

# TENNESSEE VALLEY AUTHORITY -- ON-SITE SERVICES TERMS - <\$300K

## 1. DEFINITIONS

**"Affiliate"** means a corporate entity (1) in which a party owns or controls, directly or indirectly, greater than 50% of the entity's controlling interests; or (2) that is the parent of, or is owned or controlled, directly or indirectly, by the same parent entity that owns or controls the party, provided that, the parent entity must own greater than 50% of the controlling interests of both the party and the other corporate entity to be considered an "Affiliate" of both.

**"Applicable Laws"** means those federal, state, or local laws, regulations, ordinances, judicial or administrative decisions or injunctions, or any other legal pronouncements having the force or effect of law, which are applicable to the performance of the Work, TVA, or the locations at which the Work will be performed.

**"Contractor Employee"** means any person performing Work through Contractor or a Subcontractor, and regardless of whether such person has an employment, staff augmentation, or independent contractor relationship with Contractor or a Subcontractor.

**"Force Majeure Event"** means an act of God or other event outside the control of a party including, but not limited to: act of civil or military authority, war, terrorist attacks, riot, insurrection, inability of TVA to obtain any required permits or licenses, blockades or embargoes, strikes, sabotage, epidemics, fires, hurricanes, tornados, or floods.

**"Hazardous Materials"** means toxic substances, hazardous substances or hazardous wastes, as such terms are defined by Applicable Laws.

**"Proper Invoice"** means a numbered and dated invoice, containing TVA's Contract and PO number(s) (if applicable) and the Work for which Contractor is invoicing TVA, together with any additional documentation that the Contract or PO requires.

**"Site"** means any property on or to which TVA has any property interest (including, without limitation, ownership or lease, license, or easement rights).

**"Subcontractor(s)"** means the Contractor's Affiliates, subsidiaries, subcontractors, suppliers, and agents, whether entities or persons, and the employee(s) of such entities or persons, in each case, which or who supply or perform Work on Contractor's behalf under this Contract.

**"Work"** means the total, or any portion, of all deliverables, actions, products, management, services, materials, documentation, electronic programs, reports, testing, transport, administration, software, tools, equipment, items and responsibilities to be furnished or performed by Contractor under this Contract, together with all other, or any portion of, the additional necessities that are not specifically recited in this Contract, but can be reasonably inferred as necessary to complete all obligations and fully satisfy the intent of this Contract.

## 2. WORK SCOPE/DELIVERABLES

Contractor will perform, provide or complete the Work detailed in the Work scope(s) attached to this Contract or to any purchase orders ("POs") issued by TVA that reference this Contract. Contractor's performance of Work constitutes its acceptance of

the terms of this Contract and PO(s) issued under or referencing these Contract terms.

## 3. TERMINATION

A. TVA may terminate this Contract or any related PO, in whole or in part: (a) upon Contractor's default in performance of Work under this Contract or any such PO, and Contractor's failure to cure the default within such time period (if any) required by the Contracting Officer; or (b) for TVA's convenience. TVA will deliver to Contractor a written notice of termination ("Notice of Termination") specifying whether termination is for the default of Contractor or for the convenience of TVA, whether the termination is in whole or in part, and the date upon which such termination is effective. After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, Contractor shall follow the reasonable direction of the Contracting Officer with respect to such matters as transferring property, designs, and Work in progress; terminating subcontracts and orders; and completing performance.

B. Regardless of the reason for termination, TVA: (1) is not liable to Contractor for amounts in excess of the payments due for Work completed to TVA's satisfaction before the effective date of termination, and (2) will not accept nor pay Contractor's invoices if submitted later than 45 days after the effective date of the termination.

C. Upon a termination for default, TVA has and may exercise any and all rights and remedies against Contractor available to TVA at law or in equity.

## 4. COMPENSATION

**Fixed Price.** If the relevant PO or attachment hereto specifies a firm, fixed, or "lump sum" price for the Work (a "Fixed Price"), TVA will pay Contractor such Fixed Price upon the satisfactory completion of the Work. The Fixed Price(s) include all costs that Contractor and Subcontractors incur in the performance and completion of the Work. The Fixed Price(s) will not be changed except pursuant to a fully executed written amendment to this Contract.

**Time and Materials.** If the relevant PO or attachment hereto specifies that Work will be performed on a time and materials basis, based on rate(s) set forth therein, then TVA will pay Contractor in accordance with such rate(s) for time spent performing Work and for the provision of materials necessary to complete the Work. Each PO will specify on what basis (Fixed Price or Time and Materials). TVA will not pay or reimburse Contractor for any travel, transportation, or subsistence expenses incurred in connection with this Contract except (i) as authorized in writing by both TVA's Contract Technical Steward ("CTS") and Contracting Officer, and (ii) in accordance with Contractor's standard policy or TVA's travel policies, as stated below, whichever policy results in the lesser cost to TVA. Credit card purchases, if authorized in advance and in writing by the Contracting Officer, do not require submission of an invoice.

Intermittent and Temporary (Less Than 90 Day) Assignments: Subject to the conditions and limitations stated in this Section, TVA will pay Contractor's expenses actually incurred in connection with intermittent business travel, and to and from any temporary assignment at a Site Work location with a continuous or nearly continuous duration, if such Work assignment does not exceed 90 days. The Compensation – Temporary Living Allowances (Long Term Temporary Assignment) Section of this Contract governs all payments to Contractor for travel-related expenses for Work

assignments that exceed 90 days.

**GSA Rates and Adjustments.** TVA will pay Contractor for travel-related expenses in accordance with the applicable U.S. General Services Administration (GSA) rates, located at [www.gsa.gov](http://www.gsa.gov), subject to the following:

Actual cost (up to 100%) of the most current GSA "Max Lodging" rates. The traveler's location at midnight determines the applicable locality rate.

If overnight lodging is necessary, the current, applicable GSA Meals & Incidental Expenses (M&IE) rate for each full day of business travel, and 75% of the full M&IE day rate for the first and last days of travel.

**Transportation:**

**Airline.** Actual cost of coach class airline tickets, airport parking, reasonable and cost-effective costs of commercial transportation to and from the airport, airline baggage fees, and documented airfare penalty or cancellation charges incurred by Contractor if the work schedule is altered by TVA after an airline ticket commitment has been made. Contractor must schedule air travel as far in advance as possible, to minimize travel costs, and will not reimburse any additional fees (including, without limitation, personal accident insurance, seat upgrades, priority boarding, priority check-in, and in-flight wi-fi) in connection with air travel, unless approved in writing and in advance by TVA's Contracting Officer. Contractor must use its best efforts to obtain the lowest-cost airfare available to support its and Subcontractor(s)' performance of Work.

**Rental Car.** Actual rental cost for non-luxury, mid-size vehicles only, unless the number of travelers or the circumstances dictates a different class, and fuel for such vehicles (purchased from commercial fuel stations, and not at rental agency fueling locations). TVA will not reimburse any additional fees (including without limitation, collision damage waivers, personal accident insurance, or rental agency fueling charges).

**Personal Vehicle Mileage,** at TVA's personal vehicle reimbursement rate in effect at the time of travel, unless TVA's Contracting Officer pre-approves different reimbursement rates in writing prior to the relevant travel. Applicable TVA reimbursement rates are stated at <https://www.tva.com/Information/Supplier-Connections/Frequently-Asked-Questions/Travel>.

TVA will not compensate Contractor for its or Subcontractor(s) for any travel-related expenses incurred in connection with their employee(s)' daily commute(s) to or from a Site or other Work location.

TVA will not reimburse any Contractor or Contractor's Subcontractor travel expense that otherwise may qualify for payment or reimbursement under this Section, and may reject any Contractor invoice or portion thereof that seeks such payment or reimbursement, if any of the following occur or apply: (i) TVA has not authorized Contractor, in advance and in writing, to incur the expenses, (ii) Contractor or Subcontractor(s) incur the expenses during any employee's leave of absence from Work that exceeds one-half of that employee's daily scheduled working hours, (iii) the expenses are or are invoiced as a cost burden, administrative fee, or other markup or charge to any travel-related expenses, or (iv) TVA determines that the

expenses are unreasonable.

TVA may, in its sole discretion audit all Contractor claims for reimbursement of travel expenses, and adjust claimed or issued reimbursements accordingly.

Contractor may (and is encouraged to) use TVA's preferred travel service supplier; however, it should obtain the lowest travel rates possible, regardless of from or through what source/agency it obtains such rates.

## 5. INVOICING AND PAYMENT

TVA will make payments to Contractor in accordance with the payment schedule set forth in the PO, after TVA's receipt of Proper Invoices, including supporting documentation: (i) through the Maximo Portal within TVA's Supplier Connections website, at [www.tva.com/supplier](http://www.tva.com/supplier) (if TVA enables Contractor's access to such portal), or (ii) by electronic mail (PDF or TIF file) to [accountspayable@tva.gov](mailto:accountspayable@tva.gov). Contractor shall not submit any invoices to TVA until it has completed the Work being invoiced to TVA's satisfaction.

Contractor certifies that: (i) to the best of its knowledge and belief, all information contained in each Proper Invoice is true and correct, (ii) all costs, charges and expenditures submitted were made and incurred in accordance with the provisions of this Contract, and have been actually paid by Contractor, and (iii) payment for the amounts on such Proper Invoice has not been received from TVA or otherwise paid or reimbursed to the Contractor by any other party, in whole or in part.

Credit card purchases, if authorized in advance and in writing by the Contracting Officer, do not require Contractor to submit an invoice.

All undisputed payments due to either party under this Contract will bear interest at the rate or rates identified in the Prompt Payment Act, 31 U.S.C. §3901-3907.

## 6. TAXES

By entering into this Contract, Contractor certifies that no state sales or use taxes will be invoiced to TVA under this Contract. Contractor is responsible for payment of any other taxes it incurs in performance of this Contract, including sales or use taxes on products installed or consumed by Contractor rather than sold directly to TVA, and for taking all measures to identify and claim any available exemptions or reductions to such taxes (such as exemptions for electrical generating equipment under Tennessee Code Ann. § 67-6-209(e)). Applicable taxes (including excise taxes or duties) must be included in Contractor's Fixed Price(s), rates, or other costs invoiced to TVA.

## 7. AUDIT RIGHTS

Contractor shall keep accurate records and books of accounts in machine readable form supporting the amounts invoiced to TVA under this Contract. TVA, or its agents, shall have the right to audit without restrictions and at no additional cost to TVA, at any time during normal working hours, all amounts invoiced by Contractor to TVA and may examine Contractor's records specifically relating thereto. Contractor shall refund to TVA any amounts invoiced to and paid by TVA that are not in accordance with Contract terms or that are not supported by valid evidence. If TVA makes an overpayment to Contractor as a result of Contractor overbillings, Contractor is liable to TVA for interest on the amount of such overpayment, to be computed (1) for the period beginning on the date the overpayment was made to Contractor and ending on the date TVA receives a

refund of such overpayment from Contractor, and (2) at the rate or rates identified in the Prompt Payment Act. Contractor shall preserve and make available its records, both manual and those which are in machine readable form, for a period of six (6) years from the date of final payment by TVA.

#### 8. TVA REPRESENTATIVES

TVA's Contracting Officer (Contract Manager/ Procurement Agent) is TVA's duly authorized representative for all Contract purposes until otherwise stated. No change or amendment to this Contract is effective without the authorized signature of TVA's Contracting Officer and an authorized Contractor representative. Contractor shall furnish all correspondence regarding this Contract to TVA's Contracting Officer unless he or she directs otherwise. TVA's Contracting Officer may designate a CTS, who will act for TVA in regard to all technical matters under the Contract, but has no authority to modify the Contract or to issue direction contrary to the Contract. Contractor must direct technical communications (for example, technical documents, samples, drawings, or specifications) to the CTS.

#### 9. LICENSES AND PERMITS

Contractor, by entering into this Contract, certifies that it and any Subcontractor(s), if applicable, have obtained all applicable Federal, State, and local licenses and permits required by Applicable Laws, and that such licenses and permits are current and in full force and effect. Contractor shall maintain such permits and licenses for the term of this Contract.

#### 10. NOTIFICATION OF WORK IMPACT

Contractor promptly, in writing, and in compliance with subsection A, below, shall notify TVA of any circumstances that prevent completion of Work or necessitate modifications to this Contract's or applicable PO(s)' scope of Work, such as technical requirements, circumstances resulting from the actions or inactions of TVA or third parties (excluding Subcontractors), any Force Majeure Event or changes in Applicable Laws.

TVA makes no representations regarding subsurface conditions at its Site(s). Contractor will not claim, and TVA will not reimburse or otherwise equitably adjust Work schedule(s) (except as otherwise set forth herein) or make payments to Contractor due to differing site conditions. Contractor may, upon written request to TVA's Contracting Officer, visit the Site Work area(s), in order to acquaint itself with the existing Site conditions before submitting performing Work.

A. Contractor's written notice of work impact must state, on the basis of the most accurate information available to Contractor:

1. the date, nature, and circumstances of the action, inaction, or event;
2. the name, function, and activity of each individual involved in or knowledgeable about such action, inaction or event;
3. the identification of any documents and the substance of any oral communication involved in such action, inaction or event;
4. the particular elements of performance affected by such action, inaction or event; and
5. If applicable, Contractor's estimate of the time by which TVA must respond to Contractor's notice to minimize cost, delay, or disruption of performance.

B. Following submission of the notice of work impact, Contractor shall diligently continue performance of Work to the maximum extent possible, unless TVA directs otherwise.

Any Contractor claim that such action, inaction or event justifies an adjustment to cost, schedule, or technical requirements must be submitted pursuant to the **Changes** section of this Contract.

#### 11. SITE WORK

Contractor shall ensure that all Work performed on-Site complies with applicable Site control procedures. Upon arrival at the Site, Contractor shall notify the Contracting Officer and report directly to the CTS. Upon final departure from the Site, Contractor shall notify the Contracting Officer and coordinate processing out with the CTS in accordance with Site procedures. Contractor shall confine its operations to the Site areas assigned by TVA. The use of any off-Site areas shall be at Contractor's sole expense. Contractor shall coordinate its Work with the operations of TVA and other contractors so as to avoid confusion and delay. TVA reserves the right to require Contractor to schedule the order of performance of its Work in such a manner as will minimize interference with other on-Site work. Contractor shall promptly notify TVA in writing of any work impact due to collateral work by others, in compliance with the Notification of Work Impact section of this Contract.

Contractor shall perform all Work pursuant to the technical requirements stated herein, referenced in the PO(s), or as provided by the CTS, and in accordance with all Applicable Laws. If Contractor discovers any discrepancy or inconsistency between this Contract and any Applicable Laws, Contractor shall report the same immediately, in writing, to the CTS.

TVA may require that Contractor furnish an inventory list of all equipment brought to the Site, to enable the CTS to check equipment onto and off of the Site.

