drawings

The Contractor will update the cooling tower drawings and generate new drawings as necessary to support the installation of the Project's equipment and systems. The drawings must be in enough detail to complete the construction as detailed in other sections of this document.

1.1.4 Acceptance Criteria for Task 4 – Construction Guidelines & Test Procedures

The Contractor will provide support information to clarify construction requirements. The Contractor will develop startup, functional testing, and performance test procedures to safely place the constructed equipment & systems into service. The Performance testing is to be completed by a third party.

1.1.5 Acceptance Criteria for Task 5a - The Contractor must use the conceptual design information in the DCM & related specification to complete the design and

construction of a cooling tower that meets the design requirements provided in the DCM & section 3 of this document. The cooling tower must meet the performance requirements identified in Specification S2a as appropriate.

1.1.6 Not Used

1.1.7 Acceptance Criteria for Task 6a – The Contractor must use the conceptual design information in the DCM & Related specification to complete the design and related procurement specifications for the cooling tower basin on which the cooling tower is built and laydown/maintenance area around the cooling tower that meets all the requirements of section 3.0 of this document

- The cooling tower basin adequately supports and matches up with the cooling tower structure,
- The cooling tower basin has the capability to direct both cooling tower basin and percolation pond over flow to the Discharge Canal,
- The cooling tower basin & percolation pond over flow gravity drain into the Discharge Canal,
- The cooling tower basin allows for easy access and maintenance for marine growth removal,
- The maintenance area surrounding the cooling tower is 40' wide,
- The maintenance area will provide for traffic around the cooling tower when maintenance is not being performed.
- The design incorporates collection and handling of the storm water run-off from the area during construction and operation.

1.1.8 Acceptance Criteria for Task 7a - The acceptance criteria for this task is to design an intake structure that meets all the requirements of section 4.0, the DCM procurement specification, and:

- the intake structure will be located on the discharge canal just north of the cooling tower,
- the intake structure will have dual flow traveling screens to filter the water, one traveling screen for each lift pump, the traveling screen will have:
 - through screen velocity of < .5 feet per second flow at mean tide level,
 - Local and remote control room operation functions (primary operation will be from the remote operating console), in the CRS Main Control Room,

- Control room instrumentation that indicates operating status and differential screen pressure,
- Local instrumentation that includes operating status, operating current, and differential screen pressure, and visual observation window to view the traveling screen surface. (see DCM for additional requirements),
- the intake structure will have a dual flow traveling screen wash system,
 - the screen wash system will be operated remotely with the capability of local operation,
 - the screen wash system will have appropriate wash material handling equipment, and an appropriate wash water return configuration,
 - screen wash system instrumentation will include pump operation status & spray header pressure,
- the intake structure will have 3 lift pumps, the lift pumps will:
 - normally operate two pumps that have the capacity to provide the total amount of cooling towers flow,
 - have one lift pump that can supply 100% backup capacity of one lift pump,
 - one pump will have the capacity to recirculate the maximum amount of cooling water, 150,000 gpm,
 - be normally operated from the control room but have remote operation capability for testing,
 - Configured with instrumentation to remotely monitor bearing temperatures, motor temperature, motor current, and pump flow.
- the intake structure will have a weather enclosed and climate controlled housing for transformers & electrical switchgear and distribution panels, the enclosure will have breaker handling equipment, adequate lighting and room to properly maintain the switchgear.

1.1.9 Acceptance Criteria for Task 8a - The acceptance criteria for this task is to design a discharge structure that meet all the requirements of section 4.0, the DCM procurement specification, and:

- the discharge structure will be on the south side of the Discharge Canal
 - return flow is to be directed such that the water will not be entrained with the HCT intake water
- The structure must be designed to return the water such that the water will not erode the canal at the point of discharge

Not Used

1.1.10 Acceptance Criteria for Task 10 - The acceptance criteria for this task is to provide procurement specifications for all the required material and develop a delivery schedule that coordinates the material deliveries such that there is no impact on the construction schedule or other CREC activities.

Not Used

PERSONNEL REQUIREMENTS

Training and Qualification

1.1.11 Contractor shall ensure that the Contractor's personnel meet and maintain the appropriate training, qualification and certification requirements. CREC site-specific training requirements to safely perform this work are identified below.

1.1.12 The following training is required:

- CREC general access training,
- Project specific indoctrination for safety and Project Management,
- Contractor job specific training (to be identified with the specialized tasks to be performed),
- Occupational Safety and Health Administration (OSHA) Training.

1.1.13 CREC required site training will be coordinated through the Designated Representative (DR). Advanced notice (48 hours) must be given the DR to arrange this training. Required OSHA, and Job Specific Training shall be provided by the Contractor.

1.1.14 The required training shall be completed prior to work.

1.1.15 The Contractor must meet the following minimum qualifications:

1. A professionally licensed engineer in the State of Florida is required to approve *all of the final design documents to be used for construction.*
2. Experience in the areas of general and cooling tower construction. The Contractor will have > 15 years experience with work on similar type, size, and scope projects.
3. The Contractor's Key personnel must be dedicated to this project and cannot be transferred without Owner's DR approval. The following are considered Key Contractor personnel.
 - The Contractor's Project Manager must have > 10 years experience managing work on similar type, size, and scope of projects.
 - The Contractor's Engineering Manager must have > 7 years experience managing work on similar type, size, and scope of projects.

Security and Badging Requirements

- A. The Contractor shall obtain at the Contractor's expense, facility clearance and security badges for employees prior to obtaining access to the job site.
- B. Contractor employees will be required to: submit to vehicle searches, obtain tool and equipment permits prior to entering and leaving restricted areas, and to maintain hard hat markings.
- C. A minimum of 2 days advance notice is needed for visitor badging. CREC badges will be processed for those needing continuous access to the site. Processing for the site access badge is approximately 2 weeks.

Site Access and CREC Work Hours

- A. Work will be done on an 8-9's schedule. The standard work day shall consist of nine (9) hours of work between 7:00 AM and 4:30 PM, with one-half hour designated as an unpaid period for lunch, which may be taken between the hours of 11:00 AM and 1:30 PM, but not to exceed five (5) hours from the start of the shift. An eight (8) hour work day is substituted on alternate working Fridays, and no work occurs on the alternate non-working Friday.
- B. The Contractor will have access to the job site from notice to proceed through August 30, 2009.

ENVIRONMENTAL, SAFETY, HEALTH, AND QUALITY REQUIREMENTS

The Contractor shall perform work safely, in a manner that ensures adequate protection for employees, the public, and the environment, and shall be accountable for the safe performance of work. The Contractor shall comply with, and assist the Buyer in complying with Environmental, Safety, Health, and Quality (ESH&Q) requirements of all applicable laws, regulations and directives.

The Contractor shall flow down ESH&Q requirements to the lowest tier subcontractor performing work on the CREC site commensurate with the risk and complexity of the work.

The Contractor shall evaluate Subcontractors in accordance with Owner procedure SAF-SUBS-00041 or similar process approved by Owner

Integrated Environment, Safety and Health Management System (ISMS)

The Contractor shall exercise a degree of care commensurate with the work and the associated hazards. The Contractor shall ensure that management of ES&H functions and activities is an integral and visible part of the Contractor's work planning and execution processes. As a minimum, the Contractor shall:

- Thoroughly review the defined scope of work;
- Identify hazards and ES&H requirements;
- Analyze hazards and implement controls;
- Perform work within controls; and

- Provide feedback on adequacy of controls and continue to improve safety management.
- Continue pre-job safety evaluations and implement adequate controls for new hazards as they are identified.

The Contractor shall address how the five bulleted items above will be implemented in the Contractor's Project Specific Health & Safety Plan (PHASP).

Environmental Requirements

- 1.1.16** Environmental responsibility is a core value of Owner. We are committed to excellence in our environmental practices and performance. The company acknowledges our responsibility to be a good steward of the natural resources entrusted to our care while providing affordable and reliable energy to our customers. Environmental factors will be an integral part of planning, design, construction and operational decisions.
- 1.1.17** In accordance with this policy the Contractor shall prepare an Environmental Execution Plan which describes how the Contractor will comply with Owner's core value of environmental responsibility. The plan must identify the organizational structure responsible for implementation of the plan; how the plan is to be administered; how environmental information and reporting to Owner will be handled; how worker awareness and environmental training will be implemented; and what additional documents and/or plans will be attached to or referenced by the plan. Examples of these additional documents include but are not limited to: Spill Prevention Control and Countermeasures (SPCC) Plan, Storm Water Pollution Prevention Plan (SWPPP), Waste Management Plan (for hazardous, industrial, and special wastes), and a chemical and petroleum product storage and inventory plan.
- 1.1.18** Contractor is strongly encouraged to incorporate Pollution Prevention practices in the selection of all chemical products required for the project. The contractor must obtain pre-approval for all chemicals brought on site in accordance with the Nuclear Generation procedure CHE-NGGC-0045, Chemical Control Program. The chemical approval process must start as soon as possible and the Contractor should keep in mind that a week approval process may be needed for typical evaluations.
- 1.1.19** Any RCRA hazardous waste created as the result of project activity become the responsibility of the site. The contractor will be responsible for properly containerizing, identifying, and labeling such waste in accordance with RCRA regulatory requirements. Through proper adherence to pollution prevention practices and chemical control procedures the generation of hazardous waste should be greatly minimized or eliminated. It is Owner's expectation that the Contractor will identify and estimate the quantity of hazardous waste anticipated to be generated during the duration of the Project. Records of all hazardous and special waste (e.g., used oil) activities shall be maintained and provided to Owner at least monthly, and/or as requested.
- 1.1.20** Owner is responsible for obtaining all environmental regulatory permits necessary for construction of the project including: PSD Construction permit, Environmental Resource Permit, Florida NPDES storm water permit for construction activity, and Florida Industrial Wastewater NPDES discharge permit. The Contractor is responsible

to provide the necessary engineering to support submittal of the permits in a timely manner that supports the Project's schedule.

- 1.1.21** The Contractor must incorporate the requirements of the Crystal River Site Manatee Protection Plan into any "in-water" work conducted in the site discharge canal. The protection is for work completed during the period November 15 through March 31.

Safety Requirements

A. The Contractor is required to submit a Project Specific Health & Safety Plan that identifies the potential hazards that may be encountered in completing this work scope. The PHASP procedures and processes will address the Owner procedures were applicable. For example the Contractor's Lock Out/ Tag Out process must be consistent with Owner requirements. The Contractor will revise the PHASP as necessary to include new hazards when they are identified. As applicable, the following topics will be covered in the PSHASP and comply with applicable OSHA standards.

- a. INTRODUCTION AND TABLE OF CONTENTS
- b. GLOSSARY
- c. PROGRAM GENERAL REQUIREMENTS
- d. RESPONSIBILITY, AUTHORITY, AND ACCOUNTABILITY
- e. SAFETY RELATED DISCIPLINE
- f. TRAVEL SAFETY
- g. OFFICE SAFETY
- h. EMERGENCY PREPAREDNESS
- i. SAFETY AND HEALTH COMPLIANCE INSPECTION AND MANAGEMENT WALKTHROUGHS
- j. ACCIDENT PREVENTION TRAINING AND EDUCATION
- k. PREJOB SAFETY PLANNING
- l. DRUG-FREE WORKPLACE/FITNESS-FOR-DUTY PROGRAM
- m. EVENT INVESTIGATING AND REPORTING
- n. CLASSIFYING AND RECORDING INJURY/ILLNESS
- o. WORK HOUR CONTROL/WORKING ALONE
- p. WORK RELEASE CONTROL
- q. PERSONAL PROTECTIVE EQUIPMENT
- r. FALL PROTECTION
- s. HAZARDOUS MATERIALS AND FLAMMABLE / COMBUSTIBLE LIQUIDS
- t. FIRE PREVENTION AND PROTECTION
- u. HOUSEKEEPING
- v. MOTORIZED EQUIPMENT PREOPERATIONAL AND PERIODIC INSPECTION
- w. HOISTING AND RIGGING
- x. ELEVATING WORK PLATFORMS AND AERIAL LIFTS

- y. SIGNS, SIGNALS, AND BARRIERS
- z. SAFETY SHOWERS AND EYEWASHES
- aa. PORTABLE LADDERS
- bb. SCAFFOLDS
- cc. COMPRESSED GAS OPERATIONS
- dd. MATERIAL HANDLING AND STORAGE
- ee. MACHINERY AND MACHINE GUARDING
- ff. HAND AND PORTABLE POWER TOOLS
- gg. WELDING SAFETY
- hh. CONTROLLING HOT WORK
- ii. ELECTRICAL WORK SAFETY
- jj. ELECTRICAL INSTALLATION SAFETY
- kk. EXCAVATION, TRENCHING, AND SHORING
- ll. CONCRETE AND MASONRY CONSTRUCTION
- mm. DEMOLITION
- nn. SAFETY COLOR CODING FOR MARKING PHYSICAL HAZARDS
- oo. LOCKOUT/TAGOUT PROGRAM
- pp. CONTROLLING ORGANIZATION'S CONTROL OF HAZARDOUS ENERGY
- qq. STEEL ERECTION
- rr. CONSTRUCTION AND MAINTENANCE EATING AND SANITARY FACILITIES
- ss. WORKSITE FIRST AID
- tt. FLUSHING AND PRESSURE TESTING
- uu. INDUSTRIAL HYGIENE PROGRAM REQUIREMENTS
- vv. HEARING PROTECTION
- ww. HEAT STRESS PROGRAM
- xx. LEAD CONTROL
- yy. OCCUPATIONAL MEDICAL PROGRAM
- zz. HAZARD COMMUNICATION
- aaa. RESPIRATORY PROTECTION
- bbb. INFECTIOUS DISEASE (BLOODBORNE PATHOGENS)
- ccc. CONFINED SPACE ENTRY

ddd. OCCUPATIONAL ERGONOMICS

- B. The Contractor's PSHASP must be approved by Owner prior to starting the work covered by that practice.
- C. Chemical Management. If hazardous materials and/or chemicals (such as cements, grouts, lubricants, glues, adhesives, explosives, paints, solvents, cleaners and temporary fuel storage containers) will be brought on-site by the contractor in the performance of the work, these items will need to be tracked through the Owner Chemical Management Program using Attachment 2 of CHE-NGGC-0045, NGG – Chemical Control Program.
- D. If the Contractor has more than one employee working on site in performance of this contract, the Contractor will identify a member of its staff as its "Designated Safety Representative." This individual must have the authority, responsibility and knowledge to identify and correct any unforeseen hazardous or unsafe conditions, acts or instances of noncompliance.

Quality Assurance and Control

- A. Contractor shall be responsible for performing quality workmanship and shall conduct the quality control measures necessary to ensure work conforms to drawings and specifications.
- B. Plans, procedures, and engineering documentation shall be controlled in accordance with the Contractor's and Lower-tier Subcontractor's Quality Assurance Program which may be reviewed by Owner.
- C. Third party as referred in this document shall be a lower-tier subcontractor qualified per ASTM E-329, Agencies Engaged in the Testing and / or Inspection of Materials Used in Construction.
- D. Owner reserves the right to make inspections at any time at the source of supply of materials.
- E. All items and processes are subject to review, inspection or surveillance by Owner at the contractor's facility, or any lower-tier subcontractor's facility.
- F. Equipment requiring calibration shall be periodically calibrated to assure reliable results.
- G. Contractor shall be responsible for the performance of all inspection and testing activities as specified in the Contractor's submittal "Quality Assurance Inspection Plan," provided to Owner for approval within 30 days of contract award.

