PART B - DIVISION B1

COMMERCIAL TERMS

1. Definitions: The following words will have the following meanings:

   a. Buyer: The Purchasing Agent for IPSC.

   b. Chief Operations Officer: The President and Chief Operations Officer of IPSC or designated representatives acting within the limits of their authority.

   c. Contract Administrator: The IPSC employee designated by the Chief Operations Officer with primary responsibility for administration of the Contract, or designated representatives acting within the limits of their authority.

   d. Contractor: The person, firm, or corporation providing, or associated directly with providing, engineering services under this Agreement.

   e. Directed, Required, Approved, Etc.: The words *directed, required, approved, permitted, ordered, designated, prescribed, instructed, acceptable, accepted, satisfactory,* or similar words will refer to actions, expressions, and prerogatives of the Contract Administrator, unless otherwise expressly stated.

   f. IPA: Intermountain Power Agency, the owner of IPP, and a political subdivision of the state of Utah, organized and existing under the Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

   g. IPP: Intermountain Power Project, consisting of Intermountain Generating Station, Intermountain Railcar, Intermountain Converter Station, Adelanto Converter Station, Intermountain AC Switchyard and associated transmission lines, microwave stations, and support facilities.

   h. IPSC: Intermountain Power Service Corporation, a nonprofit corporation, furnishing personnel to support the Operating Agent in the performance of operation and maintenance.

   i. Operating Agent: The city of Los Angeles Department of Water and Power (LADWP) which is responsible for operation and maintenance for IPP.

   j. Project Coordinator: The IPSC employee designated by the Chief Operations Officer with primary responsibility for coordination of a given project within this Agreement including acting as liaison between IPSC and the Contractor for a given project.

   k. Subcontractor: A person, firm, or corporation, other than the Contractor and employees thereof, who supplies labor or materials on a portion of the work.

2. Contractor's Address and Legal Service: The address given in the Contract will be considered the legal address of the Contractor and will be changed only by written notice to IPSC. The Contractor will supply an address to which certified mail can be delivered. The delivery of any communication to the Contractor personally, or to such address, or the depositing in the United States Mail, registered or certified with postage prepaid, addressed to the Contractor at such address, will constitute notice thereof.

3. Payment: Payment will be made within thirty (30) calendar days after receipt of an invoice. IPSC will pay undisputed portions of each progress invoice within thirty (30) days of the date of the invoice. If payment is not maintained on a thirty (30) day current basis, the Contractor may suspend further performance until payments are current. IPSC will notify the Contractor of any disputed amount within fifteen (15) days from date of the invoice, give reasons for the objection, and promptly pay the undisputed past amount. IPSC will pay an additional charge of one and one-half percent (1½ %) per month or the maximum percentage allowed by law, whichever is the lesser, for any undisputed past due amount. In the event of a legal action for invoice amounts not paid, attorneys' fees, court costs, and other related expenses will be paid to the prevailing party.

4. Basis of Payment: The Contractor will be paid based on a per-scrubber-module fee of Thirty-Six Thousand Dollars ($36,000) with twelve (12) total installations possible. This fee will cover all technology license fees, engineering, design, and installation verification. Fabrication and installation will be performed by others. In addition, the Contractor will be paid a one (1) time fee of Thirty-Thousand Dollars ($30,000) for initial performance testing and contract verification on the first module installation. Following successful completion of the performance test on the demonstration module, ~~the buyer~~ IPSC agrees to proceed with the purchase and installation of the remaining eleven (11) modules ~~in a timely manner~~ and the compensation for all twelve (12) modules will be made to the Contractor as each module is completed. ~~no later than October 30, 2001.~~ No payments will be made until the performance testing has been completed and the testing on the test module successfully demonstrates compliance to the performance requirements of the Contract as outlined in Part D of this Agreement.

5. Indemnity Clause: The Contractor undertakes and agrees to indemnify, hold harmless, and at the option of the Intermountain Power Agency, defend Intermountain Power Agency, Intermountain Power Service Corporation, Los Angeles Department of Water and Power, and any and all of their boards, officers, agents, representatives, employees, assigns and successors, in interest from and against ~~any and all~~ suits and causes of action, claims, charges, costs, damages, demands, expenses (including, but not limited to, reasonable ~~and necessary~~ attorneys' fees and cost of litigation), judgments, civil fines and penalties, liabilities or losses ~~of any kind or nature whatsoever~~, for death, bodily injury or personal injury to any person, including the Contractor's employees and agents, or damage or destruction to any property of either party hereto, or third persons ~~in any manner arising by reason of or incident to~~ to the extent caused by the Contractor's negligent acts, errors, or omissions the performance of this Contract on the part of the Contractor, or the Contractor's officers, agents, employees, or subcontractors of any tier,

except for the ~~sole~~ negligence of IPA, IPSC, LADWP, or their boards, officers, agents, representatives, or employees.