The possession, transportation, gift, sale, or use of controlled substances, alcohol, explosives, firearms (that are not on Site as part of Contractor's performance), or incendiary devices is prohibited at the Site. In addition to any other remedies TVA may have at law or under this Contract, TVA may require that Contractor prohibit any Contractor Employee violating this provision from further work for TVA

#### 12. INFORMATION TECHNOLOGY

A. Definitions

1. "Cloud Computing" means the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-145 definition of this same term, as of September 2011.
2. "Cyber Asset" means any programmable electronic device, including hardware, software, information, or any of the foregoing, which are components of such devices or enable such devices to function.
3. "Harmful Code" means any computer instructions, circuitry or other technological means whose purpose is to disrupt, damage or interfere with TVA's use of TVA's Information System(s), including, without limitation, any automatic restraint, time-bomb, trap-door, virus, worm, Trojan horse, time lock, clock or any other harmful, malicious or hidden procedure, routine or mechanism, which will cause the Work or any other TVA software, hardware or system to cease to operate or to fail to conform to its specifications.
4. "IT Work" means the total of all hardware, software, software licenses, networks, cloud services, telecom, servers, databases, electronic programs, and related actions, management, services, Records (electronic or physical) or responsibilities, that Contractor will develop, update, upgrade, grant, deliver, transmit, perform, or provide to TVA under this Contract.

5. "Kaspersky Product" means any software code, or any information security product, solution, network, system, or service, that is or has been supplied (directly or indirectly) by AO Kaspersky Lab or any of its predecessor entities or its Affiliates (including, without limitation, Kaspersky Lab North America, Kaspersky Lab, Inc., and Kaspersky Government Security Solutions, Inc.), or any entity in which one or more of the foregoing has majority ownership or voting control.
  6. "Vulnerability(ies)" means any publicly disclosed material defect or compromise to the cybersecurity of Contractor's or its Subcontractor(s)' product or service provided, serviced, or delivered to TVA as part of the IT Work.
- B. Viruses and Harmful Code
1. Contractor represents and warrants that the IT Work, and any media used to distribute the IT Work, contains no Harmful Code at the time of initial delivery or at the time of updates or upgrades. Contractor shall utilize an industry standard scanning tool to ensure that no Harmful Code is contained in the Work, and if such scanning tool indicates the presence of any suspected or known Harmful Code associated with the IT Work, Contractor shall, at its expense, remove and confirm to TVA in writing the removal of the Harmful Code.
  2. Product Integrity Requirements. Contractor must provide or deliver to TVA Work Products that comply with the requirements stated in subsection (a), above, and the following (as appropriate and specified on Work Release(s)): (1) for Work Products delivered physically, in sealed boxes, packaged to indicate that the seal has not been broken, disturbed, or modified, (2) for Work Products delivered electronically, but separately from the Work Products themselves, a list of all delivered files and (i) the sha-1, sha-2 hash values associated with those files such that TVA can verify the integrity of the files, or (ii) other recognized hash value systems or hashing algorithms, functionally equivalent to sha-1 or sha-2 values, and (3) in any of the foregoing cases, accompanied by a written confirmation that the Work Products have never been affected by input from, and are free from, any Kaspersky Products (as defined in this Contract) (x) the use of which is prohibited under Section 1634 of the Fiscal Year 2018 National Defense Authorization Act, as enacted or codified; or (y) named or referenced in the U.S. Department of Homeland Security's Binding Operational Directive (BOD) 17-01, dated September 2017 (as such BOD may be revised or updated). TVA receiving personnel will verify that either: (x) tamper evident seals of the packaging are intact, or (y) Contractor has provided (by email or otherwise in writing) the information required by subsection (2), above, or (as appropriate) a cryptographic key and access information for the electronic Work Products.
  3. Ensure that Information System(s) hosted externally to TVA, by Contractor, Contractor's Subcontractor(s), or by Cloud Service Provider(s) (as those terms are defined herein), as part of or incident to Contractor's Work, have never been exposed to or affected by input from, and are protected and free from, any Kaspersky Products (1) the use of which is prohibited under Section 1634 of the Fiscal Year 2018 National Defense Authorization Act, as enacted or codified; or (2) that are named or referenced in the U.S. Department of Homeland Security's Binding Operational Directive (BOD) 17-01, dated September 2017 (as such BOD may be revised or updated).
  4. Contractor shall ensure that its Subcontractor(s) comply with this Section, and is liable for such Subcontractor(s)' failure to comply with this subsection.
- C. Accessible Technology, Software, Web Sites and Services- Section 508
1. TVA fully supports the principles and goals outlined in section 508 of the Rehabilitation Act, 29 U.S.C. 794d, which seeks to improve the internal and external accessibility of electronic and information technology for persons with disabilities. When accessible technology is available in the market and meets TVA's Work requirements or specifications, then, unless otherwise approved by the Contracting Officer, all electronic and information technology Deliverables or related services, as applicable, must comply with Section 508 of the Rehabilitation Act, and the Access Board Standards (see <http://www.section508.gov/section-508-standards-guide>).
  2. Contractor shall provide TVA with responses to the relevant portions of the Voluntary Product Accessibility Template (VPAT), located at <http://www.itic.org/public-policy/accessibility>, which will assist TVA in determining Contractor's compliance with Section 508 of the Rehabilitation Act. Contractor must complete the Functional Performance Criteria and all other applicable sections describing the commodity (for example, software, web information/applications, or telecommunications products). Instructions for the VPAT are available at <http://www.itic.org/public-policy/accessibility>.
  3. In addition, as Contractor implements technology improvements to its Deliverables or other Work, it will emphasize the accessibility of such Products to persons with disabilities. TVA may evaluate Contractor's progress in this area as a factor in determining the overall duration of this Contract, as well as the nature and quantity of Work purchased or authorized.
- D. Source Code Escrow
1. Concurrent with or within two weeks of the Effective Date, Contractor, at its expense, shall establish a source code escrow and name TVA as a Primary Beneficiary of the then-current source code and documentation (including programmers' documentation) as well as the executable code for the software that TVA purchases, or which is licensed to TVA, under or pursuant to this Contract (the "Escrowed Materials") with ("Escrow Agent"), pursuant to a fully executed Escrow Agreement approved by TVA.
  2. Contractor shall, over the term of this Contract, also deliver to Escrow Agent, at the time Contractor releases any upgrades to the Escrowed Materials, or, at its option, deliver sealed Escrowed Materials to TVA. In such case, TVA shall keep the Escrowed Materials in a vault, a safe, or a closed or locked cabinet normally used for safekeeping purposes by TVA.
  3. TVA may access the Escrowed Materials upon the happening of any of the following events:
    1. Contractor is liquidated, dissolved, or its assets but not its obligations are acquired by a third party
    2. Contractor ceases providing maintenance or hosting services as required under this Contract, ceases to provide services through a third party, or ceases doing business, voluntarily or involuntarily, for a period of at least ten days;
    3. Contractor furnishes written notice to TVA that it is withdrawing support for the software covered by this Contract;
    4. Contractor becomes insolvent or is the subject of a bankruptcy suit under Chapter 7, or is the subject of a bankruptcy suit under Chapter 11 and elects to reject this Contract within 30 days, or does not elect to either accept or reject this Contract within 30 days of initiation of bankruptcy;

5. Contractor is in default under this Contract, and has not remedied the default within thirty days after its receipt of written notice provided by TVA; or
  6. Contractor or Escrow Agent terminate or fail to renew or extend the Escrow Agreement throughout the term of this Contract.
4. Upon the occurrence of any of the foregoing, TVA shall be allowed to access the Escrowed Materials. TVA's access to these materials includes the rights to use, copy, display, perform, and prepare derivative works thereof only for the purposes of obtaining or providing support or maintenance of the software or developing modifications or enhancements thereto, but this provision shall not be construed to grant TVA any right to commercialize the software or use it for other than TVA business purposes.
  5. TVA will own all title to and intellectual property rights in any such modifications, enhancements or derivative works.
  6. Any software that is part of the Escrowed Materials and also connected with (or designed to be connected with) an externally hosted Contractor Information System must comply with the applicable security controls requirements stated in the Contract Section Externally Hosted Information Systems.
  7. This Section does not operate and shall not be construed as limiting or replacing any other Contractor obligations or liabilities under this Contract.
- E. TVA Furnished Information Technology Equipment
1. TVA may elect to furnish TVA-owned information technology equipment ("TVA IT Equipment," as defined herein) for Contractor's use if TVA determines that such use is the most cost-effective way to support the Contractor's performance of Work. For purposes of this Section, TVA IT Equipment means: (a) any equipment or interconnected system or subsystems of equipment that are used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching interchange, transmission, or reception of data or information; and (b) computers; ancillary equipment, data communication lines and other communication hardware, software, firmware; or similar equipment identified on Work Release(s).
  2. TVA will deliver to Contractor any TVA IT Equipment at the time and location specified in Work Releases(s), or as otherwise authorized in writing by TVA's Contracting Officer.
  3. All TVA IT Equipment, and any services, maintenance or support provided by TVA or third-party contractors relating to such TVA IT Equipment, are provided to Contractor "AS IS" or on a courtesy basis (as applicable), disclaiming any warranties by TVA or on TVA's behalf.
  4. TVA owns and will retain title to all TVA IT Equipment provided to Contractor, including any such equipment that Contractor purchases as agent for TVA, or otherwise on TVA's behalf (if and as authorized by specific Work Release(s)). Contractor shall not use TVA IT Equipment except in direct support of its Work under this Contract. Contractor assumes the risk and responsibility for loss or damage (other than as incident to reasonable usage for purposes of the Work) to any TVA IT Equipment after its initial delivery to Contractor, and until its return to TVA.
  5. Contractor shall maintain written property control records for all TVA IT Equipment in accordance with sound business practices and will make such Records available for TVA inspection, upon TVA's request.
  6. Upon completion of Work or termination of this Contract for any reason, Contractor shall follow the instructions of the Contracting Officer regarding the return and disposition of all

TVA IT Equipment, and shall return all related Records to TVA's CTS.

- F. Contractor Use of TVA Computer System Resource
1. Contractor's use of a TVA Information System, authorized or unauthorized, constitutes Contractor's consent to TVA's monitoring of Contractor's or any Subcontractor(s)' use of the relevant TVA Information System. TVA may provide access to its Information System and all related equipment, networks, and network devices (including internet access) only to authorized users for authorized purposes, as described in TVA's governing internal procedure(s), including, without limitation, TVA-SPP 12.001, Acceptable Use of Information Resources. Contractor is responsible for ensuring that its employees, its Subcontractor(s), and their agents comply with such internal procedures.
  2. Any Contractor employee or Subcontractor(s) that seek(s) access to a TVA Information System, or receives a TVA network ID, first shall complete, subject to TVA's written approval, TVA Form 40156 "TVA Contractor and TVA Nuclear Badged Employee Check-In Form Hire and/or Unescorted Nuclear Access Request." Any employee who receives a TVA network ID, or access to a TVA Information System, must complete TVA Form 40157, "TVA Contractor Check-Out Form" upon the completion of his or her Work, or the termination of this Contract or the relevant subcontract(s), for any reason.
  3. Contractor shall immediately notify the Contracting Officer in writing whenever it disables electronic access by or for any of its employees or Subcontractor(s) to a Contractor's Information System, due to any action that temporarily or permanently severs the employment or subcontracting relationship (including, without limitation, termination, resignation, or suspension) within 24 hours of the action. Upon receipt of such notice from Contractor, TVA will immediately disable the relevant employee(s)' electronic access to TVA Information Systems.
- G. eMarketplace - Catalog Content
- a. TVA has developed an internet-based marketplace called eMarketplace Connection, which is operated through a remotely hosted software service, so that Contract information can be accessed through electronic catalogs. TVA will provide Contractor's employees and Subcontractor(s) with access to this marketplace, if and to the extent necessary to facilitate Work authorized by Work Release(s).
  4. If this Contract is made available through the eMarketplace Connection, Contractor will assist TVA in building and maintaining catalog information, by preparing and updating a simple EXCEL spreadsheet.
  5. If the parties implement the eMarketplace Connection for this Contract, Contractor will choose one of the following annual fee options, based on the applicable method of order transmission:

| Method of Order Transmission | First Year | Subsequent Years |
|------------------------------|------------|------------------|
| XML/Real time                | \$5,200    | \$2,600          |
| EDI                          | \$4,800    | \$2,400          |
| Flat File                    | \$2,800    | \$1,400          |
| Email/Fax                    | \$800      | \$400            |

- H. Information Technology Security Training
1. All Contractor employees and Subcontractor(s) who use TVA's Information Systems ("Contractor Users") must complete appropriate security training that satisfies the training requirement established in accordance with the Federal Information Security Modernization Act (FISMA), and Critical

Infrastructure Protection (CIP) standards defined by the North American Electric Reliability Corporation (NERC).

2. In order to have and maintain access to TVA Information Systems, all Contractor Users will receive an assigned TVA network ID and must complete required Security Awareness training within 14 days of their receipt of such network ID. After completion of the initial training, Contractor Users must complete Security Awareness training on an annual basis (before their training anniversary date).
3. Contractor Users who receive a TVA network ID will receive: (1) an e-mail with instructions for completing the Security Awareness training requirement and an associated deadline for completion, and (2) an Employee ID and a personal identification number ("PIN") to access the online training. Contractor Users will then access the Security Awareness training with the ID and PIN, through TVA's Learning Management System. When each Contractor User completes the training module, he or she must complete a test with a passing score, as determined by TVA, to receive credit for the training.
4. Any Contractor User's use of a TVA's Information System constitutes Contractor's agreement to comply with such system's terms of use. TVA may deny or revoke a Contractor User's access to any TVA Information System if: (1) such Contractor User fails to successfully and timely complete any Security Awareness training, (2) TVA's information or TVA Information Systems are misused or abused, or (3) TVA's terms of service are violated. TVA will not pay or reimburse Contractor, and Contractor shall not claim against TVA (under the Changes Section of this Contract, or otherwise), for any delays, costs, or other expenses incurred by Contractor or Subcontractor(s), relating to TVA's revocation or denial of system access to a Contractor User.
5. Personally Identifiable Information and Privacy Act
6. If Contractor or its Subcontractor(s) obtain or have access to PII in connection with Work performed or delivered under this Contract, or if Work Product delivered to TVA contains modules or features that collect or the functionality of which could be updated to collect PII, then, in addition to complying with the other PII-related provisions of this Section, Contractor shall:
  - a. *obtain, access, or use PII only as necessary to perform Work in compliance with the terms of this Contract and for no other purpose;*
  - b. *maintain the confidentiality of the PII as Confidential Information under the Nondisclosure Section of this Contract, and not disclose PII to any third party without the prior written consent of TVA, except as specifically required by Applicable Laws;*
  - c. *obtain, access, use, receive, back-up, maintain, transmit, store, and disclose PII at all times in compliance with the terms of this Contract and Applicable Laws; and*
  - d. *establish and maintain security controls and procedures acceptable to TVA for the collecting, processing, transmitting, and storing of PII on any Contractor Information System. TVA or the TVA Office of Inspector General (OIG) may inspect and review Contractor's security controls and procedures during normal business hours and upon providing reasonable advance, written notice to Contractor.*
7. If an event has or could have resulted in the unauthorized access to, loss, theft, or damage to PII (hereinafter, "security incident"), Contractor shall:
  - a. *immediately notify TVA in writing, and: (i) (at minimum) identify in such notice to the extent known, the information*

*involved in the security incident, the timing and place of the security incident, the cause of the incident, and the steps being taken to mitigate any harm or damage caused by the security incident; and (ii) after such notice, as required by TVA, provide timely and regular updates regarding the security incident, and cooperate with TVA-designated personnel to mitigate any risks to Information Systems, or of further unauthorized disclosure of PII, posed by the security incident; and*