Quality Assurance/Inspection Requirements

- A. Quality Assurance Program Submittal and Pre-Award Survey

The Contractor shall submit the quality assurance program requirements that are applicable to the implementation of the designed work. These requirements shall be in a format that can be included in the construction contract for this work. If the Contractor's manual has been previously approved by the Buyer, the manual shall be updated to make it current and resubmitted to Owner with the proposal. If the manual has not changed since its previous approval by Owner, a statement to this effect shall be submitted with the proposal. Owner shall evaluate the Contractor's Quality Assurance program prior to

contract award. This evaluation may include a survey of quality program implementation at the Contractor's facilities. If a program change is required, it will be identified to the Contractor prior to contract award. A deficient or inadequate program may be used as the basis to deny award of this contract.

The selected Engineering Contractor will identify the necessary level of quality control during the engineering design process and state QA/QC requirements on the applicable design and procurement documents. The following requirements will apply as identified during the engineering design process.

B. Supplier Quality Program Evaluation

When subcontracting any portion of this Purchase Order/Contract Order, the Supplier is required to invoke the applicable quality assurance program requirements on the subcontractor.

Owner reserves the right to verify the quality of work at the Supplier's facility, including any subcontractor's facility. Access to a subcontractor's facility shall be requested through the Supplier and verification may be performed jointly with the Supplier.

The Supplier shall, during the performance of this Purchase Order/Contract Order, submit proposed changes to the quality assurance program to the Contractor & Owner for review prior to implementation.

C. Nonconformance Documentation and Reporting

All nonconformances identified at the Supplier's facility with a proposed disposition of "Accept" or "Repair" shall be approved by the Buyer before any corrective action is taken by the Supplier on the nonconformance.

Accept: A disposition that a nonconforming item will satisfactorily perform its intended function without repair or rework.

Repair: A disposition requiring the processing of a nonconforming item so that its characteristics meet the requirements listed in the disposition statement of the nonconformance report.

Nonconformance shall be documented by the Supplier on the Supplier's nonconformance form or on an Engineering Procurement Waiver, which is provided by the Buyer. After documenting the nonconformance, disposition and technical justification, the form/waiver shall be forwarded to the Buyer.

After the recommended disposition has been evaluated by the Contractor & Owner, the form/waiver shall be returned to the Supplier with a disposition of approval or rejection. The Supplier may take corrective action on the nonconformance only after the form/waiver is approved.

The approved Engineering Procurement Waiver or Supplier's nonconformance form shall be shipped with the affected item.

D. Certified Welds & Inspectors

The Contractor is required to identify the weld and weld inspection requirements for this design. The weld requirements will be included on the appropriate drawings and in the construction guidelines.

E. Identification of items with Part number/Model Number

The Contractor is required to provide procurement and construction requirements to verify material by part number. The requirements will be in the procurement specifications and construction guidelines. For example - All items shall be identified with the part number/model number. Identification shall be on the item or the package containing the item. When the identification is on the item, such marking shall not impair the service of the item or violate dimensional, chemical, or physical requirements.

F. Identification of Items with Product Data Sheet

The Contractor is required to provide procurement and construction requirements for the supplier to submit a legible copy of the product data sheet (e.g., drawing, catalog page, brochure) that provides adequate information to enable the Buyer to verify the form and function of the article procured. One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped. The requirements will be in the procurement specifications and construction guidelines.

G. Identification of Items

The Contractor is required to provide procurement and construction requirements for the items to be identified with the part number/model number. Identification shall be on the item or the package containing the item. When the identification is on the item, such marking shall not impair the service of the item or violate dimensional, chemical, or physical requirements. The requirements will be in the procurement specifications and construction guidelines.

The Supplier shall submit a legible copy of the product data sheet (e.g., drawing, catalog page, brochure) that provides adequate information to enable the Buyer to verify the form and function of the articles procured.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

H. Identification and Traceability of Items

Where necessary the requirements for material traceability will be incorporated into the procurement specifications and construction guidelines. For example: All items shall be identified with the part, heat, batch, or serial number and the Purchase Order and line item number. Identification shall be on the item or the package containing the item. Where identification is on the item, such markings shall not impair the service of the item or violate dimensional, chemical, or physical requirements.

I. Identification of Age Control Items

The requirements for identification of age control will be in the procurement specifications and construction guidelines. For example: The Supplier shall identify each item, assembly, package, container, or material, having limited shelf life, with the cure date or date of manufacture and the expiration date. The Supplier shall specify any storage temperatures, humidity and environmental conditions which should be maintained. Material shall NOT be furnished having less than 75 percent of total shelf life available at time of shipment.

J. Liquid Penetrant Material Certification

The requirements for liquid penetrant material certification will be in the procurement specifications and construction guidelines. For example: A certification of contaminant content shall be furnished for each batch number of penetrant, cleaner, developer, and emulsifier provided. The certification shall include the test results which meet the requirements of ASME Section V, Article 6, and the latest mandatory addenda or Purchase Order/Contract Order specified addenda. All materials and reports are subject to review and acceptance by the Buyer.

K. Certified Material Test Report

The requirements for certified material test reports will be in the procurement specifications and construction guidelines. For example: The Certified Material Test Report (CMTR) shall include actual results of all chemical analysis, tests, examinations, and treatments required by the material specification and this Purchase Order/Contract order. The CMTR shall be legible, reference applicable specification number and year of edition, and be traceable to the material furnished by heat or lot number. All reports are subject to review and acceptance by the Buyer.

The report(s) shall contain the Purchase Order/Contract Order number and a description of the item to which the report applies. The report shall be signed by an authorized representative of the Company.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

L. Inspection and Test Report

The requirements for inspection and test reports will be in the procurement specifications and construction guidelines. For example: The Supplier shall submit legible, reproducible copies of Inspection/Test Reports.

The report(s) shall include the following:

1. Identification of the applicable inspection and/or test procedure utilized.
2. Resulting data for all characteristics evaluated, as required by the governing inspection/test procedure.
3. Traceability to the item inspected/tested, (i.e., serial number, part number, lot number, etc.).

4. Signature of the Supplier's authorized representative or agency which performed the inspections/tests.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

M. Flame Test Report

The requirements for flame test reports will be in the applicable procurement specifications and construction guidelines. For example: A flame test report shall be submitted. The report shall include the following:

1. Test procedure identification.
2. Resulting data as required by IEEE-383.
3. Traceability to the material tested (i.e., batch number, heat number, lot number).
4. Signature of the authorized representative or agency performing the tests. Reports shall also reference the Purchase Order/Contract Order number.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

N. Calibration Report

The requirements for calibration reports will be in the procurement specifications and construction guidelines. For example: Certification stating the equipment furnished to the Purchase Order/Contract Order requirements has been calibrated utilizing standards whose calibration is traceable to the National Institute of Standards and Technology or other documented evidence must be submitted stating the basis of the calibration. In addition, the Supplier shall submit a report of actual calibration results. The report shall be identifiable to the acceptance criteria of the items submitted and shall meet Purchase Order/Contract Order requirements. The report shall contain the signature of the authorized representative of the agency verifying compliance.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

O. Certification of Calibration

The requirements for certification of calibration records will be in the procurement specifications and construction guidelines. For example: The Supplier shall submit legible, reproducible copies of Certificates of Calibration, which are traceable to the National Institute of Standards and Technology, for each article ordered. Each certificate shall be identified with:

1. The Buyer's Purchase Order/Contract Order number.
2. Identification of the article to which the certificate applies.
3. The standards used for calibration. Each calibration certificate shall be signed by the Supplier's representative that is responsible for the calibration to attest to its authenticity.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

P. Repair and Calibration Services

The requirements for calibration and repair will be in the procurement specifications and construction guidelines. For example: When repair and calibration services are required, the Supplier shall perform the repairs in accordance with the manufacturer's instructions. The report of calibration shall include:

1. Actual calibration or test data
2. The as-found data or condition
3. As-left data (after repair and calibration, before leaving the Lab) if different than the as-found data
4. The scope and description of repairs completed or attempted, if applicable.
5. The instrument identification or serial number

The report shall be signed by the Supplier's authorized representative.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

Q. Supplier Furnished Items

Suppliers shall obtain the items on this Purchase Order/Contract Order directly from the original manufacturer. The supplier shall provide legible and reproducible documentation, with the delivery, that provides objective evidence that the items were provided by the original manufacturer. These may include the Purchase Order/Contract Order to the original manufacturer, shipping documentation, or manufacturer invoice; each of which identifies the items obtained from the original manufacturer.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item(s) shipped.

R. Control of Graded Fasteners

The requirements for control of graded fasteners will be in the procurement specifications and construction guidelines. For example: The provisions stated below are the minimum requirements for high strength graded fasteners produced in compliance with national consensus standards (e.g., SAE, ASTM, ASME).

1. Fasteners shall exhibit grade marks and manufacturer's identification symbols (headmarks) as required in the specifications referenced in the Purchase Order/Contract Order.
2. Any fasteners supplied with headmarks matching those displayed on the attached Suspect/Counterfeit Fastener Headmark list, or facsimiles thereof, shall be deemed to be unacceptable under the terms of this Purchase Order/Contract Order.
3. When requested by the Buyer, the Supplier shall provide a legible and reproducible copy of the manufacturer's Certified Material Test Reports (CMTR). These CMTRs shall report the values of the actual chemical and physical tests performed on the represented fastener lot/material heat. Fastener packaging/labeling shall be traceable by lot number or other positive means to the CMTRs.

4. Fasteners shall be inspected to verify compliance with the Purchase Order/Contract Order requirements. Additionally, fasteners may also be subjected to destructive testing.
5. When requested by the Buyer, the Supplier shall provide a Certificate of Conformance which must certify conformance and traceability of supplied materials to the subject Purchase Order/Contract Order. The document must be legible and reproducible.

S. Procurement of Potentially Suspect or Counterfeit Items

The requirements for procurement of suspect or counterfeit items will be in the procurement specifications and construction guidelines. For example: Supplier shall warrant that "all items furnished under this Purchase Order/Contract Order are genuine (i.e., not counterfeit) and match the quality, test reports, markings and/or fitness for use required by the Purchase Order/Contract Order".

The statement shall be on supplier letterhead and signed by an authorized agent of the supplier.

T. Certificate of Conformance

The requirements for certificate of conformance will be in the applicable procurement specifications and construction guidelines. For example: The Supplier/Manufacturer shall provide a legible/reproducible Certification of Conformance. Supplier's/Manufacturer's authorized representative responsible for quality shall sign the Certification of Conformance.

This Certification of Conformance shall, as a minimum:

1. Identify the appropriate Purchase Order/Contract Order number under which the material, equipment, item or service is being supplied.
2. Supplier/Manufacturer shall warrant that all items furnished meet the requirements of the Purchase Order/Contract Order.

One copy of the documentation, unless otherwise specified, shall accompany the applicable item shipped. For subsequent shipments on this Purchase Order/Contract order, reference may be made to documentation provided with earlier shipments, instead of duplicating such documentation.

U. Recommended Spare Parts Listing

The Contractor will require that the vendors submit, with or prior to item shipment, a recommended spare parts list. The list shall provide the name and address of the original supplier of the replacement part, and the part's drawings, specification, or catalog identity including applicable change or revision information.

Software Products and/or Services Where Software is Used

A. Design/Development of Custom Software

The Contractor will provide monitoring and controls as identified in this document. If new software is developed by the Contractor the following requirements apply:

1. Based on requirements provided to the Contractor, the Contractor shall submit the following information for Owner review for software development:
 - Description of the major components of the software design as they relate to the software requirements.
 - Technical description of the software with respect to the theoretical basis, mathematical model, control flow, data flow, control logic, and data structure.
 - Description of allowable or prescribed ranges for inputs and outputs
 - List of integration points (interfaces)
 - Data model
 - Hardware/Software configuration
 - Design described in a manner that can be translated into code
 - Computer program listing(s)
2. The Contractor shall develop and submit to Owner a Software Management Plan and procedures that describe their computer software development, test, and configuration management process. The plan shall, as a minimum, contain the following:
 - Identify the software products covered by the Software Management Plan.
 - Describe Contractor organizations responsible for performing the work and achieving software quality and their tasks and responsibilities. Clearly identify any Owner interfaces, and requirements.
 - Describe the configuration management methodology.
 - Describe the types of documentation to be prepared, reviewed, and maintained during software design, development, implementation, test and use.
 - Describe the process for reporting and documenting software problems/errors, evaluating the impacts of problems on previous measurements and uses, and determining the appropriate corrective action(s).

- Identify standards, conventions, techniques, or methodologies that guide the software development, as well as the methods used to ensure implementation of requirements.
 - Provide procedure(s) for establishing and maintaining the integrity of data, embodied mathematical models, and output files.
 - Specify methods to verify and validate developed, acquired, or modified software.
3. A copy of the original program code shall be maintained and submitted to Owner as a Submittal.
4. Configuration management during the development and/or modification of computer software shall be identified and documented.
- Uniquely identify each configuration item (e.g., screens, reports, tables, documents, etc.)
 - Configuration status accounting information shall be documented and identify the approved configuration, status of proposed changes to the configuration, status of approved changes, and information to support the functions of the configuration identification, and configuration control.
 - Identify changes to configuration items by revisions. Change control processes shall provide objective evidence of evaluation, coordination, and approval of changes prior to implementation of the change.
 - Provide the ability to uniquely identify each configuration of the revised software available for use.
5. Verification and Validation activities shall be performed to ensure software requirements are correctly specified and implemented in the design criteria, test documentation, and completed code. Such verification shall ensure traceability of test results to specified functional requirement.
- Software testing shall include development testing, validation reviews, verification testing when appropriate.
 - Software shall be acceptance tested when installed, after changes, and periodically during use, as appropriate during the contract.
 - Design verification shall be completed and design outputs released for use, before relying on structures, systems, components, or computer programs to perform their function and before installation become irreversible.
 - The monitoring and control functions will be tested without impacting equipment operation as part of the verification process and prior to equipment operation.
6. The Contractor will supply standard support documents for software products. Standard product deliverables for custom software include: Requirements Document, System Design Description, Test Documents (plan, test cases, and test

results), Installation/Operations manual, Installation Plan/Checkout, Acceptance Test Report, and User Documentation.

7. The Contractor will provide for installation assistance, checkout, and training of operators and users.
8. Acceptance of the computer software and hardware is based on the Contractor providing a functioning monitoring and control system that is integrated into the existing Owner system.