6. Insurance Requirements: Prior to the start of work, but not later than thirty (30) days after date of the award of Contract, the Contractor will furnish IPSC evidence of coverage from insurers acceptable to IPSC and in a form acceptable to the Insurance Analyst for IPSC. Such insurance will be maintained by the Contractor and at the Contractor's sole cost and expense.

Such insurance will not limit or qualify the liabilities and obligations of the Contractor assumed under the Contract. IPA, IPSC, or LADWP will not, by reason of its inclusion under these policies, incur liability to the insurance carrier for payment of premium for these policies.

Any insurance carried by IPA, IPSC, or LADWP which may be applicable will be deemed to be excess insurance and the Contractor's insurance is primary for all purposes, despite any conflicting provision in the Contractor's policies to the contrary.
Should any portion of the required insurance be on a "Claims Made" policy, the Contractor will, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with ~~the same~~ comparable limits, terms and conditions of the expiring policy, ~~or that an extended discovery period has been purchased on the expiring policy at least~~ for the Contract under which the work was performed.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage will constitute a breach of Contract, upon which the Contract may be terminated or suspended.

a. Workers' Compensation/Employer's Liability

Workers' Compensation Insurance covering all of the Contractor's employees in accordance with the laws of any state in which the work is to be performed and including Employer's Liability Insurance, and as appropriate, Broad Form All States Endorsement, Voluntary Compensation, Longshoremen's and Harbor Workers' Compensation, Jones Act, and Outer-Continental Shelf coverages. The limit for Employer's Liability coverage will be not less than $1 million each accident and will be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance will be an endorsement to the policy providing for a thirty (30) day prior written notice of cancellation or nonrenewal of a continuous policy to IPSC, by receipted delivery, and a Waiver of Subrogation in favor of IPSC, IPA, and LADWP, its officers, agents, and employees. Workers' Compensation/Employer's Liability exposure may be self-insured provided that IPSC is furnished with a copy of the certificate issued by the state authorizing the Contractor to self-insure. Contractor will notify IPSC by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

b. Commercial General Liability

Commercial General Liability with Blanket Contractual Liability, Products and Completed Operations, Broad Form Property Damage, Premises and Operations, Independent Contractors, and Personal Injury coverages included. Such insurance will provide coverage for total limits actually arranged by the Contractor, but not less than $2 million Combined Single Limit and be specific for this Contract. Should the policy have an aggregate limit, such aggregate limits should not be less than ~~$4~~ 2 million. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverages will be on IPSC's Additional Insured Endorsement Form or on an endorsement to the policy acceptable to IPSC and provide for the following:

(1) To include IPA, IPSC, LADWP, and their officers, agents, and employees as additional insured with the Named Insured for the activities and operations under the Contract.

(2) That the insurance is primary and not contributing with any other insurance maintained by IPSC.

(3) A Severability-of-Interest of Cross-Liability Clause such as: "The policy to which this endorsement is attached will apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."

(4) That the policy will not be subject to cancellation, change in coverage, reduction of limits or nonrenewal of a continuous policy, except after written notice to IPSC by receipted delivery, not less than thirty (30) days prior to the effective date thereof.

(5) A description of the coverages included under the policy.

c. ~~Commercial~~ Business Automobile Liability

~~Commercial~~ Business Automobile Liability covering the use of owned, nonowned, hired, and leased vehicles for total limits actually arranged by the Contractor, but not less than a $1 million Combined Single Limit. ~~Such insurance will include Contractual Liability coverage.~~ The method of providing evidence of insurance and requirements for additional insureds, primary insurance, notice of cancellation, and Severability-of-Interest will be the same as required in the Commercial General Liability Section of these terms and conditions.