- b. *cooperate with TVA and the TVA OIG in any investigation or legal proceedings initiated by Governmental Authorities relating to a security incident.*
8. In the event of any security incident, TVA or the TVA OIG may, at its option, perform an independent risk analysis of the security incident to determine the level of risk and potential harm associated with the security incident. Contractor agrees to fully cooperate with and assist in this risk analysis.
9. PII is subject to the provisions of the federal Privacy Act of 1974, 5 U.S.C. §552a ("Privacy Act"), and subsection H, below. Except as required or permitted by Applicable Laws, including the Freedom of Information Act, neither party will disclose any information subject to the Privacy Act, which it obtained from the other party, without such party's prior written consent. Each party must protect PII and shall not disclose such information without written authorization from the individual to whom the information pertains, or except in compliance with the Privacy Act. If Contractor requests PII from any individual, Contractor shall provide a Privacy Act statement with such request or directly to such individual, which includes a notice of the expected routine uses of such information. PII may also meet the definition of Protected Health Information ("PHI") and be subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the privacy and security rules promulgated thereunder. In the event Contractor receives PHI from TVA or creates PHI on behalf of TVA, Contractor shall comply with the HIPAA Business Associate Agreement.
10. Within 90 days of the expiration or termination of this Contract (for any reason), Contractor shall destroy or return to TVA's CTS all PII received or obtained while performing Work under this Contract. The application of this Section will survive the expiration or termination of this Contract.
11. In the event of a loss or compromise of PII held by Contractor, its agents, or its Subcontractor(s), under this Contract, Contractor and TVA will collaborate and agree on the method and content of any written notification that is required to be sent to person(s) whose PII was lost or compromised. As part of such written notice, Contractor must offer to provide the following services to such person(s), at its sole cost, and without cost or liability to TVA: (1) 12 months of credit monitoring, and (2) for serious or large incidents as defined by TVA, call center help desk services for the person(s) whose PII was lost or compromised.
12. Contractor shall provide reasonable assistance to TVA when TVA must complete a Privacy Impact Assessment (PIA) document due to the design, development or operation of any system of Records on individuals. Upon review of the PIA, the TVA Privacy Program will determine whether additional measures are required. Contractor shall provide adequate support to complete the PIA in a timely manner, and shall ensure that: (a) project management plans and schedules include the, PIA, and Privacy Act System of Records Notice (SORN) (to the extent required) as milestones, and (b) each PIA is updated and renewed every three years after the date of its initial preparation, or upon termination of this Contract,

whichever occurs first.

**13. Privacy Act Compliance.**

- a. *If and to the extent that the Work under this Contract involves or requires Contractor to: (i) design, develop, or perform any activity associated with operation of, a System of Individual Records on (as defined below), or (ii) collect, use or disseminate such Individual Records, in any of the foregoing cases, in order to accomplish a TVA function, Contractor and Subcontractor(s) shall comply with the Privacy Act and its implementing regulations.*
- b. *As used in this Section: (i) "Individual Record(s)" means any item, collection, or grouping of information about an individual that is maintained by TVA or a Governmental Authority, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph, and (ii) "System of Individual Records" means any group of Individual Records subject to the Privacy Act, which is under the control of TVA or any Governmental Authority, from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.*

**I. Externally Hosted Information Systems**

- 14. This Section applies to any Information Systems hosted externally to TVA, by Contractor, its Subcontractor(s), or by Cloud Service Provider(s) (as those terms are defined herein), as part of or incident to Contractor's Work.
- 15. Basic Safeguarding of Covered Contractor Information Systems. Contractor and its Subcontractor(s) must comply with specific safeguarding requirements stated in Applicable Laws and by Governmental Authorities, which apply to its or their Information Systems. In addition to the foregoing, Contractor shall apply the following minimum security controls to all externally hosted Information Systems:
  - c. *Establish and identify users, processes acting on behalf of users, or devices (including other Information Systems), who and which are authorized by TVA, or authorized by Contractor and approved by TVA, to access the Information System(s) ("Authorized Users").*
  - d. *Limit Information System access to Authorized Users, and to the types of transactions and functions that Authorized Users are permitted to execute.*
  - e. *Authenticate (or verify) the identities of all Authorized Users as a prerequisite to allowing access to Information Systems, and limit Authorized Users' connections to and use of external information systems through the Information Systems.*
  - f. *Limit physical access to Information Systems, related equipment, and the respective operating environments, to Authorized Users.*
  - g. *Escort visitors and monitor visitor activity, maintain audit logs of physical access, and control and manage devices that can be used to gain physical access to Information Systems.*
  - h. *Sanitize or destroy Information System media containing Contract Information before disposal or release for reuse.*
  - i. *If the Information System is publicly accessible, in whole or in part, control information posted on or processed by the publicly accessible portion(s) of the Information System.*
  - j. *Implement subnetworks for publicly accessible system components that are physically or logically separated from the Information System(s)' internal networks.*
  - k. *Perform periodic scans of the Information System and real-time scans of files from external sources as files are*

*downloaded to, opened in, or executed by or through the Information System(s).*

- l. *Monitor, control, and protect organizational communications at the external boundaries and key internal boundaries of the Information Systems.*
  - m. *Identify, report, and correct Information System Vulnerabilities within 30 days of discovery of any Vulnerability.*
  - n. *Protect the Information System(s) from Harmful Code at appropriate locations within such systems, and update Harmful Code protection mechanisms when new releases are available.*
  - o. *Ensure the integrity and authenticity of the Information System(s), and all associated security patches, through physical or logical mechanisms, or both mechanisms, as appropriate to the nature of the Information System(s).*
  - p. *Ensure that the Information System(s) have never been exposed to or affected by input from, and are protected and free from, any Kaspersky Products (1) the use of which is prohibited under Section 1634 of the Fiscal Year 2018 National Defense Authorization Act, as enacted or codified; or (2) that are named or referenced in the U.S. Department of Homeland Security's Binding Operational Directive (BOD) 17-01, dated September 2017 (as such BOD may be revised or updated).*
16. Cloud Services. If and to the extent that Contractor's Work includes the provision of Cloud Computing services to TVA, by it, its Subcontractor(s), or its or their agent(s) (individually and collectively referred to in this Section as a Cloud Service Provider, or "CSP"), the CSP will comply with the following in connection with its performance of Cloud Computing services ("Cloud Services") as part of this Contract's Work:
- a. *Upon no less than 48 hours' prior written notice to Contractor, and at a mutually agreeable time, TVA may perform an onsite information security assessment of CSP's relevant Information Systems associated with the Cloud Services.*
  - b. *The CSP will make Contract Information held or stored by the CSP, or its agent(s) available for retrieval for no less than 90 days after the termination of this Contract (for any reason), and promptly after the later of termination or TVA's retrieval of its information, the CSP, unless otherwise agreed upon by the parties in writing or required by Applicable Law, will destroy any Contract Information in its possession or control. The CSP must certify in writing that the Contract Information has been so destroyed, unless TVA elects to waive (in writing) such certification requirement.*
  - c. *The CSP will notify TVA accordingly in the following Cloud Services situations: (a) at its earliest possible opportunity of any suspected security incident or the attempted access of Contract Information, and (b) no later than one hour of any confirmed security incident or the unauthorized access or attempted access of Contract Information. The one-hour time frame begins once a security incident has been confirmed, and does not include the time it takes to confirm that a security incident has occurred. The CSP must effect such notice by telephone to the Contracting Officer, and to the TVA ITCO at (423) 751-4357, and then immediately thereafter by providing a written communication to TVA at CYBERSECURITY@TVA.GOV, summarizing the incident and providing a designated CSP contact for the incident.*
  - d. *Document Information System connections, as requested by TVA, with an Interconnection Security Agreement (ISA), Memorandum of Understanding (MOU), or both. The CSP shall transmit data externally only through connections that*

use secure communications (e.g., TLS, HTTPS/SSL, SSH, IPsec). Only ciphers that are generally recognized as safe may be used. Deprecated ciphers are prohibited.

- e. The CSP shall provide relevant security logs that can be integrated into TVA's security suite utilizing RFC-compliant, TLS-protected syslog or service vendor-provided API connectors.
  - f. Unless otherwise authorized by TVA in writing, the CSP will store, process, and communicate all TVA information in connection with Externally Hosted Information Systems only within the continental United States, and will only allow United States Persons, as defined by 22 CFR part 120.15, or other individuals legally authorized under Applicable Laws, specifically including Export Control Laws, to access Contract Information. The CSP will use reasonable efforts to limit the interruption of Externally Hosted Information Systems and operation and maintenance times. The CSP will notify TVA in writing, at least 48 hours in advance, of any planned maintenance that could interrupt Externally Hosted Information Systems.
17. Any CSP providing Cloud Services not authorized by the Federal Risk and Authorization Management Program (FedRAMP) must:
- a. Provide documentation proving implementation of an appropriate control baseline, as determined by TVA, based on the Federal Information Processing Standard (FIPS) 199.
  - b. Provide, upon TVA's request, any additional information/documentation to allow TVA to determine that controls are in place and operating as expected.
  - c. Provide independent testing of those controls and document/maintain a plan that describes specific measures to be taken to correct deficiencies found during independent testing.
  - d. Remediate or mitigate all identified Common Vulnerabilities and Exposures (CVE) from the date vulnerabilities are formally identified, where applicable: (i) Critical vulnerabilities within 15 calendar days, and (ii) High vulnerabilities within 30 calendar days.
18. Contractor shall not connect any TVA IT Equipment (as defined in the Contract Section TVA Furnished Information Technology Equipment) to an externally hosted Information System without the prior, written approval of TVA's CTS. If TVA's CTS provides such approval, Contractor must, at its sole cost, ensure that any TVA IT Equipment that is connected with or integrated into a Contractor Information System complies with the applicable requirements of this Section.
19. Any reference in this Section to a NIST Special Publication (SP), Applicable Laws, or TVA or other federal standards, programs, memoranda or guidance, is to the latest issued or most recently amended version of such documents or requirements.
20. Subcontracts. Contractor shall include the substance of this Section, including this subsection (h), in subcontracts under this Contract, in which Subcontractor(s) may process, store or transmit Contract Information through an externally hosted Information System.

J. Cyber Security- Nuclear

This Section applies if and to the extent that Contractor, its Subcontractor(s), or its or their agent(s) furnish TVA with hardware, software, firmware, or digital devices that will or may connect with or impact TVA's Information Systems. Contractor will comply with the following in connection with its performance of such Work:

Contractor may utilize any combination of technical and administrative controls to secure or protect its own Information

Systems, in order to control modifications to hardware, firmware, and software, and to ensure that digital devices are protected against improper modifications prior to, during, and after installation of such Information Systems (for example, but without limitation, Contractor must configure digital devices to only enable functions and services needed for operation in support of the Work, and Contractor must certify that its Information Systems that may connect with or impact TVA's Information Systems are free from any and all Kaspersky Products). However, Contractor must comply with the requirements of TVA DS-E18.1.25.8, Cyber Hardening for Digital Devices, 1/13/14, associated with the design and development of such controls, and provide TVA the opportunity to verify the adequacy of such controls.

- 1. Consistent with the Contract Section, Viruses and Harmful Code, Contractor shall provide documentation (for example, user guides, specifications, installation guides, maintenance guides) that: (i) address the applicability and methods on conformance to security requirements outlined in TVA DS-E18.1.25.8, Cyber Hardening for Digital Devices, 1/13/14, and (ii) ensure that the Information System(s) have never been exposed to or affected by input from, and are protected and free from, any Kaspersky Products (1) the use of which is prohibited under Section 1634 of the Fiscal Year 2018 National Defense Authorization Act, as enacted or codified; or (2) that are named or referenced in the U.S. Department of Homeland Security's Binding Operational Directive (BOD) 17-01, dated September 2017 (as such BOD may be revised or updated).
- 2. Deliverables Affecting Critical Digital Assets. A "Critical Digital Asset" means a digital computer, communication system, or network that is a component of a critical Information System (this includes assets that perform Safety-Sensitive or Emergency Planning ("SSEP") functions, or provide support to, protect, or provide a pathway to critical systems), or a support system asset whose failure or compromise as the result of a cyber attack would result in an adverse impact to an SSEP Function. If Work Products delivered to TVA by Contractor are designed to, or functionally may, affect or modify TVA-designated Critical Digital Assets, Contractor must comply with all provisions and substantive requirements stated and referenced in this Section, and:
  - a. Provide a Failure Modes and Effects Analysis (FMEA) testing report, performed by Contractor at a component level (meaning, for purposes of this requirement, at the circuit board level), and including: (a) reliability metrics data (that is mean time for failure (MTFF)) for each component, and (b) a common cause evaluation such as software, power supplies, or cooling.
  - b. Provide an EMI/RFI Test Report, consistent with EPRI TR-102323.
  - c. Provide user documentation that describes the function and operation of software included in or necessary to operate the Work Products, which must be sufficiently detailed to allow the development of interface device drivers for communicating with Site data systems, and include: (a) an Information System overview, (b) description of the purpose and instructions for use of each software function, (c) system/function operation requirements including any limitations and assumptions, (d) description of the user interface with the software including input data requirements, interpretation of data outputs, and required responses to Information System error messages, casualty events, or prompts, (e) samples of outputs, forms, reports, or displays, (f) information for obtaining user and maintenance support, (g) description of all data communication ports (Inputs and Outputs) detailing all handshaking and format requirements, (h) description of all self diagnostics and their



associated actions, and (i) error or self diagnostic codes.

- d. For all digital devices, provide to TVA the manufacturer's name and a list of all installed software and patches on the digital device, and the revision, version, or upgrade levels for software and hardware provided to TVA.
- K. Knowledge Transfer
  - 1. Contractor recognizes that its Work is critical to TVA function(s), and must be continued without interruption upon termination or expiration of this Contract (for any reason). Accordingly, Contractor shall furnish phase-in training to TVA or third-party contractor personnel, and cooperate with TVA to ensure an orderly and efficient transition of such Work, consistent with this Section.
  - 2. Contractor shall, upon the Contracting Officer's written notice, (1) furnish phase-in, phase-out services for up to 90 days after this Contract expires or terminates, and (2) negotiate in good faith a plan with TVA or its designated third-party contractor, to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of Work described in the plan, and is subject to the Contracting Officer's approval. Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the Work is maintained or performed at the required level of proficiency.
  - 3. Indemnity – IT Work
  - 4. Contractor shall not knowingly or negligently introduce any Harmful Code into any TVA Information System and shall indemnify TVA and hold TVA harmless from all liabilities resulting from the presence of Harmful Code in or with the Work, or contained on media, delivered by Contractor or its Subcontractor(s) to TVA. Contractor will immediately notify TVA in writing of any suspected or known Harmful Code associated with the Work, and will, at its expense, ensure the removal of the Harmful Code. Further, Contractor is responsible for replacing any hardware, software, or data medium destroyed by failure to comply with requirements of the Viruses and Harmful Code Section of this Contract.
- L. Vulnerabilities

Prior to the performance of any IT Work under this Contract, Contractor shall provide summary documentation of any Vulnerability, the potential impact of such Vulnerabilities, and the status of Contractor's efforts to mitigate those publicly disclosed Vulnerabilities. Contractor, at its expense, shall implement any corrective actions, compensating security controls, mitigations, or procedural workarounds, or any of the foregoing, which it recommends as necessary to address the identified Vulnerabilities.
- M. Cyber Security Incidents: Notices and Responses
  - 1. In addition to any notice required under this Contract, Contractor agrees to notify TVA immediately at (423) 751-4357 and then immediately thereafter by providing a written communication to TVA at CYBERSECURITY@TVA.GOV, whenever Contractor knows or reasonably believes that an act or omission by any source has compromised or may adversely affect or breach: (i) the cybersecurity of any IT Work, or (ii) the physical, technical, administrative, or organizational safeguards protecting Contractor's Information Systems (any of the foregoing, a "Compromise").
  - 2. Within seven days of notifying TVA of the Compromise, Contractor shall recommend actions that TVA should take on TVA Cyber Assets to reduce the risk of a recurrence of the same or a similar Compromise, including, as appropriate, the provision of action plans and mitigating controls. Unless TVA or its agents negligently caused the Compromise, Contractor

is responsible for developing and implementing those action plans and mitigating controls, at its expense. Regardless of the cause(s) of the Compromise, Contractor shall coordinate with TVA in implementing the action plans and mitigating controls. In addition, Contractor will provide TVA guidance and recommendations for long-term remediation of any cyber security risks posed to TVA Cyber Assets, and any information necessary to assist TVA in any of its recovery efforts in response to a Compromise.