B. Design of Hardware with Software Instrumentation and Controls (e.g., PLCs)

1. Based on requirements provided to the Contractor, the Contractor shall submit the following information for Owner review for system development:
 - Description of the major components of the software design as they relate to the system requirements.
 - Technical description of the hardware/software with respect to the theoretical basis, mathematical model, control flow, data flow, control logic, and data structure.
 - Description of allowable or prescribed ranges for inputs and outputs
 - List of integration points (interfaces)
 - Data model, associated drawings, diagrams, equipments lists, etc.
 - Hardware/Software configuration
 - Design described in a manner that can be translated into code
 - Computer program listing(s)
2. The Contractor shall develop and submit to Owner a System Management Plan and procedures that describe their computer software development, test, and configuration management process. The plan shall, as a minimum, contain the following:
 - Identify the software products covered by the System Management Plan.
 - Describe Contractor organizations responsible for performing the work and achieving software quality and their tasks and responsibilities. Clearly identify any Owner interfaces, and requirements.
 - Describe the configuration management methodology.
 - Describe the types of documentation to be prepared, reviewed, and maintained during system design, development, implementation, test and use.
 - Describe the process for reporting and documenting software problems/errors, evaluating the impacts of problems on previous measurements and uses, and determining the appropriate corrective action(s).

- Identify standards, conventions, techniques, or methodologies that guide the software development, as well as the methods used to ensure implementation of requirements.
 - Provide procedure(s) for establishing and maintaining the integrity of data, embodied mathematical models, and output files.
 - Specify methods to verify and validate developed, acquired or modified software.
3. A copy of the original program code shall be maintained and submitted to Owner as a Submittal.
4. Configuration management during the development and/or modification of computer software shall be identified and documented.
- Uniquely identify each configuration item (e.g., screens, reports, tables, documents, etc.)
 - Configuration status accounting information shall be documented and identify the approved configuration, status of proposed changes to the configuration, status of approved changes, and information to support the functions of the configuration identification, and configuration control.
 - Identify changes to configuration items by revisions. Change control processes shall provide objective evidence of evaluation, coordination, and approval of changes prior to implementation of the change.
 - Provide the ability to uniquely identify each configuration of the revised software available for use.
5. Verification and Validation activities shall be performed to ensure software requirements are correctly specified and implemented in the design criteria, test documentation, and completed code. Such verification shall ensure traceability of test results to specified functional requirement.
- Software testing shall include development testing, validation reviews, verification testing when appropriate.
 - Software shall be acceptance tested when installed, after changes, and periodically during use, as appropriate during the contract.
 - Design verification shall be completed and design outputs released for use, before relying on structures, systems, components, or computer programs to perform their function and before installation become irreversible.
 - List expected validation tests, hardware integration tests, and in-use tests to be conducted and the controls to be applied. A validation and verification report shall be submitted to Owner for approval. It will be used in conjunction with Owner acceptance testing/criteria to document successful completion of the contract.
6. Standard support documents are required for hardware/software products. It must be determined as to which Owner or the Contractor will provide. Standard product

deliverables for hardware/software systems include: Requirements Document, System Design Description, Test Documents (plan, test cases, and test results), Installation/Operations manual, Installation Plan/Checkout, Acceptance Test Report, and User Documentation.

7. Contractor must provide installation assistance, checkout, and training of operators and users.
8. Acceptance of the computer software and hardware is based on the Contractor providing a functioning monitoring and control system that is integrated into the existing Owner system.

MEETINGS, SUBMITTALS, WORK & PROJECT CONTROL REQUIREMENTS

Meetings

- A. After contract award, the contractor shall participate in a Project Kickoff Meeting to be held at CREC. The time, date, and agenda for the meeting will be provided to the Contractor upon contract award. The kick-off meeting will be within 10 days of contract award.
- B. The person or persons designated by the Contractor to attend all meetings shall have all required authority to make decisions and commit Contractor to technical decisions made during meetings.
- C. Weekly Progress Meetings
 1. At the weekly progress meeting, Contractor shall submit a written report showing actual man-hours expended versus planned and scheduled progress versus actual progress giving details of Work completed in relation to the approved schedule, together with a two (2) week "look ahead" which provides details of how the Work will be completed.
 2. Contractor shall attend a weekly coordination meeting together with various contractors at the jobsite. Attendance can be by telecommunication if approved by PEF Designated Representative.
- H. Pre-job / Weekly Safety Meeting
 1. All Contractor employees shall attend indoctrination and orientation prior to commencing work at the jobsite. This pre-job meeting will be held at CREC as set up by the Contractor.
 2. Additional weekly safety meetings for all craft employees shall be held during active work.
- I. Other Meetings
 1. Contractor participation in certain additional activities shall also be required. These activities shall include, but are not limited to:
 - a. Indoctrination and orientation of all Contractor's employees prior to commencing work at the jobsite (This includes the entire labor force and all new hires). The meeting will last approximately 3 hours.

2. Weekly gang box safety meetings organized and conducted by Contractor and attended by all of Contractor's employees involved in the field work. Contractor shall be responsible for arranging and conducting these meetings with its craft employees. The meetings should last approximately 1 hour.

Additional Detail

1. The Contractor is responsible to coordinate and conduct all the Project interface meetings discussed in this section. The Contractor will:
 - Consult with the Project's Designated Representative in developing the meeting agendas. The Contractor will provide an agenda to the meeting attendees for each meeting a minimum of 24 hours in advance to the meeting.
 - Start each meeting with a safety topic discussion. This discussion is not meant to last more than 5-10 minutes.
 - The Contractor will take meeting minutes and distribute the meeting minutes for review within 2 days of the meeting. After allowing 1 day for comments the meeting minutes will be issued as final within 1 week of the meeting.
 - The Contractor will maintain a list of Owner and associated Project personnel for meeting minute distribution. The list is to be approved by the Project's Designated Representative.
- a. The Contractor will participate in a Kick off meeting within 10 days of the Notice to Proceed is issued by Owner's Contract Administrator.
- b. The Kick-off Meeting will be at CREC and include:
 - Safety & human performance topics
 - Introductions
 - Owner presentation – ~ 2 hour
 - Project & CREC Site Safety Expectations
 - Contract overview and deliverables
 - Contractor communications and progress reporting
 - Site access and training
 - Contractor's overview of the Project organization including a discussion of how the Contractor will interface with Owner Personnel.
 - Contractor's safety culture
 - Contractor's Project Organization & Key personnel
 - Contractor's on site work
 - Contractor's approach to contracted work, including engineering & procurement specifications,
 - Contractor's use of design criteria manual

- Contracted deliverables and milestones
 - Project schedule – Level III
 - Contractor’s cost control & earned value system
2. Weekly Status Meetings will be approx. 1 hour, set up and conducted by the Contractor. The meeting will be setup at the same time and location every week. The meeting will consist of:
- Safety & human performance topics
 - Earned value status (cost vs. schedule)
 - Projected estimate at completion cost (EAC)
 - Accomplishments/Milestones
 - Issues/Request for Information forms and status of open requests
 - Scheduled accomplishments for next week
 - Number of personnel working on the project (last week and next week)
 - 4-week look ahead activities and support requirements
 - General discussion – Q&A
3. Monthly cost accounting status meetings will consist of weekly meeting content plus end of month accruals.
4. The Contractor will conduct daily pre-job safety briefings. The briefing will at a minimum include:
- Review of yesterday’s activities
 - Overview of planned activities for the day and required PPE
 - Required materials
 - Potential safety issues & concerns
 - Activities being completed by others in nearby areas
 - Support requirements
 - Expected work site conditions
 - Q&A
5. Periodically during management oversight observations.
- The Contractor will have periodic reviews and audits. These reviews will require the Contractor’s support.

Request for Information

The Request for Information Form (RFI) will be used to document all formal requests for information or direction. The form is structured to ensure that if the required direction or the

request is acted on in a timely manner. In addition, the RFI will ensure that potential impact on the project's cost, schedule, or scope is properly identified and managed.

The Contractor will set up and maintain the RFI log. The Contractor is responsible for the distribution of the RFIs.

Submittals

- A. The Contractor's submittals shall be submitted to Owner in accordance with the instructions contained in the Attachment A, Submittal Register.
- B. The Contractor submittals identified in this Contract and summarized on the Submittal Register shall be submitted by the Contractor using the supplied document submittal form.

Work Control Requirements

A. Contractor Work Control Processes

The Contractor shall submit its proposed Work Control Processes for approval within 30 days of contract notice to proceed (NTP). The work control process must cover all field activities including engineering walkdowns. The work process should identify:

- The organization that will be established to control the work,
- State the organizational responsibilities,
- Identify the measures that will be implemented to maintain a safe work environment,
- Housekeeping,
- Traffic control,
- Establishing and removing work boundaries,
- Interface with Owner support and coordination of work (Owner notification of work activities),
- Personal Protection Equipment identification and enforcement,
- Work document development, control, and approval,
- Conduct of pre-job and safety meetings,
- Control of chemicals,
- Work coordination,
- And, incorporation of environmental permit information into the work process.

DELIVERABLES, MILESTONES AND PERFORMANCE SCHEDULE

Deliverables

The Contractor deliverables are as follows:

- Project Quality Assurance/Control Plan
- Project Safety and Health Plan

- Environmental Compliance Plan
- Engineering 30% design package
- Engineering 70% design package
- Final design package (Design Criteria Manual), including:
 - Completed Procurement Specifications
 - Engineering calculations
 - Engineered drawings
 - Construction instructions
 - Testing requirements and test procedures
 - Work control process plan
 - Construction Estimate
 - Final design Criteria Manual, (ready for construction).

Milestones

The Project Milestones will be identified after contract award. However the Project engineering will be complete on or before August 30, 2009.

Performance Schedule

The Contractor shall submit a draft performance schedule for this work with the Contractor's bid package. The schedule will be in enough detail to demonstrate the Contractor understands the scope of work as detailed in this SOW. The schedule will identify major milestones and complete all the work on or before August 30, 2009.

The schedule should start from NTP and is expected to include such items as:

- Mobilization (engineering and construction),
- Identification of specific engineering work packages development, review, and approval,
- Procurement specification review, modification, and issue,
- Equipment and material delivery schedule,
- Equipment manufacture durations and shop fabrication,
- Start and completion of different segments of work,
- Pre-construction work,

Contractor shall submit a detailed performance schedule for this work within 15 days of award. The schedule shall be in Primavera or compatible format.

Contractor shall provide a two-week "look ahead" schedule, updated weekly, one day prior to each Weekly Progress Meeting.

Contract No. 433059: Part II

The contractor will update the estimated Project schedule at the end of the design work.
This updated schedule will estimate the remaining Project's duration.

ATTACHMENT A

SUBMITTAL REGISTER

Submittal Register Definitions

1. Numerical submittal sequence number: Example: 1, 2, 3, 4, ... (or organized by topics and project assigned coding structure)
2. Number and Type of Copies (No / Type Copies): Example: E (Electronic only), 6 (Six Hard Copies), 1, E (One Hard Copy, and Electronic)
3. Submittal Type:
 - APP =** For Approval (the submittal is provided with the intent that Owner will review and approve the submittal prior to the contractor proceeding with work).
 - ACC =** For Acceptance (the submittal is provided for information with the intent that Owner will accept the submittal)
 - AFW =** Approval for Work (the submittal is provided with the intent that Owner authorizes work to be performed to the submittal)
4. Format: this describes the type of submittal required:
 - DWG** An AutoCAD drawing using the CREC standard formatting
 - MFC** Microsoft Format Compatible application (Word, Excel, Access, PowerPoint)
 - P3** A Primavera Project Planner schedule
 - GEN** General or Open Format/Media
 - PDF** Adobe Acrobat (Portable Document Format)
5. Document Family:
 - CON** Construction
 - ENG** Engineering
 - FAB** Fabrication
 - H&S** Health and Safety
 - PRO** Procurement
 - QAC** Quality
 - PROJ** Project
 - VI** Vendor Information
 - OTHER** Other
6. Description / Document Title: Title or general description of the document.
7. Submittal Date: Actual date or number of Calendar Days before or after a milestone that a submittal is due from the Contractor: Example: June 1, 2005 or CD + 60 [60 days after Conceptual Design Complete]
 - CD** Conceptual Design Complete
 - PD** Preliminary Design Complete
 - FD** Final Design Complete
 - M** Mobilization
 - SC** Start of Construction
 - EC** End of Construction
 - A** Date of Award

Contract No. 433059: Part II: Attachment A

8. Buyer Review Time (Work Days): Example: 3 Days
9. Contract Reference: Cross reference to the Contract requirement that defines this submittal: Example: SOW 3.1.2.

Submittal Register:

The Contractor shall meet the required schedule and provide the documents specified in accordance with the following submittals.

Contract Number and Name						Revision		
1 Submittal No.	2 No. of Copies	3 Submittal Type	4 Format	5 Document Family (Iss)	6 Description / Document Title	7 Submittal Date (Calendar Days)	8 Buyer Review Time (Work Days)	9 Contract Reference
1	1	APP	PDF	OTHER	Site Access Forms	Prior to access	48 hrs.	2.4
2	1	ACC	GEN	PRO	Earned Value Information	Weekly	2	4.6 4
3	1	ACC	PDF	H&S	Corporate Health & Safety Plan	With Bid	7	4.7
4	1	APP	MFC	H&S	Project specific HASP	After Award	7	4.7, 6.2
5	1	APP	MFC	QAC	Quality Assurance Inspection (Control) Plan	30 days after award	7	6.3 G
6	1	ACC	PDF	QAC	Quality Assurance Program Manual	With Bid	7	6.4 A
7	1	APP	MFC	QAC	Software Management Plan		7	6.4 E
8	1	ACC	MFC	ENG	Work Control Process	30 after NTP	7	6.4 O
9	1	ACC	P3	ENG	Draft Performance Schedule	With Bid	7	6.5 A
10	1	APP	P3	ENG	Detailed Performance Schedule	15 days after Contract Award	7	7.1 C

PEF-POD4-00257

Contract No. 433059: Part II: Attachment A

Contract Number and Name						Revision		
1	2	3	4	5	6	7	8	9
Submittal No.	No. of Copies	Submittal Type	Format	Document Form/Type	Description / Document Title	Submittal Date (Calendar Days)	Buyer Review Time (Work Days)	Contract Reference
11	1	APP	GEN	OTHER	Proposed temporary Facilities	Prior to Mob.	5	A 3.0 C
12	5	APP	MFC	ENG	30% Design Review	CD	7	8.1
13	5	APP	MFC	ENG	70% Design Review	CD	7	8.1
14	10	APP	MFC	ENG	Completed Design	FD	7	8.1
	5	APP	MFC	ENG	Environmental Compliance Plan	FD	7	8.1
16	5	APP	GEN	ENG	Estimate for Construction	FD	3	8.1

PEF-POD4-00258

ATTACHMENT B

SITE COORDINATION REQUIREMENTS, FACILITIES AND UTILITIES

- **General**
 - A. CREC Survey bench marks are available for setting out the Work. The Contractor is responsible to complete the necessary surveys from the CREC benchmarks to support the Work. The Project drawings will use the CREC site coordinates and elevation.
 - B. The Contractor must establish location and extent of service lines in area of Work and notify Owner of findings. The Contractor will identify the utilities and service lines (including abandoned lines) in the design package. The Contractor will take all precautions to ensure that there are no unknown services in the work area.
 - C. Where unknown services are encountered, immediately advise Owner and confirm findings in writing. Identify the lines in the construction guidelines.
 - D. Record locations, including elevations, of maintained, rerouted and abandoned service(s). Provide these locations to Owner. Owner will provide direction on relocating the service line. Several lines have been identified to be relocated by the Contractor with this Contract. This section is referring to newly identified utility or service lines.
 - E. Limited medical services on a "Good Samaritan" basis: Initial first aid shall be provided by the Contractor. Additional support can be obtained by calling the emergency phone number and identifying the emergency, (on site number 311, the off-site call in number is (352) 563-2943 x2120 for CR 1&2 Main Control Room).
- **Site Coordination Requirements**
 - A. Another Owner Contractor, PMI Ash, has ongoing operations near the work location. The Contractor must continue to provide access and egress from the PMI work location. The Contractor must provide a design to allow for continued operation by PMI.
 - B. Prior to bringing any chemical or hazardous material onto CREC property the Contractor must obtain Owner approval.
 - C. Owner will obtain all environmental permits in support of this work. The Contractor is responsible to comply with the environmental permits.