d. Professional Liability

The Contractor will provide Professional Liability Insurance with Contractual Liability coverage included covering the Contractor's liability arising from errors and omissions made directly or indirectly during the execution of this Agreement

and will provide coverage of $5 million, combined single limit. Evidence of such insurance will be in the form of a special endorsement of insurance.

e. Other Conditions

(1) Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage will constitute a major breach of Contract; however, the Contractor will be given notice of such potential breach, and the opportunity to provide the required coverage within five (5) days from the receipt of notice. If required insurance is not provided ~~then~~ ~~upon which~~ IPSC may immediately terminate or suspend the Agreement~~,~~. ~~or at its option, procure such insurance and deduct the cost thereof, including an administrative charge of two (2) percent, from any monies due the Contractor, or will be immediately reimbursed by the Contractor for such costs upon demand.~~

(2) The Contractor will be responsible for all subcontractor's compliance with these insurance requirements.

7. Illegality: If any portion of these Terms and Conditions is held to be illegal, invalid, or unenforceable, the remaining portions will remain binding and enforceable.

8. Extra Work or Changes by IPSC: IPSC reserves the right, at any time before final acceptance of the entire work, to order the Contractor to perform extra work, furnish extra material or equipment, or make changes altering, adding to, or deducting from the work, without invalidating the Contract. Changes will not be binding upon either IPSC or the Contractor unless made in writing in accordance with this Article.

Changes will originate with the Chief Operations Officer who will transmit to the Contractor a written request for a Proposal covering the requested change, setting forth the work in detail, and including any required supplemental plans or specifications. Upon receipt of such request, the Contractor will promptly submit in writing to the Chief Operations Officer a Proposal offering to perform such change, a request for any required extension of time caused by such change, and an itemized statement of the cost or credit for the proposed change. Failure of the Contractor to include a request for extension of time in the Proposal will constitute conclusive evidence that such extra work or revisions will entail no delay and that no extension of time will be required.

If the Contractor's Proposal is accepted by IPSC, a written change order will be issued by the Chief Operations Officer stating that the extra work or change is authorized and granting any required adjustments of the Contract price and of time of completion.

The performance of extra work or changes pursuant to a change order will be in accordance with the terms and conditions of these Specifications. No extra work will be performed or change made unless pursuant to such written change order, and no claim for an addition to the Contract price will be valid unless so ordered.

9. Changes at Request of Contractor: Changes may be made to facilitate the work of the Contractor. Such changes may only be made without additional cost to IPSC and without an extension of time. Permission for such changes will be requested in writing by the Contractor to the Chief Operations Officer.

10. Changes to Comply with Performance Guarantees: If the first design for the OverScrub™ Technology fails to meet the performance guarantees of the Contract~~, the Contractor will make all subsequent design changes including fabrication and installation of the changes, at no additional cost to IPSC~~. ~~the Contractor and IPSC will split evenly the cost of fabrication and installation of all subsequent design changes.~~ the Contractor may, with the consent of IPSC, make all subsequent design changes including 50 percent of fabrication and installation of the changes, not to exceed a limit of $20,000, at no additional cost to IPSC. This would only apply on the first module installed and tested for compliance purposes. The cost for fabrication and installation of all subsequent modules will be borne by IPSC. All penalties assessed to the Contractor by IPSC for this clause shall be taken from the technology fee on the first module.

11. Contractor's Liability: The liability of the Contractor, its employees, agents and subcontractors (referred to collectively in this Article as "Contractor"), for IPSC's claims of loss, injury, death, damage, or expense, including, without limitation, IPSC's claims of contribution and indemnification, express or implied, with respect to third party claims relating to services rendered or obligations imposed under this Agreement, will not exceed in the aggregate:

    a. The total sum of $500,000 for claims arising out of professional negligence, including errors, omissions, or other professional acts, and including unintentional breach of contract; and any actual or potential environmental pollution or contamination, including, without limitation, any actual or threatened release of toxic, irritant, pollutant, or waste gases, liquids, or solid materials, or failure to detect or properly evaluate the presence of such substances, except to the extent such release, threatened release, or failure to detect or evaluate is caused by the willful misconduct of the Contractor; or
    b. The total sum of $1,000,000 for claims arising out of negligence, breach of contract, or other causes for which the Contractor has any legal liability, other than as limited by "a" above.

12. Consequential Damages: Neither Party will be liable to the other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such damages are caused by breach of contract, willful misconduct, negligent acts, or omissions, or other wrongful acts of either ~~of them~~ party.