N. Remote Access

If the IT Work involves establishment or maintenance of remote access to a TVA Cyber Asset (either interactive or to and from an external Cyber Asset), Contractor shall (i) comply with TVA Cyber Asset requirements and preconditions, and (ii) coordinate with TVA to establish controls around, any such remote access to TVA Cyber Assets.

### 13. SITE FACILITIES (LAND OR BUILDINGS) AND UTILITIES

- A. If such use is necessary to Contractor's performance and completion of the Work, and strictly on an "as-is," "where-is" basis, TVA may provide or allow Contractor to use: (1) Site facilities such as offices, warehouses or other property ("Facilities"), office furniture and equipment; (2) to the extent available and if (in TVA's judgment) Contractor's usage does not interfere with TVA's or any other contractor's activities, water, electricity, and compressed air from existing Site outlets; (3) existing Site restroom facilities or portable toilets; or (4) designated Site parking areas for Contractor and Subcontractor(s) vehicles, subject to specific Site permitting requirements. Subject to the foregoing conditions, TVA will furnish these Facilities, Site services, and Site areas as they exist at the time of Contractor's use.
- B. TVA does not warrant or guarantee to Contractor or any Subcontractor(s) an uninterrupted supply of water, electricity, functional electrical outlets, or compressed air. Contractor is solely responsible for obtaining utility services, equipment, and materials necessary to perform and complete the Work under this Contract, at its sole cost and expense, in the event any such utility services are not functioning at the Site, or otherwise not available from TVA.
- C. TVA may authorize Contractor's employees and Subcontractor(s) to use Site elevators, in coordination with TVA Site representatives, and in compliance with the Health and Safety Section of this Contract. TVA's CTS and Site Safety representative must pre-approve, in writing, any Contractor use of on-Site elevators to transport equipment, materials, vehicles, or supplies.
- D. Unless collection, storage and removal of trash, rubbish or debris (that is neither hazardous nor classified as "universal waste") is specifically part of Contractor's scope of Work, Contractor shall comply with TVA's or its third party contractor's Site-specific requirements and procedures that govern collection, storage and removal of such trash, rubbish or debris, whether generated by Contractor's or Subcontractors' Work, or otherwise.
- E. Contractor shall not make any connections to any Site fire protection equipment or systems, except in the case of an emergency, without first obtaining written approval from TVA's CTS and Site Safety representative.
- F. Prior to or in connection with the use of any office or warehouse spaces or other Facilities at the Site, TVA reserves the right to require Contractor to enter into a separate license agreement, lease or comparable agreement governing its use of such Facilities or spaces.
- G. Upon the termination of Contractor's right to use Facilities,

Contractor shall promptly remove its property and repair any damage, ordinary wear and tear excepted.

**14. FOREIGN MATERIAL**

If this Contract or any associated PO value is at or above \$250,000, Contractor will provide Work compliant with the Trade Agreements Act of 1979, 19 U.S.C. §§ 2501-2581 (TAA), to the extent the TAA is applicable. Contractor will provide materials compliant with the Buy American Act, 41 U.S.C. §§ 8301-8305 (BAA), to the extent the BAA is applicable. TVA may reject any Work that does not comply with the BAA or TAA.

**15. LABOR PROVISIONS**

If Contractor’s Work involves craft labor, it and any Subcontractors shall comply with TVA’s current year labor documents, which are available through the “Labor Documents” link at TVA’s Supplier Connections website, at <https://www.tva.com/Information/Supplier-Connections/Documents-Referenced-Clauses>, or from the Contracting Officer. Contractor must comply and ensure Subcontractor(s)’ compliance with these requirements, depending on the nature of the Work. Contractor must direct questions regarding these labor provisions to the Contracting Officer and TVA’s Manager, Labor Relations.

**16. PREVAILING WAGE AND BENEFIT REQUIREMENTS FOR SERVICES CONTRACT EMPLOYEES**

If Applicable Laws require Contractor to use employees governed by the Service Contract Act of 1965 (“SCA”) to perform the Work, Contractor shall comply with the minimum compensation and related requirements of the SCA, as amended, and the implementing regulations of the United States Department of Labor.

**17. PERSONNEL QUALIFICATIONS AND SITE SECURITY**

Contractor shall ensure that all Contractor Employees who perform Work under this Contract are qualified to perform their assigned work. Contractor shall not employ any person undergoing sentence of imprisonment at hard work, except those exceptions covered by Executive Order 11755. If it is determined that a Contractor Employee fails to meet TVA’s qualifications, performance requirements, or for any other reason fails to meet the standards established in this Contract, TVA may: (a) direct Contractor by written notice to prohibit that person from performing Work, and remove such person from the Site, and (b) require Contractor, at its cost, to review any Work provided by such person. If TVA determines that such Work does not comply with the standards established in this Contract, Contractor shall be responsible for re-performing such Work at no additional cost to TVA.

Contractor shall comply with TVA’s Site security system requirements, and ensure that all Contractor Employees comply with such requirements. TVA may subject each Contractor Employee at a Site to a medical examination and security investigation. Any such employees who cannot work within any applicable medical restriction imposed, or who do not meet TVA’s security requirements, or whose access to the Site is denied or revoked, shall not be permitted to perform Work. Contractor will bear the costs and expenses, or reimburse or credit to TVA any costs or expenses that TVA incurs, resulting from the failure of Contractor Employees to: (1) satisfy the specified security clearance requirements, (2) pass their medical examinations, or (3) otherwise meet specific requirements of this Contract or any related PO. Additional information on the security system is available from TVA’s Supplier

Connections (<https://www.tva.com/Information/Supplier-Connections/Existing-TVA-Supplier>), or from the Contracting Officer.

**18. DRUG TESTING**

A. Pre-access testing is required when Contractor Employees are expected to perform on-Site Work for more than 20 consecutive work days or 90 cumulative work days in any 180 calendar day period. In the event Contractor Employees are not expected to perform work for more than 20 consecutive work days or 90 cumulative work days, as the case may be, but actually do perform work for such period of time, then drug testing must be conducted within 14 calendar days from when the employee exceeded such 20 work day or 90 cumulative work day period.

B. Contractor Employees working on-Site less than the above-specified amounts of time, but who will be performing in safety sensitive positions or safety-sensitive functions must be tested prior to TVA Site access. Safety-sensitive positions are those positions in which an individual has the potential to cause immediate serious physical injury or harm to persons or property. Safety-sensitive functions include but are not limited to: carrying fire arms; working with explosives; working on or around energized equipment; working on or around powered equipment; working at unprotected elevations; working in or around water; performing safety inspections; piloting, co-piloting, or maintaining aircraft; performing plant maintenance, modifications, or operations; and performing

| Drug                          | Screening Limit (ng/ml) | Confirmation Limit (ng/ml) |
|-------------------------------|-------------------------|----------------------------|
| Amphetamines <sup>1,2</sup>   |                         |                            |
| Amphetamine                   | 500                     | 250                        |
| Methamphetamine               | 500                     | 250                        |
| MDMA <sup>3</sup>             | 500                     | 250                        |
| Cocaine                       | 150                     | 100                        |
| Marijuana (THC)               | 50                      | 15                         |
| Opiates/Opioids <sup>4</sup>  |                         |                            |
| Morphine/Codeine              | 2000                    | 2000                       |
| Hydrocodone/hydromorphone     | 300                     | 100                        |
| Oxycodone/oxymorphone         | 100                     | 100                        |
| 6-Acetylmorphine <sup>5</sup> | 10                      | 10                         |
| PCP <sup>5</sup>              | 25                      | 25                         |

construction work. Notwithstanding the foregoing, TVA may determine, in its discretion, which positions and functions are safety-sensitive.

C. Each calendar year during the Contract term, Contractor and any Subcontractors shall perform random testing of at least 25 percent of those employees who have performed on-Site Work for at least six months, are performing safety-sensitive positions or safety-sensitive functions, or both (as applicable). Contractor Employees performing on-Site Work are subject to TVA conducting reasonable suspicion testing at TVA’s discretion.

D. Except as provided below for emergencies, Contractor Employees subject to the above testing requirements may only begin performing on-Site Work if one of the following conditions is satisfied:

- a. A negative result has been reported for the employee for a drug test administered within 30 calendar days prior to or on the initial work date, and the testing program has been determined to be in compliance with TVA testing requirements.
- b. The employee has been subject to a random drug testing program within the past 30 days and the drug testing program has been determined to be in compliance with TVA testing

requirements.

In case of emergency the CTS or Contracting Officer may approve drug testing to be performed after an employee's initial work date.

E. Contractor is responsible for its own drug screening program, which must meet the following drug testing standards:

1. Collections and specimen transport for all drug screens must be conducted by certified collectors and follow proper chain-of-custody documentation, pursuant to the requirements in the Mandatory Guidelines for Federal Workplace Drug Testing and/or DOT regulations.
2. Point-of-collection testing (POCT) urine drug screens must be conducted with FDA-approved testing devices.
3. Non-negative results on initial screens (either POCT devices or laboratory immunoassays) must be confirmed by Gas Chromatography/Mass Spectrometry (GC/MS) testing at a Substance Abuse and Mental Health Service Administration (SAMHSA) certified laboratory.
4. Non-negatives confirmed by GC/MS must be reviewed by an AAMRO- or MROCC-certified Medical Review Officer (MRO).
5. Laboratory-based urine drug testing must be conducted by laboratories certified by SAMHSA to perform urine drug testing.
6. All drug screens must undergo specimen validity testing that includes, at a minimum, pH, creatinine and/or specific gravity, and one or more oxidant adulterants. POCT, as well as any laboratory-based urine drug testing, must meet these specimen validity testing requirements.
7. All drug screens must, at a minimum, test for the following substances identified in the Mandatory Guidelines for Federal Workplace Drug Testing at or below the listed cutoff levels. For POCT, the screening device is not required to detect 6-AM or PCP.

<sup>1</sup> Amphetamines screening must detect both amphetamine and methamphetamine.

<sup>2</sup> Methamphetamine is the target analyte for amphetamine/methamphetamine testing.

<sup>3</sup> Methylenedioxyamphetamine (MDMA) including Methylenedioxyamphetamine (MDA)

<sup>4</sup> For opiate/opioid analytes (i.e., morphine, codeine, hydrocodone, hydromorphone) the immunoassay test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group. Oxycodone/oxymorphone must be separate immunoassay target analytes on a POCT device.

<sup>5</sup> POCT devices are not required to include 6-AM or PCP; however, any non-negative on a POCT opiates/opioids screen must undergo confirmation testing for morphine, codeine, hydrocodone, hydromorphone, and 6-AM using the confirmation cut-off levels above.

Pre-access alcohol testing is not required, but in the event that breath alcohol testing is performed in connection with this Contract, it must be conducted in accordance with 49 C.F.R. part 40, which outlines specific requirements for testing devices, collection protocols, confirmation testing, and documentation requirements.

Contractor shall maintain, at a minimum, the following data

during the term of this Contract and for at least three years thereafter:

1. Number of employees tested for drugs and/or alcohol
2. Number of drug tests deemed positive by the MRO
3. Number of individuals refused to be tested
4. Number of individuals tampering or attempting to tamper with a specimen
5. Specific drugs that were positive
6. Evidence of individual testing documenting compliance with the drug testing requirements contained herein

Such data shall be provided to TVA upon request.

These standards do not exempt Contractor from complying with applicable Department of Transportation or any other federal or state drug or alcohol testing programs covering Contractor Employees.

Any Contractor Employee who tests positive under a drug screening program established by the Contractor shall be immediately removed from the Site, and is prohibited from working at any Site for a period of three years for a first positive drug test result, and permanently for a second positive drug test result. A refusal to be tested, adulteration, substitution, tampering, attempting to tamper with, failure to cooperate in a timely manner, or otherwise attempting to subvert the testing process will result in an employee being permanently barred from access to TVA sites. An individual providing a urine specimen that is negative and diluted may be required to provide another specimen under direct observation. A positive test result that is diluted will be considered a confirmed positive test.

Contractor is responsible for informing Contractor Employees of these requirements and to specify the consequences associated with substituting, adulterating, and/or otherwise tampering, or attempting to tamper with a specimen and/or positive test results. Contractor is also responsible for informing TVA Security of Contractor Employees who have violated the drug testing requirements, immediately upon testing confirmation, and utilizing TVA's Web Contractor Security System (WCSS).

The cost of preparing and administering (including recordkeeping) a drug screening program and the cost of Contractor Employees' time to have test performed, laboratory expenses, and expenses of test review results by an MRO shall be the Contractor's responsibility. TVA shall have the right to audit all documentation and records describing and supporting Contractor's drug screening program.

## 19. HEALTH AND SAFETY

- A. **Purpose.** TVA believes that Safety and Health is its most important value and all injuries and most illnesses, both on and off the job, are preventable. TVA is a zero injury culture company and expects its contractors and their sub-contractors to be committed to a zero injury work culture environment. In other words, occupational accidents or other incidents in which human health or safety is jeopardized are never acceptable.
- B. **Standards.** Contractor will be proactive in taking necessary measures to avoid accidents or incidents which human health or safety is jeopardized. While performing Work at a Site, Contractor will not permit Contractor Employees, or its representatives or agents, to work in surroundings or under working conditions which are unnecessarily dangerous to human safety or health. In

order to provide the necessary controls for protection of employees and prevention of damage to property and for avoidance of work interruption in the performance of this Contract, Contractor shall comply with:

1. Section 107 of the Contract Work Hours and Safety Standards Act (CWHSSA) (except to the extent Contractor's Work includes provision of "commercial items," as defined at 41 U.S.C. 403(12)); and
2. The Occupational Safety and Health Act of 1970 (OSHA), its implementing regulations, and applicable state-lead occupational safety and health laws and program regulations; and
3. The TVA Safety Manual (available at TVA's Supplier Connections, <https://www.tva.com/Information/Supplier-Connections/Documents--Referenced-Clauses>, or from the Contracting Officer).
4. Prior to the commencement of on-Site Work, and depending on the nature and location of the Work, TVA's CTS may notify Contractor that certain additional TVA Site-specific safety and health requirements apply to Contractor's performance of Work. In the event of conflict between any Applicable Laws and TVA policies pertaining to human health, safety, or occupational standards or requirements, the more stringent requirements, i.e., the more protective of occupational health and safety, will apply.