- D. The Construction Contractor will work with Owner personnel and shall obtain local construction permits.
- E. Parking facilities. Owner is not financially responsible for any damage or unlawful acts to any Contractor equipment or private vehicles parked in designated parking areas.
- **Temporary Facilities and Utilities**
 - A. Contractor shall provide, operate, maintain and dispose of all temporary buildings, including change rooms, port-a-potty, & office trailers.
 - B. Construction water and hydrostatic test water will be identified at points on the job site as designated by Owner's Designated Representative (DR). Connections to and disconnections from water supply shall be by Contractor and coordinated through Owner personnel.
 - C. The Contractor will be given access, without charge, to limited electrical, and water services in the vicinity of their work site. The quantities and characteristics of these utilities will be limited to that which is available from existing outlets near the work location. The following services will be discussed at the Pre-bid meeting.
 - 1. No electrical power will be provided until the modifications at the CREC substation are complete and the Contractor has brought electrical power to the work location.
 - 2. Non-Potable Water is available within ~¼ mile of the work location.
 - 3. Owner will provide 2 telephone lines and a facsimile line to the Contractors office trailer. This service includes two telephones and local telephone service.
 - 4. The Contractor shall be required to furnish all drinking water.
 - 5. The Contractor may bring limited temporary field offices, tool trailers, etc., on-site for use during performance of the Contract, although there is very limited space. Owner will be provided Office area in a nearby location if desired at no cost to the Contractor. The Owner proposed office location will be identified during the pre-bid conference. The Contractor shall submit the number, type, size, and a sketch of the proposed location of each facility for approval by Owner prior to mobilization.
- **Job Site Perimeter Security Fencing and Access Gates**

The Contractor shall provide temporary fencing to secure work areas, temporary facilities areas materials and equipment storage areas as agreed with and approved by Owner.
- **Telephone Lines**

Telephone line(s) will be provided at the Owner identified office location. Contractor shall be responsible for any use charges or periodic charges associated with the lines assigned to Contractor.

- **Break and Smoking Areas.**

Smoking is not allowed within any buildings at CREC. Break areas will be approved by Owner.
- **Fire Protection.**

The Contractor is responsible to identify the need for and provide fire protection of any temporary facilities.
- **Waste Management.**

The Contractor is responsible to remove any construction generated debris. Office waste will be collected and transported to existing dumpsters west of CR2. No hazardous waste is allowed to be removed by the Contractor.
- **Emergency Eyewash and Showers.**

The Contractor must provide eyewash and emergency showers at the required locations.
- **Trash Disposal.**

The Contractor will accumulate and stage trash with and in the Owner trash containers.
- **Temporary Facilities**
 - A. Except as otherwise identified, the supply, installation, provision, maintenance, repair, and final removal of all temporary facilities and utilities, necessary for full and complete performance of the Work, is the sole responsibility of the Contractor.
 - B. Such items shall include, but not necessarily be limited to, those listed below. The type of facilities, move-in and move-out dates, and locations on the job site shall be subject to and in accordance with the review and approval of Owner.
 - C. Asset management program of Contractor's workers, tools, materials, and equipment shall be provided by the Contractor.
 - D. Construction Contractor is responsible for landscaping, erosion, dust control; mud, and sand removal are the responsibility of the Contractor. The Contractor shall perform fugitive dust control and submit a Fugitive Dust Control Plan to Owner for review and concurrence.
- **Temporary Facility and Lay-down Area**
 - A. Limited roughly graded space near the metrology tower will be provided for Construction material & equipment lay-down.
 - B. Upon demobilization, the land previously occupied by Contractor's Temporary Facilities and Lay-down area shall be returned to its pre-construction condition or better. This requirement shall also apply to all Temporary Roads, and Parking, Lay-down areas and Temporary Utilities.
 - C. The provision, operation and maintenance of sanitary systems, industrial systems, storm drainage and utility sewage systems for Contractor's Temporary Facilities is the responsibility of the Contractor including collection, holding, processing and disposal.

- **Storage Compounds**

- A. Adequate weather tight storage, for storage of materials, tools and equipment which are subject to damage by weather. The location of storage compounds must be agreed with Owner before materials are brought on site. Such compounds shall be maintained for the storage of the approved materials and for no other purpose.

- **Construction Power Guidelines**

- A. Includes connections to and disconnections from Owner or Owner provided construction power supply, transforming to lower voltage and distribution.
- B. Construction power is for the joint use of all contractors engaged at the job site.
- C. Onsite generation of power is allowed providing that such power is obtained through the use of properly installed, acoustically insulated diesel electric generating units.
- D. Contractor's distribution system, lighting systems and wiring shall be installed in a proper manner and maintained in a satisfactory condition.
- E. No weight shall be imposed upon any electric cable nor staging, ladder or similar equipment shall rest against or be attached to it. Temporary power cables in use by Contractor must be positioned so that they do not cause a tripping hazard (Run 8 ft/2.5 meters overhead or laid neatly out of walkways).
- F. Electrical inspection and oversight will be provided by Contractor.
- G. The Contractor must use of GFI at source for portable tools and equipment / extension cord use.

- **Temporary Facility Area Power, Lighting and Heating Supply**

- A. All electrical installations within temporary buildings shall be in accordance with the NFPA National Electric Code. Inspection and oversight will be provided by a Contractor.
- B. For all equipment the power supply system(s) and components shall meet all National Electric Code (NEC) / National Electric Safety Code (NESC) requirements, and shall be listed by an independent testing laboratory such as Underwriter's Laboratory (UL) or Factory Mutual, suitable for outdoor use when to be used outdoors.
- C. Includes connections to and disconnections from Owner or Owner provided construction power supply, transforming to lower voltage and distribution.
- D. Before Contractor plugs in any electrical appliance to any plug socket belonging to Owner it shall ensure that the appliance is in good condition and is fitted with a suitable cable including fully rated and insulated neutral conductor and protective ground conductor.
- E. Electrical inspection and oversight will be provided by a third party inspector.
- F. Job site excavation rework, and weather repair is the responsibility of the Contractor. Dewatering activities require the prior approval of Owner and a Surface water discharge permit, unless waived by Owner.

- **Construction Water**

- A. Contractor shall provide all temporary water distribution supply lines and water storage facilities. Contractor shall distribute and convey water in an efficient and orderly way. Leaks and waste shall be minimized and care shall be exercised to eliminate the buildup and dispersal of mud resulting from leaks, spills and truck loading operations.
- B. Contractor is also responsible for the safe and proper disposal of water into either local drainage systems or, where these are either not available or water has become contaminated, to off-job-site disposal locations approved by Owner.

- **Potable Water**

The Contractor shall supply potable water, including ice. The Construction Contractor shall coordinate distribution to points of consumption in appropriate receptacles accompanied by suitable drinking vessels.

- **Testing Water**

- A. Construction Contractor shall provide all distribution, supply lines and water storage facilities. Contractor shall distribute and convey water in an efficient and orderly way. Leaks and waste shall be minimized and care shall be exercised to eliminate the buildup and dispersal of mud resulting from leaks, spills and truck loading operations. Contractor shall provide all requisite corrosion inhibitors, antifreeze and other additives required to perform testing in accordance with specification.
- B. Construction Contractor is also responsible for the safe and proper disposal of water into either local drainage systems or, where these are either not available or water has become contaminated, to off construction-site disposal locations approved by Owner.

- **Water Disposal and De-watering**

Construction Contractor shall perform all necessary de-watering and permitted disposal of ground water. Storm drainage, surface drainage and discharge of construction wastes shall be managed to prevent pooling of water on the job site and to prevent interference with the operations of other Contractors and organizations on or adjacent to the discharge areas.

- **Sanitary Facilities**

- A. Contractor shall provide and operate his sewage facilities in a manner that eliminates health risks, and obnoxious odors.
- B. Contractor shall be responsible for all temporary sanitary facilities, including janitorial services, storage and removal of sewage. All temporary toilets shall be kept in a constant sanitary condition and shall be in compliance with all applicable health or other regulations. Portable enclosed toilets may be used in construction and fabrication areas provided they are regularly attended and maintained. Before completion all toilet facilities shall be removed and their areas disinfected and filled.

- **Fuels and Lubricants**

- A. Oils, greases and similar materials must be stored in fire proof bins or buildings or in a fenced compound remote from other combustible materials as approved by Owner.
- B. "No smoking" signs shall be provided by Contractor and prominently displayed in areas where flammable materials are stored. Additionally, Contractor shall provide and maintain suitable fire extinguisher in such areas.
- C. Contractor shall provide all fuel for heating, ventilation and air conditioning of Temporary Facilities (unless these are run using free issue power).
- D. The Contractor must use appropriate fire control containments for vessels storing fuels and lubricants.

- **Communication Facilities**

- A. Contractor shall provide and operate all means of communication, including but not limited to telephones, facsimiles, and radios which shall be approved by Owner. Owner shall provide telephone lines in accordance with the provisions of 9.3.
- B. Compressed Air, Steam, and Gases
These services will be provided by the Contractor's design and approved by Owner.

- **Temporary Roads, Parking, and Traffic Control**

- A. The Design Contractor shall design for temporary roads and traffic control.
 - a. The Construction Contractor shall be responsible for providing and maintaining all roads and parking areas deemed necessary by Contractor for access, and parking in Temporary Facilities areas, construction areas, and between areas. Contractor provided roads and parking areas shall be constructed so as to provide for adequate safe movement of light and heavy vehicles, and equipment. Contractor's temporary roads shall be constructed in a manner ensuring the avoidance of damage to all permanent roads, facilities, and underground structures.
 - b. Contractor shall maintain his temporary roads and parking areas regularly, and shall water all his roads as a dust abatement measure.
 - c. Contractor shall remove and restore areas occupied by Temporary roads and parking areas upon completion of the Work.
 - d. Temporary construction steel, decommissioning and miscellaneous equipment supports, platforms, and ladders around equipment are the responsibility of the Contractor.
 - e. Project signs for traffic control, and direction, and for identifying project areas. Signage shall be based where possible on International signage standards and conventions
 - f. Transportation facilities on and off job site. Only Contractor vehicles, as approved by Owner, will be allowed on the job site. Limited personal vehicles will be allowed on site. The Contractor's personnel may be required to use

Owner provided shuttle transportation, during specific periods of high activity (i.e. 2009 outage – September through December).

g. Equipment delivery slippages in schedule are the responsibility of the Contractor.

- **Material Handling, Rigging, and Scaffolding**

A. The design Contractor will provide for the following in their design documents:

1. Contractor shall provide and operate all cranes and other necessary equipment for handling; hauling, unloading and receiving Contractor supplied materials, tools and equipment.
2. Containers and services for hauling, removal and disposal of construction waste and debris. Contractor shall advise Owner in writing of any need for disposal of hazardous waste prior to generation of the waste. The Contractor is responsible to properly package, label, and turn the waste over to Owner. Owner will dispose of all hazardous waste generated at CREC.
3. Supply, erection, maintenance and dismantling of scaffolding and other means of access to the Work

- **Weather Protection**

Weather Protection of the Work and any methods required to allow continuation of the Work during periods of inclement weather.

The Contractor is responsible for the proper storage of all equipment and material. There is no protected storage currently available for use by the Contractor.

- **Equipment**

A. Small tools

The Contractor will provide all small tools.

B. All standard expendable or consumable construction items and supplies.

The Contractor is responsible for expendable or consumable construction items and supplies.

C. Temporary lighting. Provision and operation to allow the Work to be performed in a safe manner regardless of ambient lighting conditions.

The Contractor is responsible for temporary lighting.

- **Personnel Protective Equipment**

The Contractor is responsible for identifying and providing all personnel protective clothing.

- **Permits**

Owner is responsible for obtaining environmental permits, licenses and government approvals for the Contractor. The Contractor will obtain all local construction permits, (coordinated through Owner). It is the Contractor's sole responsibility to ensure compliance with permits in accordance with all laws and regulations.

- **First Aid Facilities**

CREC has first aid responders and there is a hospital near the site. The Contractor is responsible to provide immediate medical attention and CREC notifications if an emergency condition is identified.

- **Calibration**

The Contractor will identify the instruments to be calibrated. Construction guidelines should contain the requirement that equipment provided and installed by the Contractor shall be calibrated, and maintained by the Contractor until contract completion or system turn-over.

- **Spare Parts**

A. Spare parts lists will be provided by the Contractor. The Contractor shall:

1. Provide a list of recommended spare parts to Owner for approval. Include pricing, delivery time, description, etc.
2. Coordinate delivery of spare parts to the Owner approved location.
3. Label spare parts, as directed by Owner.

- **Documentation and Turn-over**

A. The design Contractor will provide for the following in their design documents:

1. The contractor will be required to participate in the project turnover process by assisting Owner in developing and completing the project punch list. The contractor shall notify Owner no later than one (1) day after completing the punch list item(s).
2. The following construction documentation will be maintained through the construction and turned over during the testing and acceptance period prior to declaring facilities as mechanically or substantially complete:
 - a. Operating manuals,
 - b. Maintenance manuals,
 - c. Spare parts lists,
 - d. Equipment specifications and manufacturers information,
 - e. MSDS library,
 - f. As-built/as-installed verified construction/assembly drawings, and
 - g. Supporting shop-drawings, isometric drawings, weld maps, and inspection and testing records.
 - h. The Contractor must provide input for and assist in development of post construction operating procedures with Owner personnel.