13. Third Party Rights: This Agreement will not create any rights or benefits to parties other than IPSC and the Contractor. No third party will have the right to rely on the Contractor's opinions rendered in connection with the Services without the written consent of the Contractor and the third party's agreement to be bound to the same conditions and limitations as IPSC.

14. Intellectual Property Ownership: Provided that the Contractor has been paid for the Services, IPSC will have the right to use the documents, maps, photographs, drawings, and specifications resulting from the Contractor's efforts on the project. Reuse of any such materials by IPSC on any extension of this project or any other project without the written authorization of the Contractor will be at IPSC's sole risk. The Contractor will have the right to retain copies of all such materials. The Contractor retains the right of ownership with respect to any patentable concepts or copyrightable materials arising from its Services.

15. Misuse of Intellectual Property: URS is not liable for any misuse, or unauthorized use of the plans, drawings, design details, or installation instructions as applied by the buyer or any third party.

PART C - DIVISION C1

GENERAL CONDITIONS

1. Nondiscrimination: The applicable provisions of Executive Order No. 11246 of September 24, 1965, and Bureau of Land Management regulations pertaining to nondiscrimination in employment in the performance of contracts, are incorporated herein by reference, and made a part hereof as if they were fully set forth herein. During the performance of this Contract, the Contractor will not discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, or physical disability. All subcontracts awarded under any such contract will contain a like nondiscrimination provision.

2. Governing Law: This Contract will be governed by the substantive laws of the state of Utah, regardless of whether rules on the conflict of laws that would cause a court to look to the laws of any other state or laws of any other jurisdiction. Any action, in law or in equity, concerning any alleged breach of or interpretation of this Contract, or concerning any tort in relation to this Contract, or incidental to performance under this Contract, will be filed only in the state or federal courts located in the state of Utah.

3. Patents and Intellectual Property: The Contractor will fully indemnify IPSC, IPA, and the Operating Agent against any and all liability, whatsoever, by reason of any ~~alleged~~ known infringement of any intellectual property rights (including, but not limited to patents, trademarks, or trade secrets) on any article, process, method, or application used in any designs, plans, or specifications provided under this Agreement or by reason of use by IPSC of any article or material specified by the Contractor.

4. Assignment of Contract Prohibited: The Contractor will not assign or otherwise attempt to dispose of this Agreement, or of any of the monies due or to become due thereunder, unless authorized by the prior written consent of the Chief Operations Officer. No right can be asserted against IPSC, IPA, or the Operating Agent, in law or equity, by reason of any assignment or disposition unless so authorized.

   If the Contractor, without such prior written consent, purports to assign or dispose of the Agreement or of any interest therein, IPSC, at its option, may terminate the Agreement, and IPSC, IPA, and the Operating Agent will be relieved and discharged from any and all liability and obligations to the Contractor, and to any assignee or transferee thereof. The above notwithstanding, the Contractor may subcontract to an affiliate, which is wholly owned or financially controlled by the Contractor, or under common control with the Contractor, upon written notice to IPSC.

5. Time is of the Essence and Extensions of Time: Time is of the essence of the Contract. Delivery will be completed within the times and by the dates specified~~:~~

Week 1	Notice to Proceed/Verification of Fabrication Details/Review Absorber Drawings
Week 2	Confirmation of Fabrication Details/Structural Calculations/Draft Installation Drawings

Week 3	Site Visit/Structural Calculations/Draft Installation Drawings
Week 4	Draft Installation Drawing Completion/Review Shop Drawings Prepared by Fabricator
Week 5	Review of Draft Plans by Owner
Week 6	Revise Installation Drawings
Week 7	Issue Final Installation Drawings

Key Milestones:

- Confirmation of Fab Drawings (two (2) weeks after executed contract)
- Draft Installation Drawings (four (4) weeks after executed contract) *assumes five (5) day review by IPSC
- Final Installation Drawings (6-1/2 weeks after executed contract)

Time for delivery will not be extended except as provided in this Article.

If the Contractor makes a timely written request in accordance with this Article, the time for delivery will be extended by a period of time equivalent to any delay of the whole work which is: (1) authorized in writing by the Chief Operations Officer, (2) caused solely by IPSC, or (3) due to unforeseeable causes (such as war, strikes, or natural disasters) and which delay is beyond the control and without the fault or negligence of the Contractor and subcontractors.