Contractor and any Subcontractor(s) shall initiate and maintain such programs as may be necessary to comply with the foregoing requirements; provide for frequent and regular inspection of the job sites, materials, and equipment; identify and prohibit work in an unsafe or unhealthful work place, including the use of unsafe machinery, tools, materials, or equipment; and permit only those employees qualified by training or experience to operate equipment and machinery.

- C. Compliance. In addition to the specific requirements stated in subsection B., above, Contractor shall comply, and is responsible for ensuring Subcontractors' compliance, with the provisions of this Section, Applicable Laws governing health and safety, and TVA policies contained or referenced herein.
- D. Safety and Health Plan & Evaluation. Contractor, after evaluating potential hazards to human health and safety associated with the work to be performed under the contract, shall submit a site specific safety and health plan in writing to the CTS at least 30 days prior to the start of work under this Contract. At minimum, Contractor's Safety and Health Plan must address the steps Contractor will take to promote health and safety in the work environment. If Contractor's, or any Subcontractor(s)', scope(s) of Work includes construction work at a new or existing TVA owned or controlled site directly related to: (i) the construction of new generating capacity or transmission construction, or (ii) offices, other buildings, or facilities, and the aggregate value of the Work is greater than \$25,000 but less than: for TVA Fossil, Nuclear, or Hydro business units, \$250,000, or for all other TVA business units, \$350,000, then Contractor's Safety and Health Plan also must incorporate OSHA Outreach training, or its TVA-approved equivalent, for (at least) Contractor's Safety Representative

(see subsection g., below) or Contractor's or the relevant Subcontractor(s)' designated on-Site supervisor(s). Such training may occur online, or, at TVA's option, through TVA-sponsored or TVA-designated training classes. Contractor will submit records showing completion of such training to TVA's CTS as an addenda to the Safety and Health Plan. Contractor also may fulfill the requirements of this subsection by providing written evidence to the CTS that its Safety and Health Plan mandates certified or equivalent OSHA Outreach training for its on-Site safety and supervisory personnel.

E. Records.

1. Contractor and any Subcontractor will maintain an accurate record of all accidents and occupational diseases in accordance with OSHA regulations (29 C.F.R. Part 1904), and analogous regulations of state or local agencies. In addition, Contractor shall maintain records of the costs for repairing or replacing property, materials, supplies, and equipment damaged in accidents occurring while performing work under this Contract.
2. If the Contract value exceeds \$100,000 and involves Hazardous Work, as defined herein, Contractor must maintain (at its sole cost, during the Contract term) an active membership and subscription with ISNetworld ([www.ISNetworld.com](http://www.ISNetworld.com)), and records of any information requested by or furnished by Contractor to ISNetworld in connection with ISNetworld's evaluation of the Contractor. If Contractor is subject to the requirements of this subsection E.2, and Contractor's ISNetworld rating falls below "B" during the Contract term, Contractor shall restore its rating to a "B", within thirty (30) days of its receipt of notice from ISNetworld of the rating below "B." TVA may issue a stop order or terminate this Contract for default, if Contractor fails to comply with this subsection E.2.

3. For purposes of this **Health and Safety** Section, "Hazardous Work" means any of the following, whether performed or expected to be performed under this Contract by Contractor or Subcontractor(s):

- a. Handling, management, transportation, or disposal of hazardous materials or hazardous waste (as defined by Applicable Laws);
- b. Handling, management, transportation or disposal of radioactive material, radioactive waste, or work within a TVA nuclear plant's Radiologically Controlled Area;
- c. Work involving disturbance or remediation of lead, asbestos-containing materials, potentially asbestos-containing materials, PCBs, or silica;
- d. Work requiring fall protection;
- e. Confined space work;
- f. Cutting, welding, grinding or similar "hot work";
- g. Erection or use of scaffolding;
- h. Crane use or rigging requiring a "high hazard lift plan";
- i. Fire protection or fire emergency planning;
- j. Excavation or trenching;
- k. Use of explosives or blasting operations;
- l. Electrical work with Lockout/Tagout Clearance requirements, or Arc Flash; or
- m. Electrical transmission system work on or around lines rated at 13 kV or greater.

- F. Contractor Safety Representative. Unless otherwise authorized in writing by the CTS, Contractor shall retain a representative on-Site at all times while Work is in progress,

who is responsible for Contractor's safety and health program and who is authorized to correct hazardous conditions. Contractor's representative shall respond promptly to the CTS in order to reduce or eliminate conditions which in the opinion of the CTS constitute a threat to or appear to threaten life, health or property at the on-Site Work location.

G. **Temporary Access and Public Safeguards.** Contractor shall build and maintain such temporary bridges, roads, and other means of passage as are necessary and not otherwise provided by TVA; shall provide for convenient access to the various parts of the work and to adjacent private property which may be affected by the work; and shall provide such temporary fences or guards as may be necessary to keep livestock on adjoining property from entering the lands occupied by the work. Contractor shall also provide such barricades, warning signs and lights, watchmen, etc., as are necessary to protect the public and the work. Should conditions arise on the work, which require that immediate and unusual provisions be made to protect the public from danger or loss of damage due directly or indirectly to the prosecution of the work, Contractor shall make the necessary provisions. Contractor shall be responsible for the sufficiency and safety of all such temporary works and provisions and shall be responsible for all damage resulting from their insufficiency. Contractor shall not disturb, close, or obstruct any existing highways or other communications systems unless the CTS has provided Contractor with specific, prior written authorization to do so.

H. **Cleaning Up.** Contractor shall, at all times, keep the work area, including storage areas used by it, reasonably free from hazardous and unsanitary accumulations of waste materials or rubbish, and prior to completion of the Work, shall remove any rubbish from the premises and all tools, scaffolding equipment, and material not the property of TVA. Upon completion of the Work, Contractor shall leave the work and premises in a clean, neat, and workmanlike condition satisfactory to the CTS.

I. **Breach of Safety and Health Provisions.** Contractor is solely responsible for its and any Subcontractor(s)' compliance with this Section. The CTS has the right (but not the duty) to inspect Contractor's operations as he or she deems appropriate to assure that Contractor and any Subcontractor(s) comply with the requirements of health and safety laws, regulations, TVA policies, and this Section. TVA's CTS promptly will notify Contractor upon becoming aware of any noncompliance with the foregoing requirements. Upon receipt of such notice, Contractor shall immediately take such action as may be required to determine the existence of and to correct such noncompliance. If Contractor fails or refuses to correct an unhealthful or unsafe condition, the CTS shall have the

|    | Coverage   | Minimum Amounts and Limits  |
|----|--|-----------------------------|
| 1. | Workers Compensation                               |                             |
|    | Part A.  | Statutory requirements      |
|    | Part B. Employer's Liability                       | \$1,000,000 each occurrence |
| 2. | Commercial General Liability                       |                             |
|    | Combined Single Limits                             | \$1,000,000 each occurrence |
| 3. | Automobile Liability (owned, hired, and non-owned) |                             |
|    | Combined Single Limits                             | \$1,000,000 each occurrence |

authority to issue an order stopping all or part of the Work until satisfactory corrective action has been taken. No part of the time lost as the result of any stop order shall be the subject of

a claim for extension of time or for excess costs or damages by Contractor. Any stop order issued by the CTS shall apply to Work performed by Contractor or any Subcontractor. The CTS has the authority to, and may, at his or her discretion, require removal of any person from a TVA work location (regardless of the status of such person as an employee of Contractor or any Subcontractor) if, in the opinion of the CTS, the presence of such person endangers the safety or health of others.

J. **Investigation of Accidents.** TVA shall have the option to examine the site of any accident immediately following its occurrence to determine (1) the cause or causes of such accident; (2) the degree of personal injuries; (3) the damage to TVA-owned property; (4) the effect of such accident upon completion of the work provided for under the Contract; and (5) other pertinent information. In order to accomplish this, TVA shall have the authority to question any persons having knowledge relative to or present when such accident occurred, including any Contractor Employee(s).

18. **Respiratory Protective Equipment.** Any Contractor Employee who performs Work at a plant or jobsite owned or controlled by TVA must wear respiratory protective equipment when required by the TVA project or plant procedures for safety or health considerations and, therefore, shall be required to be clean shaven in the area between the sealing surface of the device and the face. Any person requiring the use of corrective eyewear shall also be required to have special respirator glasses (not provided or reimbursed by TVA unless specifically noted elsewhere in contract) when reporting to work in order to be mask-fitted promptly. Any Contractor Employee refusing to comply with this requirement shall be denied access to plant facilities. No part of the time lost as the result of any denied access to plant facilities shall be the subject of a claim for extension of time or for excess costs or damages by Contractor or any Subcontractor.

**19. SAFETY REPORTING**

Contractor must provide safety performance data, as requested by TVA, and provide written updates to its safety metrics to TVA's CTS, within ten (10) days of the PO(s)' first effective date, and upon submission of each Proper Invoice to TVA, but not less frequently than quarterly during the term of the Contract.

**20. INSURANCE**

Unless otherwise specified in this Contract, Contractor shall secure and maintain in effect, at all times during the performance of Work, insurance coverages with limits not less than those set forth below with insurers and under forms of policies satisfactory to TVA. Contractor shall deliver to TVA no later than ten (10) days after execution of the Contract, and in any event prior to commencement of work on a TVA site, a completed Certificate of Insurance, in the form attached hereto. Contractor shall also furnish certified copies of the policies to the Contracting Officer promptly upon TVA's request.

The insurance to be provided hereunder shall be written by one or more nationally reputable insurance companies authorized to do business in Alabama, Kentucky, Tennessee, Georgia, Mississippi, Virginia, North Carolina, as appropriate, which shall be rated "A" or better by A.M. Best Company.

Note: Deductibles or retention amounts under the policies described above shall not exceed 5 percent of the per occurrence coverage limits, without the express written consent of the Contracting Officer.

- A. TVA is not maintaining any insurance on behalf of Contractor covering against loss or damage to the work or to any other property of Contractor unless otherwise specifically stated herein and as may be described by appendix hereto. In the event Contractor maintains insurance against physical loss or damage to Contractor's construction equipment and tools, such insurance shall include an insurer's waiver of rights of subrogation in favor of TVA, the United States, and their employees and agents.
- B. The policy of insurance which affords General Liability shall contain a provision or endorsement stating that such insurance (1) applies to the liabilities assumed by Contractor under this Contract, subject to all of the terms and conditions of such insurance; and (2) provides coverage for premises/operations, at least 2-year products/completed operations, and other coverages or endorsements required by the Contracting Officer.
- C. The General Liability (or, if approved by TVA, Excess Liability policy) and Automobile Liability policies must provide for items 1 through 3. The Employers Liability policy shall provide for item 2.
1. TVA, the U.S., their officers, agents, employees, and volunteers are added as additional insureds on a primary noncontributory basis to Contractor's (liability) insurance policies shown above and with respect to any liability of additional insureds arising out of or resulting from Contractor's operations performed for the additional insureds, including, but not limited to, liability of the additional insureds for the general supervision of such operations.
  2. It includes an insurer's waiver of rights of subrogation in favor of TVA, the United States, and their employees and agents.
  3. It states that it is primary, noncontributory insurance and contains a severability of interest clause.
- D. The requirements contained herein as to types and limits, as well as TVA's approval of insurance coverage to be maintained by Contractor, are not intended to and shall not in any manner limit or qualify the liabilities and obligations of Contractor under the Contract.
- E. Contractor shall provide at least thirty (30) days written notice of cancellation, expirations, terminations, and material alterations of the insurance policies.
- F. Failure by Contractor or any Subcontractors to provide and maintain current, valid certificates of insurance throughout the Contract performance period shall be a material breach of Contract for which TVA may exercise any rights or remedies it may have under this Contract or at law, including the right to withhold moneys due and owing Contractor hereunder. In the alternative, TVA may, at its sole option, accept Contractor's written certification that it or a Subcontractors self-insure in accordance with applicable workers' compensation laws for all duties, liabilities, and obligations it has or may have under such laws; provided, however, that Contractor must provide to TVA satisfactory written evidence showing that its or a Subcontractors' self-insurance plan(s) have been authorized by the appropriate State regulatory entity.
- G. Contractor shall require each Subcontractor to maintain Workers' Compensation insurance at least in accordance with statutory requirements. In the event Contractor requires any Subcontractor to provide any additional insurance, Contractor shall require that TVA, the United States, their officers, agents, employees and volunteers be named as additional insureds with respect to such insurance, and that such insurance shall provide for the insured's waiver of subrogation rights in favor of TVA, the United States, and their employees and agents.
- H. If any of the Work:
1. Occurs upon or contiguous to navigable bodies of water, Contractor shall also carry insurance covering its employees for benefits available under the U.S. Longshoremen's and Harbor Workers' Compensation Act or Jones Act to the extent required by law;
  2. Involves watercraft (27 feet or longer) owned or operated by Contractor, liability arising out of such watercraft shall be insured by Protection and Indemnity insurance with a combined single limit not less than \$5,000,000 each occurrence. Watercraft less than 27 ft. shall be insured under the Commercial General Liability policy. If the hull is insured, such insurance shall provide for an insurer's waiver of subrogation rights in favor of TVA, the United States, and their employees and agents;
  3. Involves aircraft (fixed wing or helicopter) owned or operated by Contractor, liability arising out of such aircraft shall be insured for a combined single limit not less than \$10,000,000 each occurrence and such limit shall apply to Bodily Injury (including passengers) and Property Damage Liability. If the aircraft is insured, such insurance shall provide for an insurer's waiver of subrogation rights in favor of TVA, the United States, and their employees and agents.
  4. Involves design, engineering, or professional services, a minimum of \$5,000,000 of Professional Liability (errors & omissions) insurance must be provided. If the Professional Liability policy is written on a "claims made" policy form, Contractor shall arrange for at least two (2) years extended discovery period (tail period) to be incorporated into the policy prior to its termination.
- 21. BONDING REQUIREMENTS**
- A. If and to the extent Contractor's Work includes performance of on-Site construction Work in excess of \$100,000, then, consistent with the Miller Act (40 U.S.C. §§ 3131-3134), within five (5) business days after execution of this Contract, Contractor shall provide to TVA executed Performance and Payment Bonds in the amount of 100% of the Contract value (or aggregate value of the POs that authorize on-Site construction Work) with a surety on the U.S. Treasury's list of acceptable sureties and with a minimum A.M. Best rating of A or better (an "Acceptable Surety").
- B. Contractor must include the amount of the bond premiums in any Fixed Price(s) or firm, fixed rates. If this Contract contains option items, the appropriate bond premium must also be included in the option pricing. In the event TVA changes the Contract value, TVA may require additional or reduced bond coverage from an Acceptable Surety. If Contractor requests a change notice under this Contract's **Changes** section, below, any increase or reduction in bond premiums must be included in Contractor's request for such a change. If TVA decides to reduce the bond requirement(s), the

corresponding reduction in Contractor's bonding costs will be deducted from payments on future Proper Invoices. If any surety providing bonding becomes unacceptable to TVA, Contractor shall promptly furnish additional security from an Acceptable Surety in an amount determined by TVA.