- **Construction debris**

The design Contractor will provide for the following in their design documents:

ATTACHMENT C

NOT USED

Contract No. 433059: Part II: Attachment D

ATTACHMENT D

PHASE 2 CONCEPTUAL DESIGN REPORT

ATTACHMENT E

REQUEST FOR INFORMATION FORM

RFI Number:	
POINT OF DISCHARGE (POD) PROJECT REQUEST FOR INFORMATION (RFI) FORM	
Date:	Contractor's Project Manager Approval:
Initiator:	
Suggested resolution:	
Date that response is needed by to prevent Project impact:	
Potential Impact	
Scope	Schedule
Cost	Safety
Description of Impact:	
Progress Energy Direction, Resolution, Clarification	
Contract Change Required (Yes or No)	
Owner Project Manager Receipt Acknowledgement:	
	Date:
Project Manager Disposition Approval:	
	Date:
EPC Project Manager Disposition Approval:	
	Date:
Contract Change Complete (Yes or No)	
Owner Procurement Specialist Contract Change Complete Acknowledgement:	
	Date:

PART III

CONTRACT PRICING

1.0 CONTRACT PRICE

Owner will pay the Contractor as full compensation for the completion of Work described above and performed and accepted by Owner under this Contract, the firm, fixed price of thirteen million seven hundred fifty eight thousand dollars (\$13,758,000).

Payments shall be invoiced in accordance with the following Milestone Schedule. The following table, Table 1 – Project Milestones Payment Schedule, lists the Payment Milestones and the amount to be paid upon acceptance of each deliverable item by Owner. Owner will accept a deliverable item for payment when sufficient tests or documentation reviews have been made to support a determination that the item meets the requirements of this Contract issued for its delivery, and will not be unduly delayed beyond a reasonable time for completion of the tests and documentation reviews. Acceptance of the deliverable, and approval that the deliverable has been met, will be confirmed in writing by Owner’s Designated Representative. Acceptance of any deliverable or final acceptance by Owner shall not be deemed a waiver of any other right or remedy available under this Contract or at law nor shall it release Contractor from its obligations with respect to any defective deliverable.

Milestone	Description	Estimated Date	Payment Amount
Submittal Drawings/ Data	Drawings, foundation loads and interface details sufficient for Engineering Contractor to complete their work received by Owner	March 23, 2009	5%
Safety Plan	Site Specific Safety Plan accepted by Owner	July 1, 2009	5%
Completion of Detailed Engineering	All detailed Engineering documents accepted by Owner. Completion of this phase allows for release of all bills of material to fabricate FRP pultruded framing members, tower hardware, and remaining cooling tower components	August 30, 2009	20%
Mobilization at Site	Begin receipt of materials and secure equipment rental, safety plan, complete in-processing of all Contractor employees	September 1, 2010	30%
Begin Construction	Begin site construction activities, framing, piping, fill, eliminators, mechanical equipment, etc.	October 1, 2010	10%
Substantial Completion	Tower completed, punch-list developed, ready for commissioning.	April 30, 2011	30%
Mechanical Completion	Tower has successfully completed all commissioning protocols, all punch-list items complete, all components functionally tested received final acceptance, and is ready to be put into service by Owner.	May 31, 2011	50% of Retention
Final Acceptance	Tower has successfully passed 3 rd party CTI performance testing, Contractor’s personnel demobilized, clean-up performed	August 31, 2011	50% of Retention

These milestones must be achieved by Contractor and verified as complete by Owner prior to release of scheduled payments. Each of the deliverables for the Milestones will have a cover sheet attached, requiring Owner's approval of the deliverable. The cover sheet will be signed by Owner and electronically transmitted to Contractor as a condition of payment.

Owner and Contractor shall develop the acceptance test criteria in order to comply with the intent of this Section.

Plant Access Training and Radiation Worker Training are included in the Contract Lump sum price. Owner will not pay for any re-training required as a result of Contractor Employees' failure to satisfactorily complete the initial training.

2.0 NOT USED

3.0 PRICING BASIS

The Contract Price set forth herein is firm for the duration of the Work and includes all Contractor's costs, expenses, overhead and profit for complete performance of the Work including the following indirect costs.

3.1 MOBILIZATION

The lump sum price set forth in Section 1, PART III, shall include, but not be limited to all costs, direct and indirect, for the following Work Site activities:

- Recruitment and transportation of labor and supervision from the point of origin to the Work Site.
- Supply, transport and installation as required, of all temporary facilities/offices, associated equipment and tools required in performance of the Work. This includes any further alterations of Contractor's temporary facility area or for any alterations to the area status after acceptance by Contractor.
- The submittal to Owner of Contractor's approved safety program including modifications as requested by Owner.
- This submittal to Owner of Contractor's approved security program including modifications as requested by Owner.
- The submittal to Owner of Contractor's approved quality assurance and quality control program including modifications requested by Owner.
- The submittal to Owner of Contractor's Contract Schedule and other detailed schedules.
- The submittal to Owner of Contractor's Project Plan.
- The submittal to Owner of Contractor's Environmental and Safety Plan.
- The submittal to Owner of Contractor's Quality Control Plan.

3.2 DEMOBILIZATION

The lump sum price for demobilization set forth in Section 1, PART III shall include but not be limited to all costs, direct and indirect for the removal of labor and supervision from the work site, removal of all temporary facilities and equipment from the work site, submittal of all data including as-built drawings, clean up and final clearance of the work site and reinstatement of the area(s) to the condition originally received from Owner.

3.3 SITE ESTABLISHMENT

The lump sum price set forth in Section 1.1, Part III shall include but not be limited to the Contractor's overhead costs and other general expenses to maintain the site establishment (i.e. Contractor's presence) on the work site for performance of the Work and shall include, but not necessarily be limited, to the following:

- All supervision/management staff above the level of General Foreman.
- All field and home office overheads including field administration, field transportation and temporary facilities.
- The effective control and conduct of Contractor's Environmental and Safety Program, Quality Control Plan, and Project Plan.
- The maintenance and issue of Contractor's schedules.
- The effective control of quality through Contractor's quality assurance and control program.
- Material control and maintenance of records, including offloading, temporary storage, any necessary re-handling of materials and weather protection for materials.
- Maintenance and cleanliness of the work site infrastructure areas, temporary facilities area and temporary buildings.
- Specifically excluded from this item are all direct costs associated with the performance of the Work and Contractor's profit, which are to be included in other line items of the lump sum/unit price portion of the Work.

3.4 ADDITIONAL SITE ESTABLISHMENT

In the event that an additional and/or reduced number of indirect resources are required to perform the Work, and Owner agrees that these are due to effects other than those within the responsibility of the Contractor, the lump sum price may, with prior Owner approval, be modified using the rates set forth herein.

In any event the indirect lump sum price for Site Establishment shall not be subject to any change should the direct lump sum/unit price portions of the work vary by up to and including +/- twenty-five percent (25%) of the original contract value.

The lump sum for site establishment shall not be subject to re-measurement, except as stated herein.

The rates set forth in Schedule A herein shall be used only for the purposes of evaluation of such an agreed change.

4.0 PRICING FOR CHANGES (CHANGE ORDERS) AND ADDITIONAL WORK

Adjustments to the Contract Price for any Change in the Scope of Work shall be in accordance with the provisions of the Section entitled CHANGES set forth in Section 18 of PART I.

Owner may request, and Contractor shall provide, proposals for Scope of Work Changes (additions and deletions) which are priced, at Owner's option, by one or a combination of the following methods:

- a. Negotiated Lump Sums based upon a mutually agreed Scope of Work.
- b. Applicable unit prices set forth below, if the Work is possible to be fairly classified under the Unit Price items.
- c. Negotiated Unit Prices not established in the Contract.
- d. On a "cost-plus" basis or at the labor and equipment T&M rates as set forth in the attachment Commercial Schedules.

The payments provided shall be full payment for all work associated with a change. The calculated payment shall cover all expenses of every nature, kind, and description and any others incurred on the work being paid for under the Change Order.

4.1 Unit Pricing (Not Used)

4.2 Subcontracts

- 4.2.1 All subcontracts and services provided by others for performance of Changes or extra work requested by Owner, which have been approved by Owner shall be at actual cost to Contractor of such subcontracts or services provided by others (not to exceed such subcontract price) plus a mark-up as noted below.

When Changed Work is expected to be performed by one or more approved subcontractors, or by lower-tier subcontractors or suppliers, the subcontractor shall furnish its cost breakdown in accordance with Section 4. Contractor will be allowed an additional markup of 10% (ten percent) as indicated below, applied to the costs computed for work done by each subcontractor, to compensate for all administrative costs, including project, overhead, general company overhead, profit, bonding, insurance, Business & Occupation tax, and any other costs incurred. See Schedule E.

4.2.2 Specialized Services

Compensation for specialized third party services necessary to perform the changed work shall be estimated on the basis of a proposal from the providing entity. A "specialized service" shall be one that is typically billed through invoice in standard industry practice. Owner may require Contractor to obtain multiple quotations for the service to be utilized and select the provider with prices and terms most advantageous to the Owner.

Owner will pay Contractor an additional ten percent (10%) of the sum of the costs for specialized services to cover project overhead, general company overhead, profit, bonding, insurance, Business & Occupation tax, and any other costs incurred.

4.3 Materials

4.3.1 In the event of Changes (additions or deletion) to the Scope of Work, and additional material are received, Contractor will supply materials at pricing provided in Schedule B

Compensation to Contractor for materials supplied by Contractor that do not appear in Schedule B, required for incorporation into the permanent facility (excluding consumable, expendable, and small tools) which cost Contractor less than *One Thousand Dollars* (\$1000.00) per item shall be at actual invoiced cost to Contractor, including transportation to site, as substantiated by invoices certified paid or by such documentation as may be required by Owner, plus a mark-up, for all profit and overhead expense of Contractor thereon, not to exceed ten percent (10%). Contractor's providing materials for the Work, shall be listed in Schedule F.

4.3.2 Owner reserves the right to provide, at no cost to Contractor, materials, equipment, services, supplies or incidentals required to perform the Work. All refunds, trade discounts, rebates on materials, supplies and services, and all monies obtained from the disposal of surplus materials or supplies shall accrue to Owner.

4.3.3 If quotes are not available for materials, material prices may be based on commonly accepted buyer's guides or other, best-available data.

4.4 Labor

Compensation to Contractor for construction labor, related costs and profit authorized at Time and Material rates shall be in accordance with the rates set forth in Commercial Schedule C entitled ALL INCLUSIVE LABOR RATES attached and incorporated herein.

Labor reimbursement calculations shall be based on a "Project Labor Rate Sheet" (Labor Rate) prepared and submitted by the Contractor and by any subcontractor before that firm commences changed or added work. The project labor rate sheet is intended to reflect Contractor's actual cost incurred without any mark-up for overheads or profit. Once a Labor Rate is approved by the Owner, it shall be used to calculate the labor cost for any change until a new List is submitted and approved. The

Owner may compare the Labor Rate to payrolls, prevailing wage determinations, union agreements and other documents and may, at any time, require the Contractor to submit a new Labor Rate. The Contractor may submit a new Labor Rate at any time without such a requirement that will be reviewed and accepted or rejected as Owner deems reasonable. Prior payment calculations shall not be adjusted as a result of a new Labor Rate.

To be approved, the Labor Rate must be accurate, auditable and meet the requirements of this Section. It shall include regular time and overtime rates for all employees (or work classifications) expected to participate in changed work. The rates shall include and separately list the basic wage and fringe benefits, the current rates for all withholding or taxes required by Law, the company's present rates for Industrial Insurance premiums and the planned payments for travel and per diem compensation. The rates if applicable shall also include an allocation of costs of small tools and consumable supplies, as well as safety and health testing. This allocation shall assure that the amount included for Changed Work is reasonably proportional to the total costs applied to all Work.

In the event that an acceptable initial Labor Rate or requested revised Labor Rate is not received by the time that a Change Order estimate is begun, Owner may, at its sole discretion, develop a Labor Rate unilaterally, utilizing the best data available, that will be used until a Contractor's Labor Rate is received and approved.

Estimated man-hours for the Changed Work shall be determined using the standard estimating book rates noted below to establish the maximum allowable man-hours for each anticipated task. For work types other than mechanical and electrical, Contractor may propose the use of other standard estimating books and shall include with his detailed proposal copies of the applicable pages justifying the selected factor. Included in the estimated man-hours for labor shall be sufficient man-hours to recover any anticipated lost time, inefficiency or other impact on the Work directly or indirectly related to the Changed Work. Contractor is to provide a detailed breakdown of the Work along with the associated hours and not just a lump sum of hours. Where the Contractor includes a composite rate for labor, he shall provide a breakdown detailing how each such composite rate was determined.

4.5 Equipment Rental

- 4.5.1 Equipment rental rates as set forth in Schedule D herein shall apply for equipment used for extra Change Work requested by Owner.
- 4.5.2 For equipment which is specifically mobilized to the jobsite for extra Change Work, Contractor shall separately identify such transportation costs (including: loading, off-loading, assembly and disassembly) when submitting proposals to Owner for performing extra work. Transportation costs shall not be applicable to equipment already mobilized on the site.
- 4.5.3 When Contractor's equipment does not resemble the equipment having rental rates listed in Schedule D for extra Change Work, the rental rate shall be negotiated and agreed upon in writing by Owner.

- 4.5.4 Compensation to Contractor for equipment used for extra Change Work which is rented from third parties and does not resemble the equipment having rental rates listed in Schedule D, must be approved by Owner in writing prior to rental and shall be at actual cost to Contractor, including transportation to site, as substantiated by invoices certified paid or by such documentation as may be required by Owner plus a mark-up, for all profit and overhead expense of Contractor thereon, of 10 %.
- 4.5.5 The equipment provided by the Contractor shall be of modern design and in good working condition. For the purpose of this provision, "provided" shall mean that the equipment is owned (either through outright ownership or through a long-term lease) and operated by Contractor or his subcontractor or that the equipment is rented and operated by Contractor or his subcontractor. Equipment that is rented with operator shall not be included here, but shall be considered a service and addressed according to Section 4.2.2 above.

The amount of payment for any Contractor-owned equipment is expected to be no greater than the rates that could be obtained from third party companies in the area. Rates may be determined according to the equipment rate sheet provided by Contractor provided the same are deemed to effect at the time the estimate is prepared, or 70% of the rates listed in the Rental Rate Blue Book, whichever is less. The selected rate shall be full compensation for all fuel, oil, lubrication, ordinary repairs, maintenance, and all other costs incidental to furnishing and operating the equipment except labor for operation. Payment for rented equipment will be made on the basis of a valid quotation or rental invoices for similar equipment covering the time period of the work. Owner may survey the open market in the vicinity and require Contractor to fully justify the use of any higher rate.

In addition to the payments for Contractor-owned and rented equipment, Owner will pay Contractor ten percent (10%) of the equipment costs to cover project overhead, general company overhead, profit, bonding, insurance, Business & Occupation tax, and any other costs incurred.

Equipment utilized by Contractor with an original acquisition value of \$1,000 or less is considered small tools and will not be billed under this section.

4.6 Time Sheets

For all work performed on a cost-plus T&M basis, Contractor shall submit daily time sheets for approval by Owner. An approved copy of the time sheets, which shall detail all hours worked, materials installed and equipment used, must be submitted in support of Contractor's monthly billing.