The Contractor will promptly notify the Chief Operations Officer in writing at both the beginning and ending of any delay, of its cause, its effect on the whole work, and the extension of time claimed. Failure of the Contractor to provide such written notices and to show such facts will constitute conclusive evidence that no excusable delay has occurred and that no extension of time is required.

The Chief Operations Officer ~~will ascertain the facts and the extent of the delay and will extend the time for delivery when the findings of fact justify such an extension. The Chief Operations Officer's determination will be final and conclusive.~~ and a representative from the Contractor will mutually ascertain the facts and the extent of the delay and will extend the time for delivery when the findings of fact justify such an extension. The Chief Operations Officer and the Contractor's representatives' determination will be final and conclusive.

6. Protests and Claims: If the Contractor considers any demand of the Chief Operations Officer to be outside of the requirements of the Agreement, or considers any amount of payment, or any record, ruling, or other act or omission by the Chief Operations Officer to be unreasonable, the Contractor will promptly deliver to the Chief Operations Officer a written statement of the protest and of the amount of compensation claimed.

Upon written request by the Chief Operations Officer, the Contractor will provide access to all records containing any evidence relating to the claim or protest. Upon review of the protest, claim, and evidence, the Chief Operations Officer will promptly advise the

Contractor, in writing, of his ~~the~~ final decision. ~~which will be binding on all parties except either party may pursue litigation in a court of proper jurisdiction.~~ Should the Contractor not be satisfied, ~~then~~ both parties will have a right to seek binding arbitration to settle the dispute. All claims, controversies, and disputes arising out of or relating to this Contract and to the subject matter of this Contract, that are not resolved by agreement between the parties, will be resolved in a binding arbitration in accordance with the Patent Arbitration Rules of the American Arbitration Association. The number of ~~the~~ arbitrators will be three (3). In no event will the arbitrators have the power to include any element of punitive, incidental, or consequential damages in the arbitration award. Each party will pay its own attorneys' fees incurred in arbitration. The place of arbitration will be jointly determined by the parties, or by the American Arbitration Association, if the parties are unable to agree on a place of arbitration. Judgment on the arbitration award in accordance with this Contract may be entered in any state or federal court of competent jurisdiction.

The requirements of this Article will be in addition to, and will not be construed as waiving any provisions of the Government Code of the state of Utah.

7. Independent Contractor: The Contractor will perform said services as an independent Contractor in the pursuit of its independent calling, is not an employee, agent, joint venturer, partner, or other representative of IPSC, or the Operating Agent, and will be under the control of IPSC only to provide the services requested and not as to the means or manner by which the work is to be accomplished. The Contractor has no authority to act for, bind, or legally commit IPA, IPSC, or the Operating Agent in any way.

8. Drug Policy: The Contractor will submit a current copy of its drug testing policy for review. IPP facilities are a drug free and zero tolerance workplace. The Contractor and its subcontractor's employees who are to perform work at IPP facilities will participate in a drug testing program prior to arrival.

9. Nonexclusivity: This is a nonexclusive Agreement. IPSC reserves the right to obtain professional engineering services from other engineering firms.

10. Termination of the Contract: IPSC reserves the right, by giving written notice to the Contractor, to terminate the whole or any part of this Contract at IPSC's convenience, whether or not the Contractor is in default. In the event of termination without default, IPSC will pay the Contractor reasonable and proper actual termination costs for all work performed to the date of termination. IPSC will pay the technology fee of $36,000 per vessel for all vessels modified or in the process of being modified up to the date of termination. After termination, IPSC will have no rights to modify, duplicate, or in any way use the information or technology on any other vessels or systems without the Contractor's prior written consent and without appropriate compensation.

Termination of the work will not constitute the basis for a claim for damages or loss on anticipated profits and the Contractor hereby releases IPSC from any such claim related to termination by IPSC.

If the Contractor's OverScrub™ Technology fails to meet the performance guarantees of the Contract, and after a reasonable time to correct the deficiencies remains in noncompliance, IPSC may terminate the Contract without any obligation to compensate the Contractor for any services, testing, or expenses.

11. Changes to the Agreement: A request for engineering services will not amend or add to this Agreement in any respect except to describe the new scope of services, the schedule thereof, and the applicable compensation terms. Additional or conflicting terms or conditions may be added to this Agreement only by formal written amendment to this Agreement, signed by the authorizing agents of both IPSC and the Contractor.