## 22. INDEMNITY

A. Contractor, by agreeing to perform the Work, acknowledges awareness of the location, nature and hazards of such Work. As such, Contractor releases TVA, its agents and employees, and shall indemnify and defend them against all liabilities (including claims and actions for damages, and payment of all judgments that may be rendered in such claims or actions) for personal injuries, property damage, or loss of life or property resulting from or in any way connected with this Contract or the performance of Work. However, the foregoing indemnification shall not apply to injuries or damages to persons or property for which the proximate cause is the sole negligence of TVA, its agents or employees.

B. Contractor shall indemnify, defend and save harmless TVA from all claims for material furnished or work done and shall promptly discharge the same and not suffer any mechanics or other liens to remain outstanding against any of the property used in connection with the Work. Furthermore, Contractor shall, on request, furnish satisfactory evidence that all persons who have done Work have been fully paid. Contractor shall pay TVA the cost, including overhead, of any services or materials provided by TVA to any Subcontractors that perform or support (in whole or in part) Contractor's obligations under this Contract. TVA reserves the right to withhold from any sums due Contractor sufficient sum to satisfy all such claims. If after written notice from TVA, Contractor fails to satisfy such claims, TVA may adjust and pay the same upon a fair and reasonable basis out of any withheld funds.

C. Contractor shall comply with Applicable Laws that affect performance of Contractor's obligations under this Contract, and will indemnify and defend TVA and the United States and their officers, employees and agents, from all liability resulting from its or its employees', agents', or Subcontractor(s)' violation of such Applicable Laws. If this Contract is for nuclear-related Work and contains a **Nuclear Incidents** section, nothing in this Section will be construed as reducing Contractor's rights under the **Nuclear Incidents** section.

## 23. WARRANTIES

A. Contractor unconditionally warrants to TVA that all Work will:

1. Be performed in a safe, professional and workmanlike manner.
2. Be free from defects in design, material, and workmanship.
3. Be fit for the intended use(s) and purpose(s) including, but not limited to, those uses and purposes specified or referred to in this Contract.
4. Comply with this Contract's requirements and specifications.
5. Be merchantable, new and of first-class quality, and neither fraudulent nor counterfeit.
6. Comply with all applicable standards and rules established by Applicable Laws, or promulgated or adopted by standards boards or industry associations.

B. Contractor warrants the Work for a period of not less than

two years from the earlier of delivery, performance, or beginning of normal use by TVA. If the Work fails to comply with the foregoing warranties, TVA may, at Contractor's expense: return the Work for correction or replacement, require Contractor to re-perform the non-compliant Work, or take corrective action itself. If Contractor performs corrective action, it must, at its sole expense, repair, adjust, or replace the defective Work to the complete satisfaction of TVA. Contractor shall pay all costs of removal, transportation, reinstallation, repair, and all other costs incurred in connection with correcting such defects in the Work, or ensuring compliance with Applicable Laws, standards and rules. Contractor shall correct any defects only at times designated by TVA. Any portion of the Work that Contractor (or any Subcontractor(s) or other suppliers(s)) has repaired or replaced due to a failure to comply with the warranties in this Section will be warranted as provided in subsections A.1 through A.6, above.

C. If Contractor's corrective action fails to render the Work compliant with the warranties stated in this **Warranties** section, or Contractor fails to take the appropriate corrective action within a reasonable time after receiving notice of the relevant defect(s) or noncompliance, then TVA may terminate this Contract or the relevant PO(s) (in whole or in part) for default in accordance with the **Termination** Section of this Contract.

D. In addition to the remedies stated herein, TVA may repair or replace any defective equipment or Work at Contractor's expense when TVA determines that: (i) operational conditions require such action, (ii) Contractor fails to correct the defect within a reasonable time of receiving written notification of the defect from TVA, (iii) Contractor is unable to respond in an emergency situation, or (iv) necessary to prevent TVA from substantial financial loss. If and to the extent TVA makes repairs or replaces defective Work, TVA will issue Contractor a written accounting and invoice of all such Work to correct defects.

E. If Work includes items covered under a manufacturer's or Subcontractor's warranty, Contractor, upon TVA's written request, shall assign to TVA the right to enforce any such warranty. Such third-party warranties do not in any way limit or modify Contractor's warranties to TVA under this Contract.

F. Operation or use by TVA of Work, or any portion thereof, shall not constitute a waiver of TVA's rights under this Contract.

G. The foregoing warranties and remedies are in addition to any specific warranties, guarantees, or remedies contained in this Contract or available at law.

## 24. DELAYS, REMEDIES, AND WAIVERS

- A. If Contractor does not meet Contract or PO performance schedules, or maintain adequate progress within the time specified regardless of reason, TVA's Contracting Officer may terminate this Contract or the relevant PO(s) for default, in accordance with the **Termination** section of this Contract.
- B. However, TVA will not terminate this Contract or affected PO(s) for default if: (1) Contractor has notified TVA's Contracting Officer, in writing, that its delays or failure to meet applicable schedule(s) are due to a Force Majeure Event, within seven days of the start of the Force Majeure Event; and (2) TVA's Contracting Officer determines, in his or her sole judgment, that Contractor's delays or failure to meet applicable schedule(s) is

due to a Force Majeure Event and, subject to the provisions of subsection C, below, is therefore excused.

C. No failure or delay in either party's performance of its obligations under this Contract will result in a default under this Contract, to the extent that such failure or delay is due to a Force Majeure Event, and: (a) the non-performing party is without fault in causing such default or delay; (b) such default or delay could not have been prevented by reasonable precautions; and (c) such default or delay could not have been reasonably circumvented by the non-performing party through the use of alternate sources, work-around plans or other means. In the event of any delay resulting from a Force Majeure Event, the time for performance of each party (including the payment of Proper Invoices submitted by Contractor, if such event actually prevents payment) will be extended for a period of time reasonably necessary to offset the effect of such delay or failure, subject to this Section's specific requirements, and except as provided for elsewhere in this Contract. Contractor's sole remedy against TVA for delays caused by a Force Majeure Event will be a claim for extension of the affected time(s) of performance.

D. Contractor's delays due to delays of Subcontractors or other suppliers will not be excusable unless (1) delay was also due to a Force Majeure Event, and (2) Contractor demonstrates to TVA that it could not have obtained replacement or substitute Work in compliance with Contract requirements from other third party suppliers.

E. TVA's allowance or requirement that Contractor complete work after the completion time specified in this Contract or any affected PO does not constitute a waiver of any right, remedy or damages TVA may have or seek due to Contractor's delay. No extension of time shall release Contractor's sureties from their obligations. No waiver of any breach of this Contract shall waive any other or subsequent breach. No time limits in this Contract shall be waived by TVA's Contracting Officer's consideration of any untimely notice or information by Contractor.

## 25. CHANGES

A. TVA's Contracting Officer may at any time issue a written change notice, making changes within the general Work scope of this Contract, including, without limitation, the following changes: drawings, designs or specifications; method or manner of performance of Work; TVA's furnished facilities, equipment, materials, services or Site; or acceleration or deceleration in the performance of Work.

B. A change notice will become an effective Contract obligation: (1) when both parties execute the change notice and associated documents (for example, but without limitation, a revised specification, milestone payment schedule, or PO); or (2) if Contractor does not assert any claims against TVA, based on the issued change notice, within ten (10) days of the issue date of the change notice; or (3) immediately, if the Contracting Officer determines that it is impractical for both parties to execute the change order and associated documents in advance of the change. The parties also may agree to amend this Contract or any PO(s) affected by the issued change notice, in lieu of or in addition to executing the change notice.

C. TVA is not liable to Contractor or any Subcontractor or suppliers for increased costs in connection with any change notice or related claims, whether in tort or in Contract, except as specifically provided herein.

D. Upon issuance of a change notice under subsection B.1 or B.2, above, Contractor shall proceed with the Work as so changed, unless it either files a claim under subsection B.2, above, or the executed change notice or resulting Contract or PO amendment modifies the obligations stated in the original change notice. Upon the issuance of a change notice under subsection B.3, above, Contractor shall proceed with the Work as so changed and shall have ten (10) days after the issuance of such change notice to file any claim Contractor may have with regard thereto. TVA's Contracting Officer may, but is not obliged to, accept or consider any Contractor or Subcontractor(s)' claims arising from a change notice after the ten (10) day periods established under this Section. TVA will not accept or consider any such claim after it has made final payment to Contractor under this Contract.

E. Contractor may request that TVA issue a change notice, adjusting the scope of Work, or Work schedule in the following circumstances, if and to the extent that these materially and adversely affect, or directly cause, delays that render Contractor's performance of its responsibilities impractical or untimely: (1) TVA-initiated written changes to the scope of Work; TVA's failure to perform its obligations under the Contract, or changes to Contractor Employee training requirements imposed by TVA, or (2) changes in Applicable Laws or pre-existing, unknown and undisclosed subsurface Hazardous Materials or other subsurface conditions at the Site that prevent Contractor's performance of the scope of Work. In the case of an event listed under E(1) above, Contractor may also request that TVA issue a change notice adjusting the amounts or timing of payments that may be due from TVA to Contractor in the event Contractor can demonstrate such event causes an increase in Contractor's cost to perform the Work. Any Contractor claim for an adjustment based on a Force Majeure Event must be submitted pursuant to the **Delays, Remedies, and Waivers** section of this Contract.

F. Except as stated in subsection B, above, no change notice will be effective unless and until executed by a authorized representatives of both parties. Contractor's failure to notify TVA of any event, circumstance, Work impact, claim, or other occurrence described in this Section, within fourteen (14) days of its knowledge of the arising of such event, waives Contractor's right to request a change in connection with such event, or any compensation or other relief on account thereof. Any Contractor request or claim under this **Changes** section must be based on Contractor's actual and allowable costs, or at minimum, on a cost or pricing structure similar to the terms of payment under which Contractor is (at the time of the request or claim) being paid under the **Compensation and Invoicing** Section of this Contract. TVA may reject, in whole or part and in its sole discretion, any late-submitted claim or request under this **Changes** section, even if TVA was not prejudiced by the untimeliness of the submission.

G. Contractor shall continue to perform, in compliance with this Contract, all Work that is not changed by a change notice, or PO or Contract amendment.

## 26. INTELLECTUAL PROPERTY RIGHTS



- A. TVA will own all documents, drawings, reports, computer software, and other deliverables (whether or not copyrighted by Contractor) generated, prepared, or provided to TVA by Contractor under this Contract (all such deliverables, together with any inventions embodied in equipment, parts or materials supplied hereunder, are herein collectively referred to as "Work Products"). Upon request, Contractor shall assign to TVA all copyright ownership in Work Products. Contractor retains ownership of technical data, engineering techniques and computer software not generated, prepared or provided under this Contract but utilized for Work, but grants TVA a non-exclusive, royalty-free license to use such data, techniques and software, as required to maintain the integrity of Work performed by Contractor, including any subsequent necessary modifications. Contractor will not use third party licensed computer software that is not commercially available for Work under this Contract unless appropriate rights for TVA's continued utilization can be obtained at reasonable cost.
- B. Contractor hereby indemnifies and holds harmless TVA, and its representatives from all suits, claims, actions, losses, damages, and expenses, including attorney's fees, and at its expense shall defend any suit against TVA, in so far as it is based on the claim of infringement of any United States patent or of any copyright, for any Work or Work Products furnished to TVA. TVA shall immediately notify Contractor in writing of any such suit or claim, and permit Contractor to defend same. If in any such suit or claim, said Work or Work Products, or their utilization by TVA, Contractor, or any party on TVA's behalf, is held to constitute infringement, or is otherwise determined to violate any right secured by patent or copyright, Contractor at its expense shall procure for TVA the necessary licenses and right to continued utilization of said Work or Work Product; provided that, subject to TVA's written approval, Contractor at its expense may replace or modify said Work or Work Product so that it becomes non-infringing, and provided further, that any substituted or modified Work or Work Products must satisfy, and be subject to, this Contract's requirements. The aforementioned obligations shall not apply to Work or Work Products, the detailed design of which (excluding rating and/or performance specifications) has been furnished in writing by TVA. Contractor warrants that no information that it discloses to TVA under this Contract is subject to or violates an obligation of privilege or confidentiality to any third party.

## 27. TERMS INCORPORATED BY REFERENCE

This Contract incorporates by reference the following regulatory provisions, which, to the extent applicable to this Contract or the Work, apply as if they were set forth in their entirety in this Section, and are available from TVA's Supplier Connections at <https://www.tva.com/Information/Supplier-Connections/Documents--Referenced-Clauses> under "Referenced Clauses":

- A. If the Contract value exceeds \$10,000: Affirmative Action and Equal Opportunity; Asbestos Containing Materials; Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246).
- B. If the Contract value exceeds \$25,000: Overtime-Walsh-Healey Act; Affirmative Action for Disabled Veterans (see the links in the Supplier Connections' **Affirmative**

**Action/Equal Opportunity** section).

- C. If the Contract value exceeds \$100,000: Anti-Kickback Procedures; Drug-Free Workplace (\$0 for contracts with individuals); Small Business Policy; Combating Race and Sex Stereotyping; Certification for Contracts, Grants, Loans and Cooperative Agreements (31 U.S.C. 1352) (see the links in the Supplier Connections' **Lobbying** Section).

## 28. ASSIGNMENT

This Contract or any interest therein or in any moneys due or to become due shall not be assigned, used as collateral, or otherwise disposed of without previous written consent of TVA.

## 29. CONTRACT INTERPRETATION AND DISPUTES

This Contract is governed by and will be construed under Federal law. In the event Federal law does not provide a rule of decision for any particular dispute, the law of the State of Tennessee will apply; provided, however, in no event shall Tennessee's choice of law provisions apply. Pending resolution of any dispute, Contractor shall proceed with the Work in accordance with the determinations, instructions, and clarifications of TVA's Contracting Officer. The parties will use their best efforts to resolve disputes informally at the lowest possible levels of decision making, and consensual alternative dispute resolution processes may be used. The parties agree that any lawsuit between them that asserts a claim or claims arising out of or related to this Contract (whether sounding in contract, tort, or otherwise) shall be filed and litigated to conclusion only in the United States District Court for the Eastern District of Tennessee, and each party hereby consents to the jurisdiction and venue of that court for all such lawsuits. The parties further agree that in any such litigation, each will waive any right it may have to a trial by jury. This Section is not a "disputes" clause within the meaning of the Contract Disputes Act, 41 U.S.C. §§ 7101-7109, and this Contract is not subject to that Act.