5.0 CHANGE (CHANGE ORDER) PROCESS

Each Party may make written requests for Changes. All Changes shall be identified in, and performed pursuant to, a Change Order. No Changes shall be performed by Contractor prior to the submission to, and execution by Owner and Contractor of a Change Order (except as provided in 18.4, Part I) that describes in detail all of the following that are applicable and necessary: (A) the Scope of the Change, (B) any amendment of or adjustment to the Contract Amount and applicable Schedule of

Values, (C) any adjustment of the Schedule or the Guaranteed Completion Date, and (D) the effect on Contractor's ability to comply with its obligations under this Contract including (without limitation) the Performance Guarantees. All Change Order information as noted above shall be documented and approved on the RFI Form provided herein as Part II Attachment F.

Upon receipt by Contractor of a written request for a Change from Owner or upon submission by Contractor to Owner of a written request for a Change, Contractor shall furnish to Owner within Seven (7) days, a statement setting forth in detail, with a breakdown by trades satisfactory to Owner, Contractor's estimate of the adjustments in the Contract Amount and the applicable Schedule of Values attributable to the Change, together with Contractor's estimate of changes in the Schedule. If both Parties approve in writing such estimate by Contractor, and the written request for the Change meets the requirements of the change process, it shall constitute a Change Order and (A) Contractor shall perform the Work as described therein and (B) the Scope of Work, the Specifications, the Contract Amount, Schedule of Values and the Schedule shall be accordingly revised, amended or adjusted pursuant to such Change Order and documented on the RFI Form.

Except to the extent a Change Order specifically amends one or more provisions hereof, all provisions of this Contract shall apply to all Changes, and no Change shall be implied as a result of any other Change.

6.0 CONTRACT AMENDMENTS

One or more Change Orders may constitute a Contract Amendment. When a single Change Order or an aggregate of Change Orders, exceed(s) the value of \$100,000, then the Change Order(s) must be incorporated into a Contract Amendment.

The Contract amendment is the only document by which the Contract may be changed.

6.1 Owner will prepare all Contract Amendments.

6.2 Changes covered by an Amendment may include:

- Added or deleted Work as detailed by the Change Order(s).
- Revised drawings or specifications
- Modified conditions for performance of work or unforeseen field conditions
- Authorization of overtime
- Revised requirements for Owner or Contractor furnished materials, equipment or services
- Schedule revisions
- Alteration or removal of completed Work

6.3 Both Owner and Contractor's authorized representatives shall execute all Contract Amendments.

7.0 FIXED PRICE / COMPENSATION

All costs and expenses of all items expressly stated in PART III to this Contract or elsewhere in this Contract to be at the cost or expense of or for the account of Contractor, or to be performed by Contractor at no additional cost to Owner, and all costs and expenses of Contractor to perform the Work, shall not be reimbursable costs under the provision of this Section 7.0 and shall be deemed included within the mark-ups for overhead or profit set forth in this Section 7.0.

8.0 TIME AND MATERIALS

In addition to the Fixed Price portion of this Contract, Owner may authorize Contractor to perform supplemental Work on a time and material basis. Contractor will be compensated for authorized time and materials Work performed under this Contract based on the attached Pricing Schedules A, B, C and D attached.

These rates shall remain in effect without revision for a minimum period of twenty (20) months from the effective date of this agreement. Should either party desire to revise such rates after that time, such party shall provide the other with a minimum sixty (60) days written notice of such desire. Revisions may be made only by a written Contract Amendment executed by both parties. Oral modifications to the Schedules have no effect. New rates requested by Contractor shall be no less favorable than those charged by Contractor to other parties for similar work.

When Contractor and Owner cannot agree on the scope and lump sum value of a Change Order, or as otherwise determined by the needs of the Project, Owner may call for work or material to be paid for on a T&M basis. If so, then the objective of this procedure is to reimburse the Contractor for all costs actually incurred in performing the Changed or additional Work, including costs of labor, small tools, supplies, equipment, specialized services, materials, applicable taxes and overhead and to include a profit commensurate with those costs. The amount to be paid shall be determined in accordance with the general categories of costs described above, but labor costs will be based upon time sheets (time sheets to be submitted for Owner verification on a daily basis) showing actual hours spent, and material and other third party costs will be based upon actual invoiced amounts. The payments provided above shall be full payment for all work done on a T&M basis. The calculated payment shall cover all expenses of every nature, kind, and description, including those listed above and any others incurred on the Work being paid through T&M. Nothing in this provision shall preclude the Contractor from seeking an extension of time or time-related damages to unchanged work arising as a result of the T&M work. The amount and costs of any work to be paid by T&M shall be computed by the Contractor based on the criteria described above, and the result shall be submitted with complete back-up documentation for audit and approval by Owner before Contractor submits an invoice for payment.

9.0 INVOICES AND PAYMENTS

When authorized Work is performed under this Contract, payment of the agreed upon compensation will be made by Owner. All payments, including the final payment, are subject to set off and/or adjustment during performance of the Work, after completion of the Work, or after termination of Work on the basis of any final accounting which may be made by Owner. Owner may withhold from any payment, including the final payment: (1) any amount incorrectly invoiced; (2) any amount in dispute; (3) or an amount sufficient to completely protect Owner from any loss, damage or expense arising out of assertions by other parties of any claim or lien arising out of or in connection with the Work, (4) any amount due under the indemnity provisions of this agreement; (5)

Contract No. 433059: Part III:

defective Work not remedied; (6) reasonable evidence that the Work will not be completed within the Contract time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay. The undisputed portion of any invoice shall be paid by Owner as hereinafter provided.

Invoices for Work performed under this Contract shall be sent to:

Crystal River Nuclear Plant 3
15760 West Powerline Street
Crystal River, FL 34428-6708
Attn: Accounting Representative

Each invoice and all supporting documents shall show the Owner Contract number. Invoice items must be identifiable to the pricing schedule in order to be accepted for payment.

If requested by Owner, Contractor shall supply a general release of all claims or liens related to the authorized Work, or affidavits that all bills for materials and labor have been paid and receipts showing the payment of these bills. Failure or refusal by Contractor to comply with such request shall excuse Owner from making any further payments to Contractor until Contractor does comply. Owner reserves the right to pay any outstanding obligations of Contractor for labor and materials used in the authorized Work by a check made payable jointly to Contractor and Contractor's Contractors, subcontractors or employees. Any payment made in this manner shall apply as a payment to Contractor under this Contract. Owner may deduct from any payment any amounts owed to Owner by Contractor.

Each invoice shall show the Contract number. If the Work is being performed on a time-and-materials basis, the invoice shall include a statement or be accompanied by time sheets showing each employee's name, classification, hours worked, and the applicable rate of compensation to Contractor. On-site labor, off-site labor, material and equipment costs must appear separately on the invoice. If any equipment has been used for which a charge applies, the invoice must also specify the equipment used, hours of usage and rate of reimbursement for use. Any tax paid on material or equipment must be shown separately from the sale or rental price of those items. In no instance shall the price invoiced for Contractor's material drawn from Contractor's stock exceed the prevailing price that Owner could obtain for comparable quantities and types of material from commercial Contractors.

Unless otherwise specified in the Contract, Contractor is responsible for paying the lowest allowable sales or use tax rate under applicable law for materials supplied under this Contract. Invoices submitted which include payment of tax at higher than the statutorily allowed rate shall be reduced to reflect only the amount Contractor was legally required to pay. Any excess amount paid by Contractor will not be reimbursed to Contractor.

Subject to the above conditions, payments will be made not later than thirty (30) days after receipt of a correct invoice covering the Work has been presented to Owner.

Subject to the above conditions final payment will be made not later than thirty (30) days after all of the following have been completed:

- (1) All Work has been completed and accepted, including outstanding punch list items, final cleanup, testing, demobilization, and receipt of all required documentation by Owner.

- (2) A correct invoice covering the Work has been presented to Owner.
- (3) A properly executed Release from Contractor included as Part I, Attachment C to this Contract, together with any other requested general release, affidavits or receipts have been provided to Owner.

In addition to any amounts withheld due to any of the four (4) conditions set forth in the first paragraph of this subsection, Owner shall have the right to withhold a maximum retention of ten percent (10%) of each invoice written to cover mobilization and all Work thereafter including extra Change Work until the final payment is made.

The Final and/or Retention Invoice shall be submitted for final payment after completion and acceptance of Work by Owner and compliance by Contractor with all terms of this Contract. This invoice shall contain a complete itemized listing of Progress and Additional Work Invoices by number, date, gross amount, retention amount, and the total amount of sums retained and due. It shall also contain, or be supported by a written acceptance of the Work signed by Owner and a Certification and Release in accordance with this Section. Unless otherwise required by applicable law, final payment shall be made within 30 calendar days after completion and acceptance of all Work or 30 calendar days after receipt of a proper invoice and supporting documents satisfactory to Owner whichever occurs later. Final payment shall not relieve Contractor of any obligation under this Contract.

So long as Owner has paid all undisputed portions of each invoice due to Contractor, Contractor shall continue to diligently pursue its Work without interruption, suspension or stoppage.

9.1 OVERTIME AND PORTAL-TO-PORTAL PAY

Unless otherwise specified in the rate schedule, no payment will be made for time and expense in traveling to or from the job site. As far as possible, Work will be scheduled for five (5) consecutive eight (8) hour week days. Payments for work over a specified number of hours or on certain days at rates higher than a specified straight-time rate will only be made if both the hours for which the overtime rate is applicable and the rate itself are clearly specified in an agreed upon rate schedule. Absent such agreement all time shall be invoiced at the same rate, regardless of the days or hours worked. In calculating any overtime payable to Contractor, only hours worked for Owner will be considered.

Unless expressly stated elsewhere in this Contract, Work at the jobsites shall be compatible with Owner's starting and quitting times or other times approved by Owner. Scheduled overtime work by Contractor must be approved in advance and in writing by Owner. Contractor shall notify Owner in advance of any incidental spot overtime which Contractor elects to work due to such operations as concrete placement, nondisruptable work activities and emergencies to protect life and/or property. Overtime work, whether scheduled or incidental, shall be to Contractor's account unless the compensation therefore is specifically authorized in writing by Owner. In the event Owner approves compensation of Contractor's overtime in advance, such compensation as separately authorized shall be limited to the actual cost to Contractor of the premium portion only of all applicable wages, craft fringe benefits, and payroll burdens imposed by any governmental authority and measured by the compensation payable to employees. To establish the amount of payment, Contractor shall submit supporting documents satisfactory in form and content to Owner for its verification and approval.

9.2 OVERBILLINGS/OFFSETS/CREDITS/REFUNDS

Owner may charge and collect interest from the Contractor on any overbillings, offsets, credits or refunds that may become due to Owner under this Contract. Interest shall be paid at the rate of the average prime rate of interest as listed in the Wall Street Journal Money Rates Section plus two percent (2%). Interest shall cover the period of time from the date the overpayment, error or basis for refund or offset occurred to the date the amount is paid. The Contractor may be notified of the overbilling by credit memorandum or by invoice. Payment of the total overbilling, offset, credit or refund plus interest shall become due to Owner immediately upon Contractor's receipt.

9.3 NOT USED

9.4 SAFETY INCENTIVE

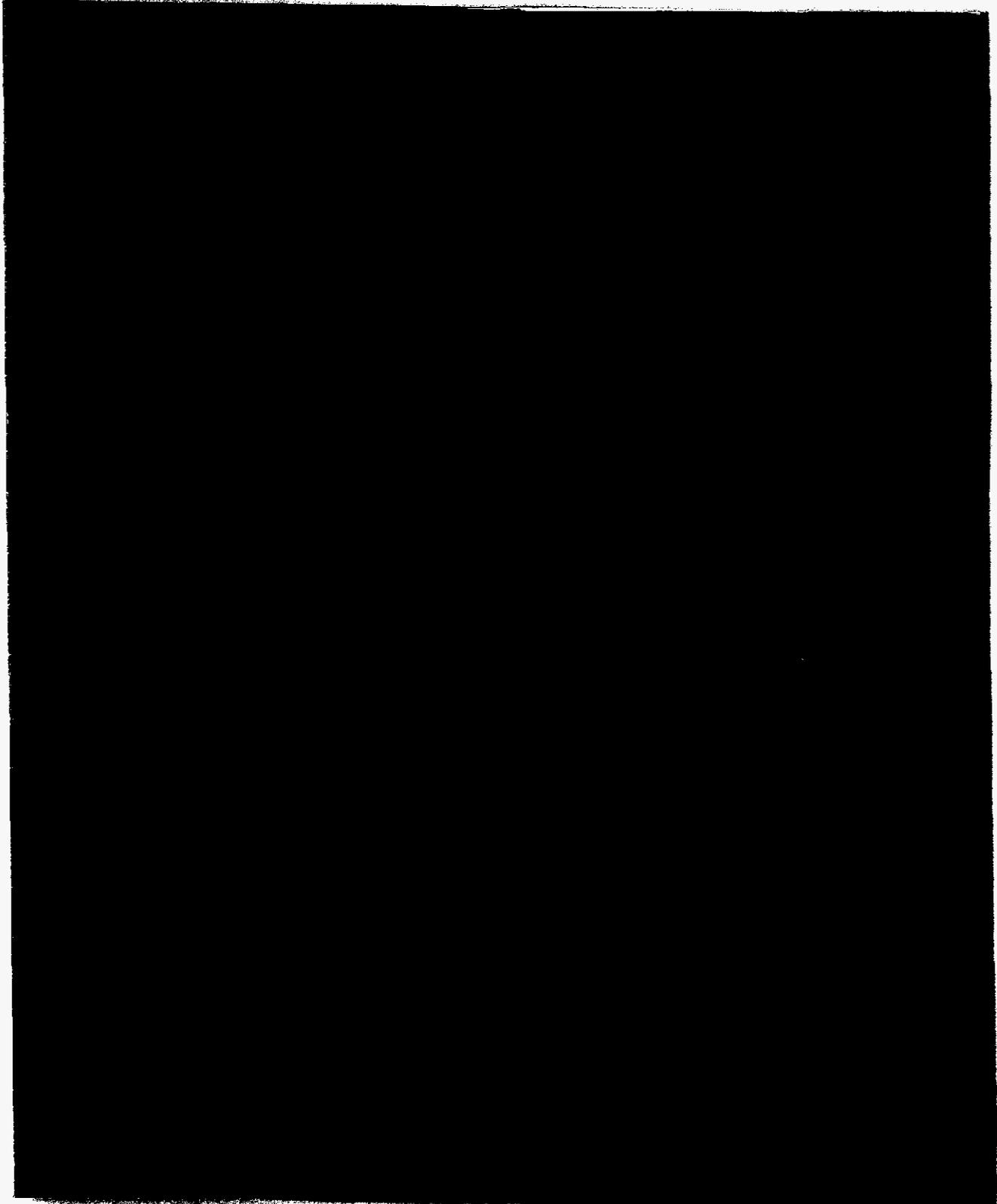
Contractor is expected to perform the Work in a safe manner. The Owner and Contractor have agreed to provide certain revenue at risk if the following safe working standards are maintained. The standards and the revenue at risk are outlined in Schedule E.