12. Rights to Intellectual Work Product: Drawings, specifications, final project specific calculations, and other engineering documents which the Contractor prepares and delivers to IPSC under this Agreement will become the property of IPSC at the conclusion of the Project, provided the Contractor has been compensated as required. IPSC may not use the drawings, specifications, or any other engineering related document pertaining to the Project in any other way or in any other application including, but not limited to, other locations at IGS. Nothing contained in this Article will be construed as limiting or depriving the Contractor of any right to design or carry out similar work for itself or others. Rights to intellectual property developed, utilized, or modified in the performance of the work will remain the property of the Contractor. The Contractor hereby grants to IPSC a nonexclusive, nontransferable, royalty-free license to utilize the Contractor's proprietary property provided to IPSC as part of the work to the extent necessary for the construction, operation, maintenance, repair, or alteration of the facilities. The rights to this technology will transfer with any ownership change of the property.

13. Confidentiality: IPSC and the Contractor covenant and agree, during the term of this Agreement, not to disclose or permit to be disclosed, or in the case of documents, reproduce, or permit to be reproduced, to any unauthorized person, confidential information such as designs, drawings, plans, calculations, techniques, management strategy information, operating data, or regulatory related information acquired from IPSC or the Contractor in the course of carrying out the services under this Contract, without the prior written permission of IPSC or the Contractor.
Confidentiality requirements will not apply where (a) the information is, at the time of disclosure, in the public domain; (b) the information is known to IPSC or the Contractor prior to obtaining the same; (c) the information is obtained from a third party who did not receive the same, directly or indirectly, from IPSC or the Contractor or who received it without restriction; (d) the information is independently developed without breach of this Agreement; or (e) the information is subpoenaed by court order or other legal process, but in such event, will notify the other party, who, at its sole cost and discretion, may seek to quash such demand. IPSC's and the Contractor's obligations of confidentiality will be binding for a period of three (3) years from the termination of the Agreement or the completion of the Contractor's work, the earlier of the two.

14. Warranty: The Contractor warrants that the Contractor will perform the work in accordance with the standards of care and diligence normally practiced by recognized

engineering firms in performing work of a similar nature in existence at the time of performance of the work. If, following completion of the work on the applicable Project, it is shown there is an error in the work caused by the Contractor's failure to meet such ~~engineering design~~ standards, the Contractor will correct, at no ~~additional~~ cost to IPSC, such engineering work within the ~~customary~~ original scope of work as may be necessary to remedy such error.

The warranty period will begin for the OverScrub™ Technology on the date the design or Project, including all elements thereof, is placed in service by IPSC, and will extend for ~~five (5)~~ ~~one (1)~~ three (3) years. ~~but no longer than eighteen (18) months from acceptance of the test module performance.~~

~~15. Basis of Payment: The Contractor claims to have been granted exclusive rights to the OverScrub™ Technology from Marsulex Environmental Technologies for all retrofit applications and that this is a patent-pending technology. The amount of fee paid the Contractor by IPSC for this technology is largely based on that claim. If IPSC determines within three (3) years of the first installation that a patent has been denied or is likely to be denied, or that URS Corporation no longer has exclusive rights to this technology, the amount of fee paid the Contractor by IPSC will be reduced by 50 percent excluding the one time fee for performance testing. If IPSC has made payments in excess of the 50 percent, the Contractor will refund the difference to IPSC. The Contractor cannot nor will not guarantee or warrant the fabrication and/or installation, operation, and/or maintenance practices with regard to this technology or it's application.~~

PART D - DIVISION D1

DETAILED SPECIFICATIONS - SPECIAL CONDITIONS

1. Printed Documents: All printed documents including drawings and instruction books, if applicable, will be in the English language. All units of measurement will be in the English foot-pound-second system.

2. Safety: All services and products provided by the Contractor will comply with IPSC's safety and equipment policies. The Contractor will be responsible for the safety of the Contractor's own employees at all times.

   Prior to starting any on-site services, all of the Contractor's personnel will attend a safety orientation taught by a representative of IPSC. At the Contractor's option, a supervisor may attend the orientation taught by IPSC, then present the orientation to the remainder of the Contractor's personnel. In this case, a roll will be given to IPSC which lists each person who received the orientation and the date it was received.