## 30. NONDISCLOSURE

Contractor agrees not to disclose to third parties, without the prior written consent of TVA, any information that: (a) a prudent business person would consider sensitive, (b) is designated by TVA as sensitive, restricted, proprietary or confidential, or (c) is obtained from or through TVA, or developed or obtained by Contractor, in connection with the performance of Work under this Contract ("Confidential Information"). Access to such TVA Confidential Information must be approved in advance and in writing by TVA's Contracting Officer. The nondisclosure restrictions stated in this Section do not apply to information that is or was, at the time of disclosure: public knowledge, already known by Contractor; obtained by Contractor from a third party that did not receive the information from TVA; or independently developed by Contractor's employees without access to such information. If Contractor's legal counsel reasonably advises it that disclosure of Confidential Information is required by Applicable Laws, Contractor must notify TVA in writing sufficiently in advance of the effective date of such legal requirement so that TVA can prevent or limit the required disclosure. This Section and the nondisclosure restrictions herein apply to all Subcontractors under this Contract.

## 31. INDEPENDENT CONTRACTOR

Contractor is an independent contractor for all purposes of this Contract, and all persons engaged in fulfilling Contractor's obligations under the Contract are the servants of Contractor or its Subcontractors, and are not the servants or agents of TVA. Nothing contained in this Contract or any subcontract awarded by Contractor creates any contractual duty of TVA to any Subcontractor(s).

**32. ENTIRE AGREEMENT**

This Contract embodies the entire agreement between TVA and Contractor and supersedes all other communications, either oral or written. The parties shall not be bound by, or be liable for any statement, representation, promise, inducement or understanding not set forth herein. No amendments or modifications will be valid unless incorporated into the Contract in writing.

## NUCLEAR SITE-SPECIFIC PROVISIONS

### NI. EMPLOYEE PROTECTED ACTIVITIES FOR NUCLEAR CONTRACTORS

THIS PROVISION IS REQUIRED PURSUANT TO TVA-NRC CONFIRMATORY ORDER EA-17-022 and RCA 1271309. IT MAY NOT BE MODIFIED WITHOUT WRITTEN OGC, MRC, (MANAGEMENT REVIEW COMMITTEE), and LICENSING CONCURRENCE, AND IN ACCORDANCE WITH NPG-SPP 03.12.).

- A. Contractor shall conduct its activities in accordance with "TVA's PRINCIPLES, Commitment to Nuclear Safety," and SPP-11.8.4, "Expressing Concerns and Differing Views," which are available from the Contracting Officer and are available at TVA's Supplier Connections website, at <https://www.tva.com/Information/Supplier-Connections/Documents--Referenced-Clauses>. Contractor shall comply with 10 C.F.R. § 50.7 "Employee Protection" regulations of the Nuclear Regulatory Commission (hereinafter referred to as the "NRC") and Section 211 of the Energy Reorganization Act of 1974, (hereinafter referred to as the "ERA"), which prohibit discrimination against employees for engaging in certain protected activities. The Secretary of Labor has determined that "discrimination" means discharge or any other adverse actions that relate to compensation, terms, conditions, and privileges of employment, and that the term "protected activities" includes, among other things, employees raising nuclear safety or quality control complaints either internally to their employer or to the Nuclear Regulatory Commission (NRC). Contractor shall aggressively pursue or in the case of subcontractor actions ensure its subcontractors aggressively pursue any employee allegation of discrimination for engaging in protected activity with respect to Work and shall fully investigate such allegations. Within two working days after the earlier of Contractor or its subcontractor's receipt of (i) an allegation associated with Work by an employee or former employee of Contractor or its subcontractor of discrimination because of engagement in protected activities or (ii) notice of the filing of a 10 C.F.R. § 50.7 or ERA § 211 complaint by any such employee or former employee, Contractor shall notify TVA's Contracting Officer and the TVA Employee Concerns Staff Site Representative or TVA Employee Concerns Manager of such allegation or complaint in writing, together with a copy of any complaint. TVA and/or the TVA Office of the Inspector General ("TVA OIG") may, at its option, conduct an investigation of any such allegation or complaint.
- B. Contractor shall cooperate fully with TVA and/or the TVA OIG in order to permit a full investigation of any such allegations, shall provide TVA any investigative reports that it may prepare as a result of any such allegation or complaint, and shall also provide to TVA a full written description of any management action taken in response to any such allegation or complaint. In circumstances where any such allegation or complaint also charges TVA employees with involvement in any discriminatory activities, TVA's Office of the General Counsel ("TVA's OGC") will represent TVA in any proceedings arising out of the charges, and Contractor shall cooperate fully with TVA OGC in its representation unless Contractor's interests vary significantly from TVA's.
- C. Contractor shall ensure that no agreement affecting the compensation, terms, conditions, and privileges of employment, including, but not limited to, any agreement to settle a complaint filed by an employee or former employee of Contractor pursuant to 10 C.F.R. § 50.7 or § 211 of the ERA contains any provision which would prohibit, restrict, or otherwise discourage an employee or former employee from participating in any protected activity as described in 10 C.F.R. § 50.7, including, but not limited to, providing information to NRC on potential violations of NRC's regulations or other matters within NRC's regulatory responsibilities.
- D. Any breach of this provision shall be a material breach of this Contract. In the event NRC imposes a civil penalty against TVA as a result of any action or inaction by Contractor or any of its Subcontractors which is a breach of this provision, such a civil penalty is considered by the parties to be direct and not special or consequential damage and shall be reimbursed by Contractor to TVA.
- E. Contractor agrees to place this provision, Employee Protected Activities, along with the flow-down requirement of this sentence and specifically including subsection H of this Section, as applicable, in all subcontracts of any tier entered into pursuant to this Contract, unless TVA consents in writing to exclude a particular subcontract or class of subcontracts.
- F. Nothing in this Contract shall in any way limit the TVA OIG's authority under the Inspector General Act, as amended, including the authority to subpoena documents.
- G. In order to ensure consistent handling of 10 C.F.R. § 50.7 and/or ERA § 211 complaints involving Work, Contractor and its Subcontractors shall retain the services of legal counsel experienced in the handling of such complaints. Such services shall be at Contractor's sole expense provided that, if Contractor is compensated on a cost reimbursable basis hereunder, and Contractor ultimately prevails in its defense of such complaints, TVA will reimburse Contractor for such expenses. Upon Contractor's request, TVA's OGC will provide a list of legal counsel experienced in handling 10 C.F.R. § 50.7 and/or ERA § 211 complaints.
- H. Contractor shall handle and manage any complaints of discrimination for engaging in protected activities (as defined herein) or complaints under 10 C.F.R. § 50.7 or ERA § 211, in compliance with the then-current revisions of the following policies and procedures, which are available from TVA's Contracting Officer and at TVA's Supplier Connections website, under the **Employee Protected Activities** heading, at <https://www.tva.com/Information/Supplier-Connections/Documents--Referenced-Clauses>: (1) TVA SPP 11.8.4 (Expressing Concerns and Differing Views); (2) NPG SPP 01.7.4 (Adverse Employment Action and the Executive Review Board); and (3) Procedure for Handling Complaints of Discrimination for Engaging Protected Activities against TVA Nuclear Contractor(s) and Their Subcontractors.
- I. If Contractor or Contractor's Subcontractors perform Work at TVA's nuclear Sites, it and they must comply with the terms of TVA's Nuclear Power Group (NPG) Standard Program and Process NPG-SPP-01.7.4, "Adverse Employment Action and the Executive Review Board," which is available from TVA's Contracting Officer and at TVA's Supplier Connections website, at <https://www.tva.com/Information/Supplier-Connections/Documents--Referenced-Clauses> (under Employee Protected Activities, NPG-SPP-01.7.4). NPG-SPP-01.7.4 is designed to help ensure that certain significant proposed personnel actions are adequately reviewed by Contractor and TVA in order to comply with NRC employee protection (10 C.F.R. § 50.7) requirements, TVA Standard Program and Process, TVA-SPP-11.8.4, "Expressing Concerns and Differing Views," and this provision. In addition,

application of NPG-SPP-01.7.4 will assist in determining whether the proposed action could negatively impact the safety-conscious work environment and allow for actions to mitigate any potential chilling effect resulting from those significant proposed personnel actions. Contractor is responsible for its employees' and Contractor's Subcontractors' compliance with NPG-SPP-01.7.4, this Section, TVA-SPP-11.8.4, and the referenced NRC regulations.

on the listed topics, for which training content and evaluation tools exist on NANTeL; (3) TVA's review and evaluation of Contractor's training program, or (4) failure of or failure to complete the listed NANTeL modules or courses.

- Generic Plant Access
- Generic Radiation Worker Training
- Generic Fitness For Duty Behavior Observation Program
- Generic Foreign Material Exclusion
- Generic Confined Space Entrant/Attendant
- Generic Fall Protection
- Generic Cyber Security Awareness
- Electrical Safety for Non-Qualified Workers
- Generic Scaffold Safety
- Electrical Safety for Qualified Workers
- Generic Material Handling
- Generic Hot Work Firewatch
- Asbestos Awareness
- Generic Lead Awareness
- Human Performance

**N2. NUCLEAR INCIDENTS**

- A. For purposes of this Contract, "nuclear incident" and "public liability claims" have the meanings given those terms in the Atomic Energy Act (42 U.S.C. §§ 2014(q), 2014(w)). For purposes of this Section only, the term "Subcontractors" includes any of Contractor's suppliers of material, equipment, or services for the Work, regardless of tier.
- B. Prior to, or at the time of shipment of the first nuclear fuel to the TVA nuclear Site, TVA will maintain nuclear liability insurance, to cover public liability claims, in accordance with section 170 of the Atomic Energy Act (42 U.S.C. § 2210) and applicable NRC regulations. If this nuclear liability protection system is repealed or changed, TVA will seek comparable insurance coverage, to the extent available on commercially reasonable terms, and maintains such insurance in effect during the period of operation of the TVA nuclear Site, so as not to materially impair the protection afforded to Contractor and Subcontractors under the existing system.
- C. In the event of losses or liability resulting from nuclear incidents at the TVA nuclear Site:
  - 1. TVA waives any claim it might have against Contractor or Subcontractors because of damage to, loss of, or loss of use of any property at the TVA nuclear Site; and
  - 2. TVA will indemnify Contractor and Subcontractors and save them harmless from any claims, losses or liability arising as a result of damage to, loss of or loss of use of any property at the TVA nuclear Site.
  - 3. The waiver stated in subsection C.1, above, does not apply to any TVA rights or remedies available against Contractor for breach of any Contractor warranty obligations under this Contract, to the extent such breach is unrelated to a nuclear incident at the TVA nuclear Site.
- D. The waiver and indemnification provisions stated in this Section apply to the full extent permitted by Applicable Laws, and regardless of fault.

C. In addition, each TVA nuclear Site has Site-specific training (web-based or on-Site classroom) that complements and augments NANTeL generic training. Contractor must ensure that its and Subcontractor(s)' personnel complete such Site-specific training, in accordance with applicable TVA Site procedures, including but not limited to TVA Training Procedure TPD-GET, General Employee Training, as amended from time to time.

D. TVA retains the sole right to develop and evaluate training and qualification requirements for Contractor's and Subcontractors' personnel who access or perform Work on a TVA nuclear Site.

**N4. HUMAN PERFORMANCE/DYNAMIC LEARNING CENTER-NUCLEAR**

- A. Contractor's and Subcontractors' personnel performing Work inside the power block, or other areas as determined by the CTS, on TVA nuclear Sites shall successfully complete a prescribed training course in the TVA nuclear Site's Dynamic Learning Center (or its equivalent as described in this Section).
- B. Contractor shall ensure that its and Subcontractors' personnel who performing Work at a TVA nuclear Site receive Human Performance training, including training in the Human Error Reduction tools (as set forth in TVA NPG SPP 22.202 (Human Performance Tools)), at the earliest practical time prior to seeking access to the Work Site(s). Such personnel may fulfill these training requirements off-Site by successfully completing the prescribed training courses in the online NANTeL system.

C. If Contractor has implemented a program substantially equivalent to that set forth in TVA NPG SPP 22.200 (Human Performance Program), it must submit the program to the CTS for approval by TVA. If TVA's CTS approves Contractor's program, in writing, completion of that program by Contractor's and Contractor's Subcontractors' personnel, as applicable, will satisfy the training requirements stated in this Section.

**N3. NANTeL**

- A. The National Academy of Nuclear Training electronic Learning (NANTeL) has established standardized, generic training that applies to personnel who perform on-Site Work at TVA's nuclear Sites. Contractor shall, at its expense, ensure that its and Subcontractor(s)' personnel complete NANTeL's generic training courses prior to seeking access to a TVA nuclear Site to perform Work. TVA may review the Contractor's training program, content, documents, and facilities to allow TVA to determine whether or to what extent the program meets NANTeL training and qualification requirements applicable to the scope(s) of on-Site Work.
- B. Contractor shall not charge or invoice TVA (directly or indirectly), and TVA will not reimburse Contractor, for any time, expenses or costs incurred or charged by Contractor's or Subcontractors' personnel, associated with: (1) completion of the NANTeL training courses listed below, (2) training on-Site provided by TVA personnel

**N5. OVERSIGHT PLANS**

The CTS may request Contractor to provide an oversight plan containing one or more of the following oversight methods for physical work at a TVA nuclear Site: (1) direct oversight of performance; (2) review of planning and preparation activities; (3) review of training records and qualifications; and (4) review of performance by performance indicators, work-off curves, and/or spending curves. The CTS may require involvement of Contractor's Executive management in the development, review, implementation, and performance, of the plan.

## N6. FITNESS FOR DUTY - NUCLEAR

A. TVA's NPG-SPP-14.1, as amended, applies to all Contractor and Subcontractors' personnel performing T Work at a TVA nuclear Site, including all such personnel with unescorted access to TVA nuclear Sites, and those personnel required to report in person to any TVA emergency response center under TVA's emergency plans and procedures (collectively, "Covered Personnel"). Contractor must comply with the TVA's fitness-for-duty (FFD) requirements, as applicable, set forth by the latest revision of NPG-SPP-14.1, and any subsequent revision(s) thereto, with respect to any Covered Personnel. Covered Personnel who have been denied access to or removed from work at any nuclear plant as a result of any violation(s) of any FFD program are prohibited from performing on-Site Work. Upon Contractor's written request to TVA's CTS, TVA Corporate Nuclear Security may approve an exception to this requirement.

B. All Covered Personnel must report to the TVA nuclear Site's Check-In Coordinator at the Work location, and complete appropriate FFD program training from TVA. Such Covered Personnel must complete such FFD training at least once every twelve (12) months. During the Contract term, Contractor, monthly or upon TVA's CTS's written request, will supply the CTS with names of those Covered Personnel who have been promoted to manager or supervisor positions (this includes temporary assignments). In addition, Contractor shall: (1) notify TVA Corporate Nuclear Security, in writing, within 24 hours of becoming aware of any violation of TVA's FFD requirements by any Covered Personnel, and (2) allow authorized representatives of the NRC to inspect, copy, or take away copies of any Contractor or Subcontractors' records, documents, or reports related to implementation of TVA's or Contractor's FFD program.

C. Contractor shall comply with all applicable NRC requirements related to FFD programs, including but not limited to those in 10 C.F.R. Part 26. Contractor shall include the requirements of this Section in any subcontract(s) for on-Site Work under this Contract, regardless of tier. Contractor's and Subcontractors' personnel that are not Covered Personnel, and who are not subject to drug testing pursuant to FFD requirements, are subject to the applicable requirements of the **Drug Testing** Section of this Contract.