10.0 BACKCHARGES

[REDACTED]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Contract No. 433059: Part III:



Page 13 of 15

PEF-POD4-00284

[REDACTED]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

12.0 HNP CT REFILL CREDITS

Harris Nuclear Plant (HNP) will be performing a repack of the fill in the natural draft hyperbolic Cooling Tower in the near future. The work for this repack will be competitively bid. In order to promote fleet-wide efficiencies, if Contractor is awarded the repack work within a competitive bid process, then Contractor shall provide an additional one hundred fifteen thousand dollar (\$115,000) credit on the repack work once their opportunity to prove their "Best and Final" has been exercised.

13.0 MOTOR OPERATED VALVE OPERATORS

Contractor shall provide the labor and installation to install Limitorque brand Motor Operated Valve Operators in the Ring Header for the Tower. These operators will be procured either by Owner and provided to Contractor or will be procured by Contractor under an amendment to this Contract. However, the cost for the cabling, installation, wiring, cable supports, and other items necessary to install and operate these valves, apart from the motorized valve operators themselves, is included in the price of this Contract.

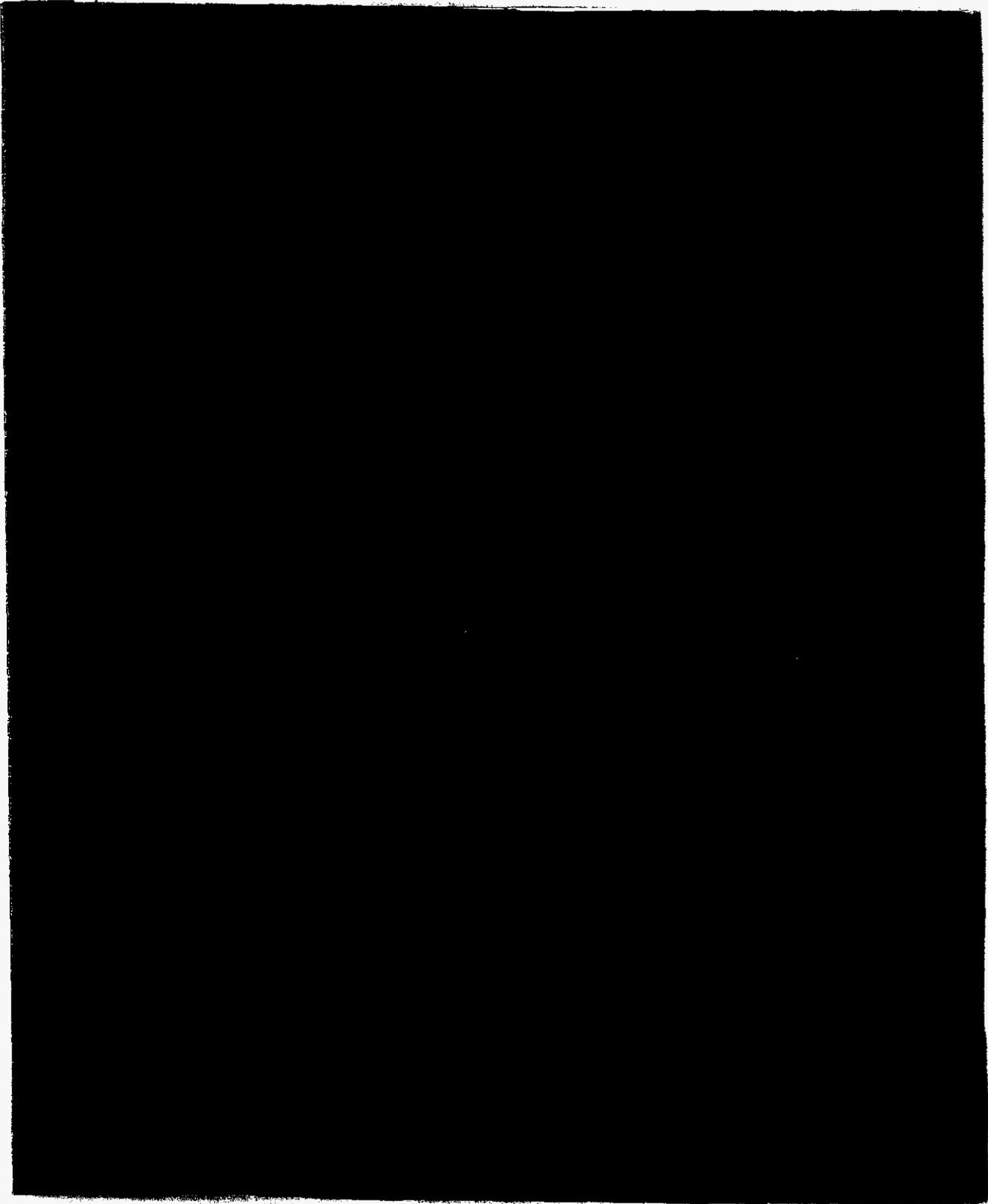
The Contract also includes the installation of sixteen (16) platforms providing access to the actuators for these valve operators. The price of these platforms is seventy six thousand dollars (\$76,000) and is already included in the Contract Price. If the Ring Header is installed at or below grade, then these platforms will not be needed and the Contract will be amended to remove this seventy six thousand dollars from the overall Contract Price.

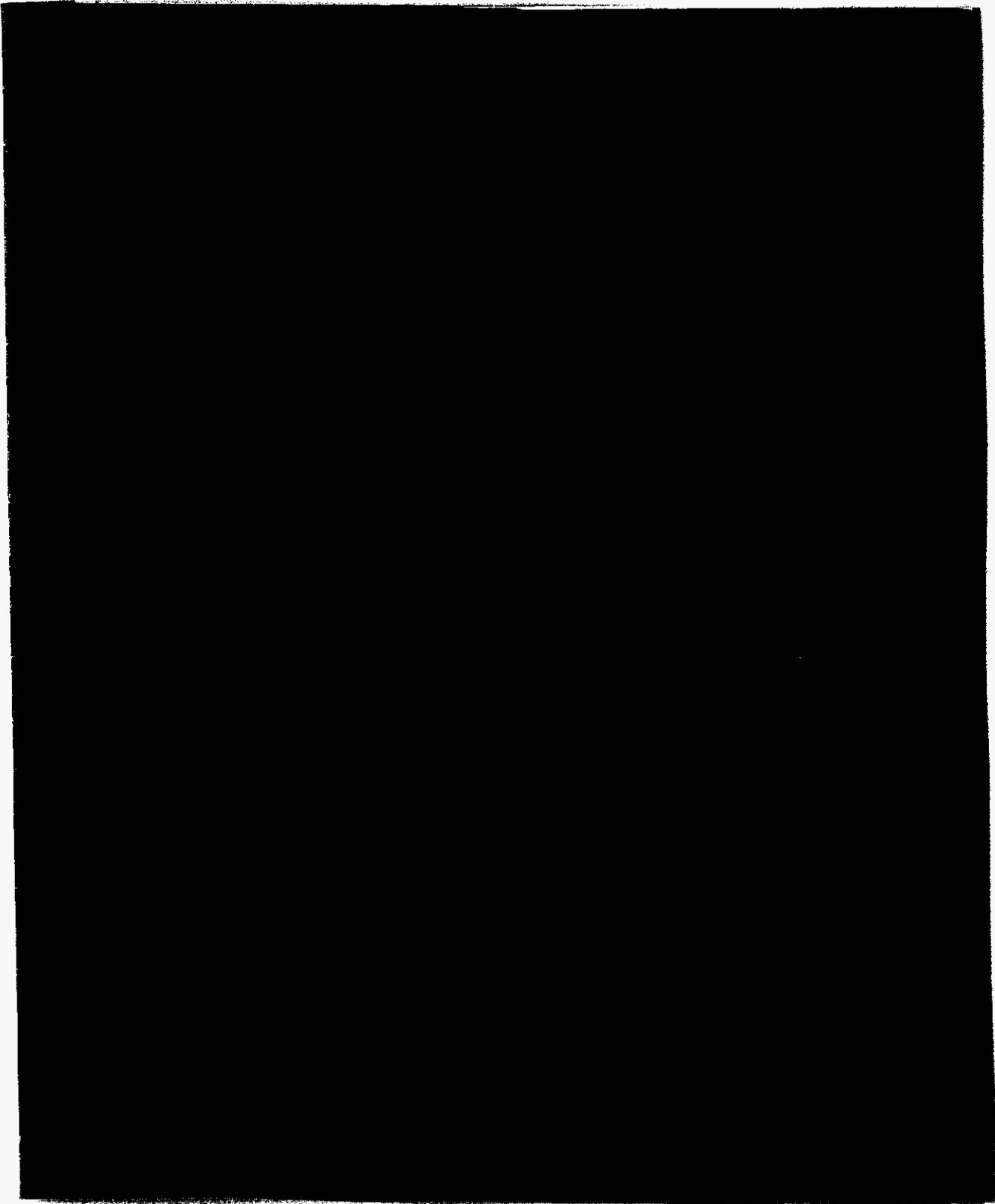
14.0 COMMERCIAL SCHEDULES

- SCHEDULE A - PRICING FOR INDIRECTS**
- SCHEDULE B - UNIT PRICES AND METHODS OF MEASUREMENT**
- SCHEDULE C - ALL INCLUSIVE LABOR RATES**
- SCHEDULE D - NOT USED**
- SCHEDULE E - SAFETY INCENTIVES/REVENUE AT RISK**
- SCHEDULE F - LIST OF MATERIAL CONTRACTORS**
- SCHEDULE G - NOT USED**
- SCHEDULE H - SCHEDULE OF VALUES**
- SCHEDULE I - CONTRACT AMENDMENT**
- SCHEDULE J - CONTRACTOR'S TIME SHEET**
- SCHEDULE K - BACK CHARGE AGREEMENT**

SCHEDULE B
MATERIAL PRICING

Unit Price			
Item	Unit	Price	Installation

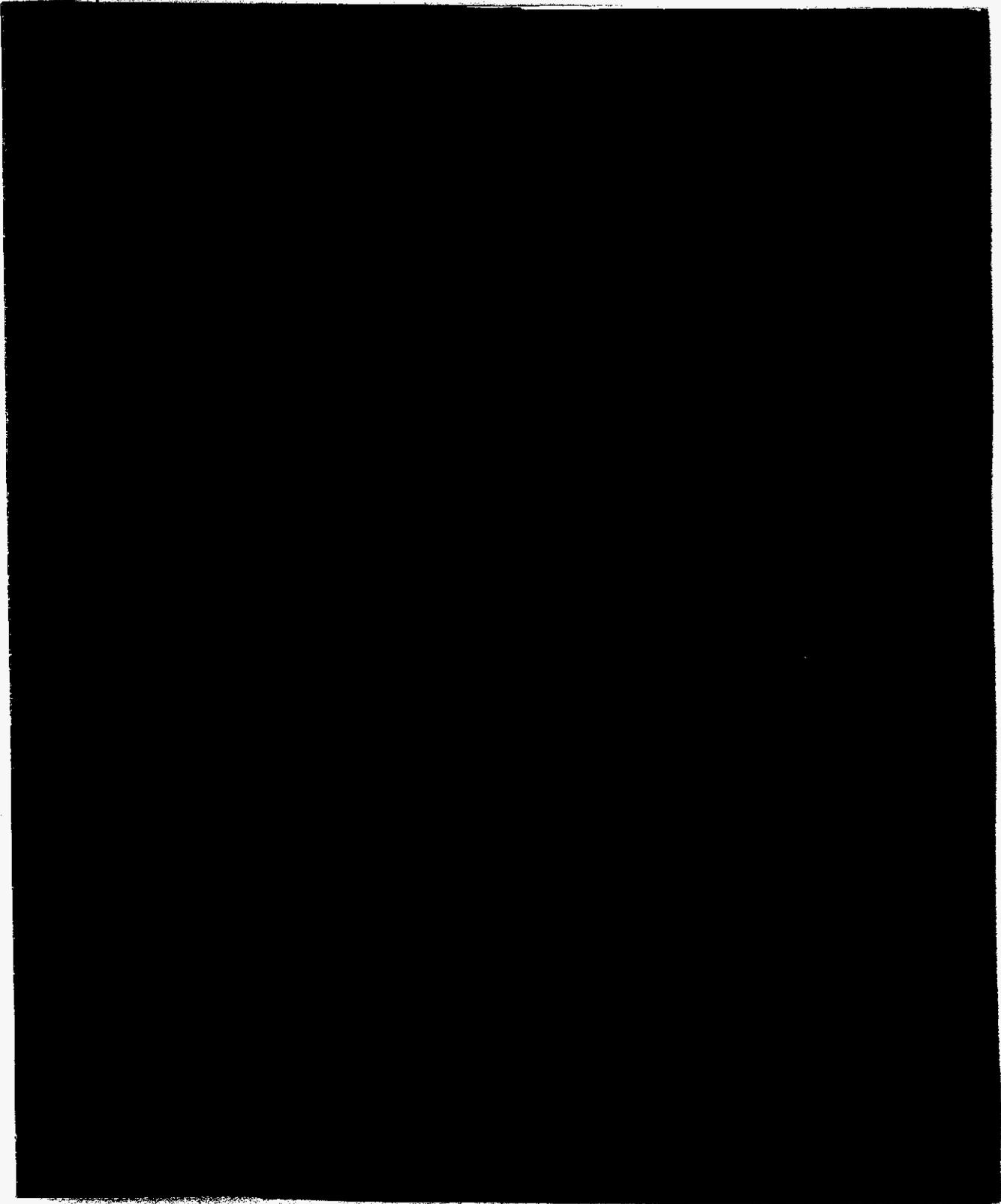




Contract No. 433059: Part III: Schedule D

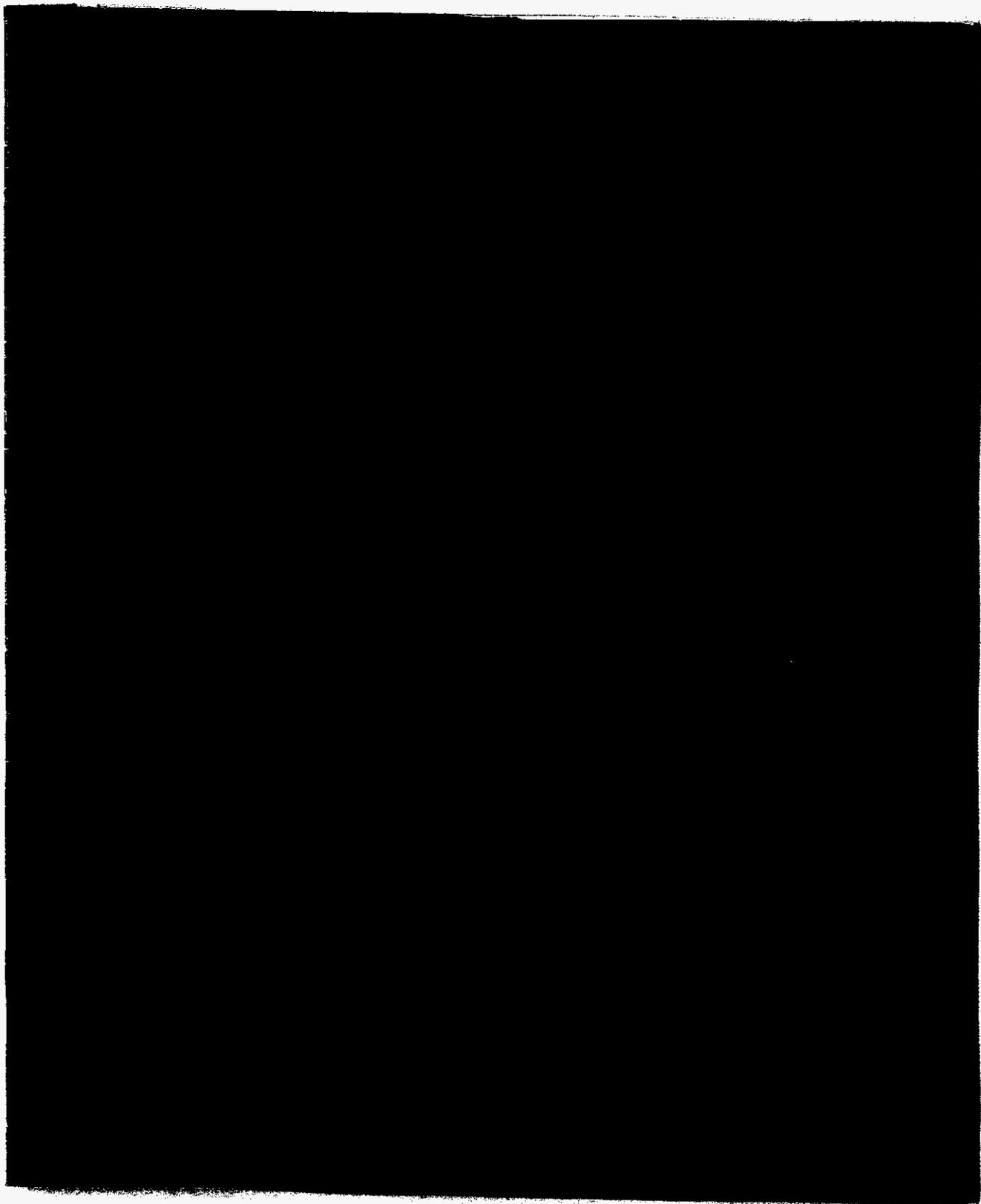
NOT USED

PEF-POD4-00291

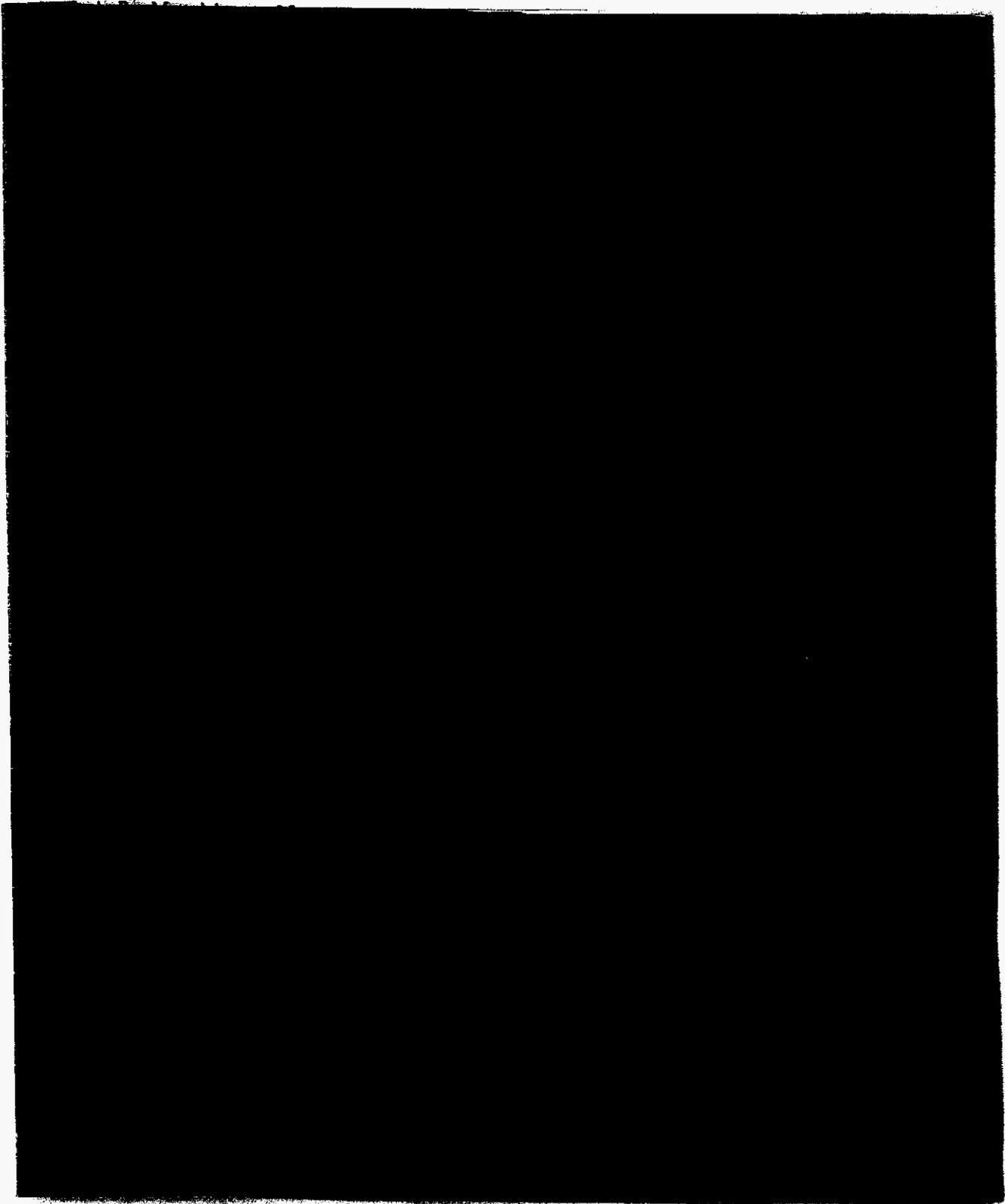


Contract No. 433059: Part III: Schedule G

NOT USED

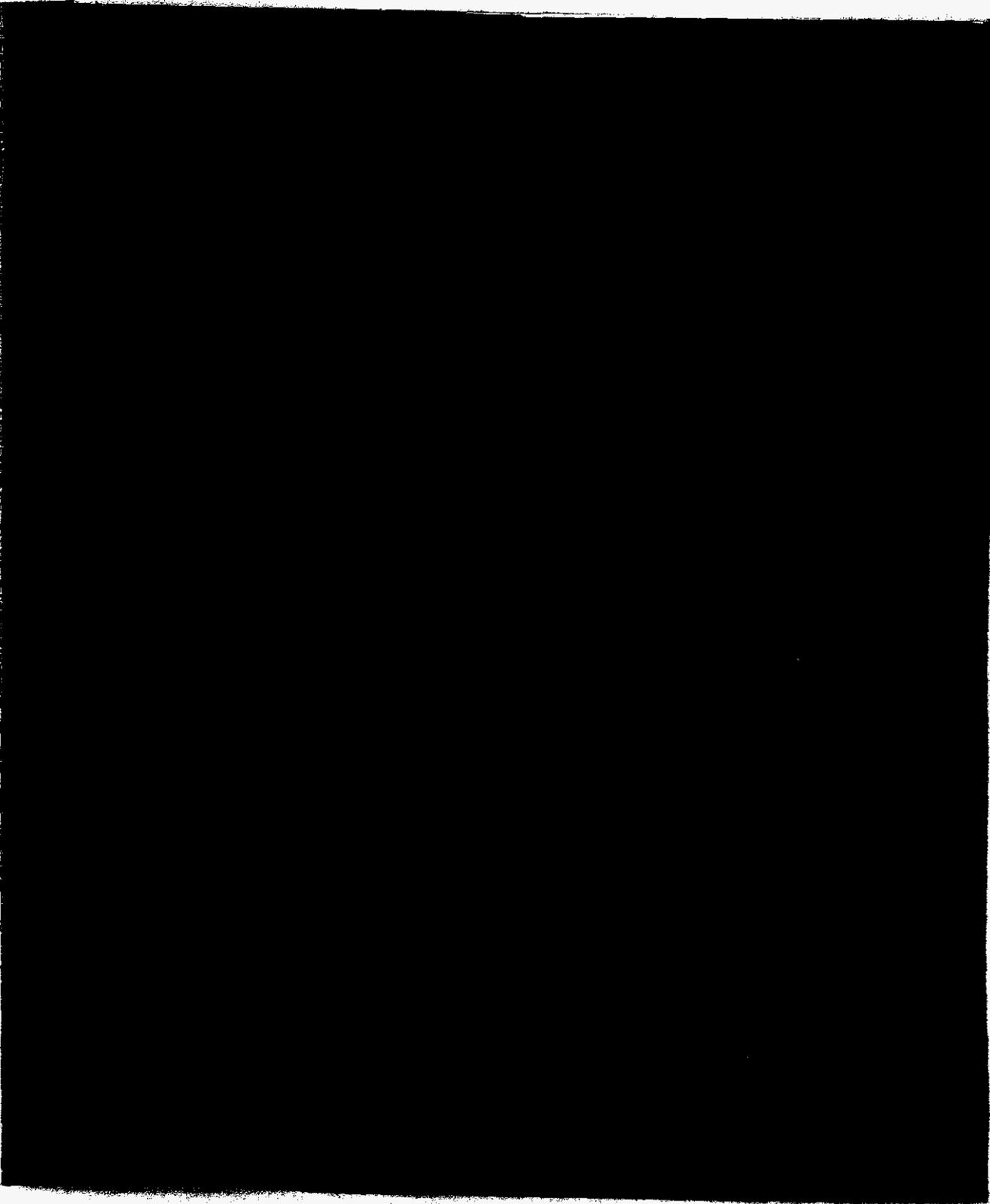


Contract No. 433059: Part III: Schedule H



Page 2 of 3

PEF-POD4-00296



CONTRACT AMENDMENT

CONTRACTOR		DATE
CONTRACT NUMBER	CONTRACT MODIFICATION -----	ATTENTION
EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, CONTRACTOR HEREBY AGREES TO PERFORM THE BELOW-DESCRIBED WORK IN ACCORDANCE WITH ALL OF THE TERMS AND CONDITIONS OF THE CONTRACT REFERENCED ABOVE. CONTRACTOR'S INVOICES MUST		
DESCRIPTION		PRICING
PERFORMANCE OF THIS WORK _____ AND MUST BE COMPLETED NO _____		
ORIGINAL CONTRACT _____		
PREVIOUS CONTRACT _____ THRU _____		
AMOUNT THIS <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> FIRM <input type="checkbox"/>		
CURRENT CONTRACT VALUE (EXCLUDING BONDING COSTS) _____		
CURRENT BONDING COST _____		
EFFECT ON CONTRACT SCHEDULE _____		
THIS CONTRACT MODIFICATION REPRESENTS FINAL ADJUSTMENT FOR ANY AND ALL AMOUNTS DUE OR TO BECOME DUE CONTRACTOR FOR CHANGES REFERRED TO HEREIN. CONTRACTOR FURTHER RELEASES ALL OTHER CLAIMS, IF ANY (EXCEPT THOSE CLAIMS PREVIOUSLY SUBMITTED IN WRITING IN STRICT ACCORDANCE WITH THE CONTRACT), FOR ADDITIONAL COMPENSATION UNDER THIS CONTRACT, INCLUDING WITHOUT LIMITATION		
SIGNATURE		
CONTRACTOR	TITLE	DATE
OWNER	TITLE	DATE

CONTRACTOR'S DAILY TIME SHEET

NAME	TR	HOURS	RATE	TOTAL	NAME	TR	HOURS	RATE	TOTAL
TOTAL					TOTAL				
EQUIPMENT	HOURS	RATE	TOTAL	EQUIPMENT	HOURS	RATE	TOTAL		
TOTAL					TOTAL				
MAT	NO	COST	%	TOTAL	MAT	NO	COST	%	TOTAL
TOTAL					TOTAL				

CONTRACT BACKCHARGE AGREEMENT

DATE	CONTRACT NO.	BACKCHARGE NO.	CONTRACTOR
CONTRACT TITLE			
I. DESCRIPTION OF BACKCHARGE WORK (If additional space is required, attach a separate sheet.)			
II. PRICING BASIS (Check applicable basis.) <input type="checkbox"/> Agreed lump sum price of _____ Or <input type="checkbox"/> Actual incurred costs plus mark-up in accordance with the TERMS AND CONDITIONS in Section III, below.			
III TERMS AND CONDITIONS Unless otherwise provided in Part II -- Scope of Work of the Contract, 1. Labor shall be charged at actual cost, including all applicable Taxes, Insurance, Travel and Subsistence, and other applicable Fringe Benefits plus _____ % 2. Equipment shall be charged at established rates for Owner equipment or at actual rates paid for hired units plus _____ % 3. Materials shall be charged at actual cost, plus _____ % 4. Subcontracts shall be charged at actual cost plus _____ %			
IV CONTRACTOR AUTHORIZATION TO PROCEED We _____ require and request, or understand and agree, that Owner is able to perform, or cause to be performed, the work described in the DESCRIPTION OF BACKCHARGE WORK section above and that we shall compensate Owner in accordance with the rates, prices, terms and conditions set forth herein.			
CONTRACTOR (Signature)	TITLE	DATE	
V. FINAL BACKCHARGE VALUE Owner has performed, or caused to be performed; the work described herein and, in doing so, has incurred costs in the total amount of _____ (as detailed in the supporting documentation) which shall be backcharged to the above named Contractor.			
CONTRACTOR (Signature)	TITLE	DATE	
OWNER (Signature)	TITLE	DATE	

PART IV
SPECIFICATIONS

Part IV

Attachment A

Design Criteria Manual



**ENGINEERING SERVICES
CRYSTAL RIVER DISCHARGE CANAL COOLING STUDY
MASTER PROJ. NO. 200578849 / REQUEST NO. DH07-003**

DESIGN CRITERIA MANUAL



FINAL ISSUE

S&L EVALUATION No. 2008-11406, REV. 0

S&L PROJECT NUMBER 11550-028

JULY 31, 2008

SUBMITTED BY



Part IV

Attachment B

Specification S2-A

Williamson, Judith

From: Grier III, Joseph J
Sent: Thursday, September 24, 2009 8:01 AM
To: Williamson, Judith
Cc: James, Philip
Subject: RE: T&M contracts

These are not T&M contracts. They are FIX contracts and NTE.

Thanks

Jody

From: Williamson, Judith
Sent: Thursday, September 24, 2009 6:51 AM
To: Grier III, Joseph J
Subject: T&M contracts

Good Morning, Jody,

Purchase Obligation reporting is due again early October. (For T&M contracts and purchase orders.)

Are Enercon, Transnuclear, and Morris Material Handling the only T&M contractors you have on SDF? Or have others been added since July reporting?

Thank you,
Judith