## N7. NUCLEAR SITE ACCESS

A. This Section applies to all Covered Personnel (as defined in the Fitness for Duty Section, above); Contractor is responsible for ensuring its and Subcontractors' compliance with the applicable requirements of this Section.

B. Work Eligibility Requirements. Contractor shall comply with requirements of the United States Citizenship and Immigration Services (USCIS) related to eligibility of Covered Personnel to work in the United States, including, without limitation, acquiring, verifying and maintaining appropriate documentation (such as USCIS Form I-9) on such Covered Personnel. All Covered Personnel must have a valid Social Security number, which must be provided to TVA's designated Site representatives upon request.

C. Contractor must check all Covered Personnel through TVA's Web-based Contractor Security System (WCSS) before any such personnel perform on-Site Work. For instructions on accessing WCSS, see TVA's Supplier Connections website, at <https://www.tva.com/Information/Supplier-Connections/Existing-TVA-Supplier> under "Web Contractor Security System (WCSS)" or contact the TVA Contracting Officer. TVA may collect fingerprints

from any Covered Personnel, at any time prior to or during their performance of on-Site Work.

D. TVA may provide a Site-specific ID, photo ID card, or an access control card, or any or all of the foregoing, for Covered Personnel. All ID and access cards are and remain TVA's property, and each must be returned to TVA by Contractor immediately when the Covered Personnel no longer require access. Contractor shall reimburse TVA in the amount of \$30 per photo ID and \$35 per access card for each unreturned ID or card, as applicable, and TVA may enter restrictions into the WCSS for any Covered Personnel whose cards are not returned.

E. Fitness for Duty Requirements: Nuclear Sites. Covered Personnel who require unescorted access to TVA nuclear Sites in order to perform Work must fulfill the Fitness for Duty In-Processing Requirements (described in this subsection) at TVA's Central In-Processing Center, located at 29199 US Hwy 72, Hollywood, Alabama. Contractor shall include the requirements of this subsection (e) in any subcontract(s) related to the performance of Work at TVA nuclear Site(s) under this Contract. Subject to the conditions stated in this subsection (e), TVA will bear the costs of and perform services relating to certain In-Processing Requirements (e.g., background investigation, psychological screening, fingerprinting, drug/alcohol testing, and successful completion of Plant Access and Fitness for Duty training) for Covered Personnel.

F. Contractor shall not invoice (directly or indirectly) or claim against TVA (under any Section of this Contract) for any time, adjustment (equitable or monetary), cost or expense relating to Contractor's or Subcontractors' failure to comply with the requirements of this Section, or specific In-Processing Requirements, applicable to any Covered Personnel.

G. With respect to Covered Personnel who are, as of the Effective Date or prior to seeking access to a TVA nuclear Site, authorized to access a TVA nuclear Site, or have completed Fitness for Duty In-Processing Requirements under Contractor's or Subcontractors' Fitness for Duty program(s): (1) TVA may pre-approve qualification of such Covered Personnel at an individual TVA Site, rather than at TVA's In-Processing Center (any such approval or rejection must be in writing from TVA's CTS, within thirty (30) days of Contractor's written request); and (2) Contractor shall utilize its Fitness for Duty program to complete the requirements for background investigations and psychological screening for Covered Personnel in compliance with 10 C.F.R. 73.56; Nuclear Regulatory Commission (NRC) Order for Compensatory Measures Related to Access Authorization, EA-02-261, dated January 7, 2003 (and any subsequent revisions); and the latest revision of Nuclear Energy Institute (NEI) 03-01, Nuclear Plant Access Authorization Program. Contractor must, at its sole cost and expense: (i) perform these training and qualification activities in a timely manner to support the applicable Work schedule requirements of this Contract or Work Release(s) issued under it and (ii) maintain all records associated with the granting of unescorted Site access, and not destroy any such record without the prior written approval of TVA's Corporate Nuclear Security group.

H. TVA will accept task qualifications awarded to Covered Personnel by Contractor, if Contractor (at its sole cost and expense) achieves and maintains compliance with the Electric Power Research Institute ("EPRI") Administrative Protocol for Portable Practicals (EPRI AP3). Contractor shall not invoice (directly or indirectly) or otherwise claim or charge TVA for time, expenses or costs for Covered Personnel associated with any training or qualification

activities performed on-Site for any tasks for which approved EPRI standardized task evaluations (STEs) exist. Completion of the EPRI STEs does not guarantee Covered Personnel access to, or the right to perform Work at, a TVA nuclear Site, however, Covered Personnel who have completed TVA-approved EPRI STEs can use these STEs to meet task qualifications applicable to the on-Site Work.

- I. Additional Requirements for Access to Nuclear Site Protected Area. TVA will: (a) require access control and compliance with Fitness for Duty requirements for all Covered Personnel who perform Work within the TVA Nuclear Power Plant Protected Area, or require long-term unescorted access to a nuclear Site, and (b) normally provide escorted access for such Covered Personnel's short-term access requirements.

## **N8. PROCEDURE USE AND ADHERENCE**

**THIS PROVISION IS REQUIRED PURSUANT TO TVA-NRC CONFIRMATORY ORDER EA-17-022 and RCA 1271309. IT MAY NOT BE MODIFIED WITHOUT WRITTEN OGC, MRC, (MANAGEMENT REVIEW COMMITTEE), and LICENSING CONCURRENCE, AND IN ACCORDANCE WITH NPG-SPP 03.12.).**

The following TVA nuclear power program procedures establish minimum requirements for the use, preparation, revision, and approval of technical procedures that involve operation and construction-related activities at TVA's nuclear plant Sites. For TVA's Nuclear Power Group (NPG), NPG-SPP-01.2, "Administration of Site Technical Procedures," applies to activities conducted at Browns Ferry Nuclear Plant, Sequoyah Nuclear Plant, and Watts Bar Nuclear Plant. Contractor and Contractor's Subcontractors that perform Work involving or impacting the technical procedures referenced herein are required to comply with NPG-SPP-01.2. Special notice is directed to Section 3.2.1 of NPG-SPP-01.2, which describes responsibilities for procedure adherence and the consequences of failing to follow procedures, including the penalties associated with knowingly providing false, inaccurate, misleading, or incomplete statements or information under Applicable Laws, specifically including NRC regulations.

## **N9. RADIATION EXPOSURE**

- A. TVA shall provide radiological control personnel to review and discuss radiological conditions and safe work practices with Contractor prior to any Radiological Controlled Area (RCA) Work activities that Contractor is scheduled to perform at a TVA nuclear Site. Contractor shall ensure that its employees follow all TVA radiological control instructions while working at TVA Sites.
- B. Contractor, in performing Work in RCAs, shall ensure that each Contractor Employee immediately prior to entry onto a TVA nuclear Site, is at least 18 years of age at their last birthday, and have: (1) occupational radiation exposures less than 50% of the NRC annual wholebody (TEDE) dose limit of 5 Rems from all occupational sources, not to exceed a lifetime whole body dose of 1N Rem, where N is the individual's age at his/her last birthday, (2) the sum of the deep-dose equivalent and the committed dose equivalent to any individual organ or tissue less than 50% of the NRC annual dose limit of 50 Rems; and (3) an eye dose equivalent less than 50% of the NRC annual limit of 15 Rems, and a shallow-dose equivalent to the skin and to the maximum exposed extremity less than 50% of the NRC annual limit of 50 Rems.
- C. For each Contractor Employee who performs Work in RCAs, Contractor must, prior to or upon each employee's assignment to

a Site, provide TVA with documents that demonstrate (for each such employee) the past occupational radiation exposure history for the current calendar year, a written and signed statement of their cumulative occupational radiation dose, and validation of their date of birth through a government issued document, such as a driver's license. TVA will use this information to complete Form NRC-4. The current year records must include each location where the employee was monitored for occupational radiation exposure. TVA may deny access to the Site to any employee for whom Contractor fails to provide records in compliance with this subsection C.

- D. Contractor acknowledges and agrees that each Contractor Employee who performs Work hereunder may receive the annual dose limits as prescribed by 10 C.F.R. § 20.1201(a). Upon written request by Contractor, TVA may, in its sole discretion, and upon both parties' execution of an amendment to this Contract grant an exception from the individual requirements of subsections B and C, above, or agree to a lower annual dose limit for specified employee(s).
- E. TVA will decontaminate materials and tools used by Contractor or Subcontractor(s), TVA equipment, or both, without cost to Contractor, under the following limited circumstances, and to the extent necessary to permit Contractor to perform the Work: (i) in the event of a nuclear incident (as defined in the **Nuclear Incidents** section of this Contract), or (ii) as specified in this Contract's scope of Work, or in an amendment to this Contract. TVA and Contractor also may agree to ship Contractor's or Subcontractor(s)' materials or tools, which TVA cannot or elects not to decontaminate within a TVA Site's RCA, to Contractor's or a third party's facility that is licensed under Applicable Laws to decontaminate or store such radiologically contaminated materials or tools. Unless otherwise agreed in writing by both parties, Contractor will pay the costs of such shipment to a non-TVA facility.
- F. Contractor must include the provisions of this Section in any subcontract entered into for the performance of Work hereunder.
- G. Contractor shall, at its own expense, assume the defense of and save TVA harmless from all radiation injury claims filed by Contractor's or Subcontractor(s)' employees with respect to Work performed at facilities owned or operated by Contractor or Subcontractor(s).

## **N10. NUCLEAR FATIGUE RULE**

Contractor shall track and report to TVA the number of hours worked by individual Contractor Employees, including shift schedules and shift cycles of such individuals, who are subject to the work hour requirements established in 10 C.F.R. § 26.205, and provide TVA with copies of all such records. Contractor must track such Work hours with computer software acceptable to TVA, and notify TVA as soon as it becomes apparent that any such individual is at risk of noncompliance with the NRC's Fatigue Rule, as set forth in 10 C.F.R. Part 26, Subpart I. Contractor must report to TVA at least daily during Site outage periods and weekly during non-outage periods. Contractor shall (1) furnish TVA with its recommendations regarding any fatigue assessment to be performed with respect to a Contractor Employee; and (2) submit all requests for waiver approvals to TVA in sufficient time to allow TVA to make a waiver approval determination. Contractor must comply with this section's requirements in order to enable TVA to make final determinations regarding fatigue assessments, waiver approvals, and accurately assess the risks of non-compliance.

## **N11. QUALITY ASSURANCE-NUCLEAR**

If and to the extent that Contractor's Work is designated by TVA as nuclear quality assurance (QA) Level 1 ("QA-1") or higher, the

provisions of this Section 10 will apply and govern such Work.

A. Contractor's and (if applicable) its subcontractors' personnel must be listed on TVA's Approved Supplier List (ASL) for QA purposes, and be certified to Contractor's or TVA's QA certification program. TVA will evaluate and may accept Contractor's QA program, if it complies with Applicable Laws and those portions of ANSI N45.2 that are relevant to the Work.

B. Prior to performance of Work, Contractor must:

(1) Submit a description of its QA program to TVA's Program Manager at TVA Nuclear Power Performance Improvement, Attention: Program Manager, Operating Experience, 1101 Market Street, Mailstop: BR 3C-C, Chattanooga, Tennessee 37402-2801. for acceptance. Contractor shall not begin Work until it obtains TVA's formal acceptance of Contractor's QA program.

(2) Ensure that Contractor's QA program includes provisions for performance-based audits (by Contractor's QA organization) of technical quality of off-Site Work. In addition, upon reasonable prior notice to Contractor, TVA may access Contractor's Work to perform QA audits, inspections, and surveillance.

(3) Submit a copy of any implementing interface procedures for review and acceptance to the CTS.

C. During the term of this Contract, Contractor shall:

(1) Submit (for review and acceptance) all major proposed changes of its QA program to the TVA address listed above.

(2) Maintain its QA program current and in compliance with: (i) applicable TVA QA requirements (TVA will notify Contractor in writing of any changes to its QA program that impact the Work, during the Contract term); (ii) the applicable requirements of International Quality System Standard ISO 9001; and (iii) the applicable requirements of the U.S. Nuclear Regulatory Commission (NRC) regulations, 10 C.F.R. Part 50, Appendix B and NQA-1 (including, for software only, subpart 2.7 of NQA-1).

(3) Make available QA records for TVA review and approval and transfer to TVA for retention.

(4) Identify all nonconformance to the QA requirements stated in this Contract or any PO issued hereunder. Nonconformance shall be documented, including suggested corrective action, and referred to TVA for resolution before continuing any Work which may cause further nonconformance.

D. Contractor's Work is subject to, and the applicable QA program must address, the requirements of 10 C.F.R. Part 21 (Reporting of Defects and Noncompliance), to the extent that the Work is subject to these NRC requirements and civil penalty provisions. In addition, Contractor shall inform TVA immediately of each defect or noncompliance reportable under 10 C.F.R. Part 21, by written notice to the following address, with a copy to the Contracting Officer: TVA Nuclear Power Performance Improvement, Attention: Program Manager, Operating Experience, 1101 Market Street, BR 3C-C, Chattanooga, Tennessee 37402-2801.

## **N12. NUCLEAR SITE EMERGENCY PREPAREDNESS**

Contractor shall ensure that Contractor Employees working at or near a TVA nuclear Site are aware of Site emergency information, including, without limitation, accountability and evacuation procedures that they

must follow during a Radiological Emergency. At a minimum, Contractor must provide each Contractor Employee with a copy of the following information:

### **EMERGENCY PREPAREDNESS INFORMATION TO BE FURNISHED TO ALL CONTRACTOR EMPLOYEES WORKING ON OR NEAR A TVA NUCLEAR PLANT SITE**

The following information is related to TVA Emergency Preparedness within the area owned and operated by the Tennessee Valley Authority (TVA) for nuclear sites. In the unlikely event of an accident, all onsite personnel will be notified by one of the following means:

1. *Sirens would be sounded for three minutes. (See site specific information below for routine siren test schedule.)*
2. *TVA personnel may enter the area and provide instructions.*

If Contractor personnel are alerted by either of the above, Contractor personnel should:

3. *If TVA personnel are present, follow their instructions.*
4. *If no TVA personnel are present, and the sirens are not sounding during the test schedule below, Contractor personnel should immediately exit TVA property.*
5. *As soon as possible, listen to one of the radio stations noted below for any additional information which may be provided by State Authorities.*

If there is a potential that Contractor personnel may have been exposed to radioactive material, he or she would be instructed to go to a designated location for monitoring or decontamination.

For further information on these emergency plans, please contact TVA Emergency Preparedness at the numbers listed below.

Site Specific Information:

#### *Browns Ferry Nuclear Plant*

- a) Sirens are normally tested at 9:15 AM on the 2nd Monday of each month.
- b) WVNN (AM 770) WZYP (FM 104) WKAC (AM 1080)
- c) Emergency Preparedness - (256) 729-2038

#### *Sequoyah Nuclear Plant*

- a) Sirens are normally tested at noon on the 1st Wednesday of each month.
- b) WSKZ (FM 106.5)
- c) Emergency Preparedness - (423) 843-7088

#### *Watts Bar Nuclear Plant*

- a) Sirens are normally tested at noon on the 1st Wednesday of each month.
- b) WSKZ (FM 106.5) WIVK (FM 107.7) WIVK (AM 990)
- c) Emergency Preparedness - (423) 365-8004