3. Codes, Laws, and Regulations: All services and products provided by the Contractor will comply with applicable federal, state, and local codes, laws, regulations, standards, and ordinances, including but not limited to OSHA and MSHA, and IPSC's rules and orders provided to the Contractor in writing with the applicable scope of work, governing performance of the work.

4. Plant Site Policies:

   a. Any employee, agent, or representative of the Contractor will be subject to vehicle, tool box, and lunch box inspections by IPSC or its representatives upon entering and leaving, or while at the plant site.

   b. The Contractor will comply with plant site requirements set by IPSC regarding the design and use of identification badges.

   c. All services will be provided in a manner causing the least possible obstruction or interference with ongoing operations at the plant.

PART B - DIVISION B2
COMMERCIAL TERMS

DETAILED SPECIFICATIONS - GENERAL REQUIREMENTS

1. Definitions: The following words will have the following meanings:

1. General: This Division contains the general requirements for providing OverScrub™ Technology for use in IPSC's Flue Gas Desulfurization (FGD) Modules.

a. Buyer: The Purchasing Agent for IPSC.

b. Chief Operations Officer: The President and Chief Operations Officer of IPSC or designated representatives acting within the limits of their authority.

2. Scope of Work: The Contractor will provide a detailed design with drawings, specifications, technology licenses??? fees, and installation instructions for scrubber wall rings that will improve SO_2 removal efficiency in each of the IPP FGD Modules. The Contractor will also provide a Test Plan ?? test a module with the scrubber wall rings installed and compare the performance with another module that will be tested without scrubber wall rings to verify compliance with these specifications, and provide a test report which demonstrates comparative performance of a modified and unmodified module. All test equipment necessary to perform this testing will be supplied by the Contractor.

c. Contract Administrator: The IPSC employee designated by the Chief Operations Officer with primary responsibility for administration of the Contract, or designated representatives acting within the limits of their authority.

d. Contractor: The person, firm, or corporation providing, or associated directly with providing, engineering services under this Agreement.

e. Directed, Required, Approved, Etc.: The words *directed, required, approved, permitted, ordered, designated, prescribed, instructed, acceptable, accepted, satisfactory,* or similar words will refer to actions, expressions and prerogatives of the Contract Administrator, unless otherwise expressly stated.

3. Items Supplied by IPSC: IPSC will fabricate and install the wall rings as designed by the Contractor. IPSC will also provide all necessary existing drawings and documentation to assist the Contractor and will provide manpower as needed to assist with the baseline and performance verification testing.

f. IPA: Intermountain Power Agency, the owner of IPP, and a political subdivision of the State of Utah, organized and existing under the Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

4. Performance Guarantees: The Contractor guarantees that in the last module at the current IPP maximum load of 875 Megawatts Gross 1953 unit, the installation of the OverScrub™ Technology (scrubber wall rings) will result in the following:

g. IPP: Intermountain Power Project, consisting of Intermountain

a. SO_2 emissions from each scrubber module with all recycle pumps operating and the spray nozzles in good repair will be reduced by at least 50 percent with the installation of this technology.

b. SO_2 emissions from each scrubber module may be operated with only two (2) and any two (2) recycle pumps in service and still maintain historical SO_2 maintenance removal efficiencies of 93 percent. such that the SO_2 emissions from a modified scrubber with any two (2) spray levels in service is less than a equal to the SO_2 emissions from any unmodified scrubber with three (3) spray levels in service in the demonstration module.

h. IPSC: Intermountain Power Service Corporation, a nonprofit corporation, furnishing personnel to support the Operating Agent in the performance of operation and maintenance.

i. Operating Agent: The city of Los Angeles Department of Water and Power (LADWP) which is responsible for operation and maintenance for IPP.

j. Project Coordinator: The IPSC employee designated by the Chief Operations Officer with primary responsibility for coordination of a given project within this Agreement including acting as liaison between IPSC and the Contractor for a given project.

c. Differential pressure across the entire module will not increase as a result of this installation by more than 0.1 inches of water with all recycle pumps in service.

5. Unit Operation: The Contractor will consider two (2) maximum unit loads of operation when designing this technology. The first load will be the historical maximum load of 875 Megawatts Gross. All performance testing will be done at this load. For the second load, IPSC is considering projects that will increase the unit maximum load to 950 Megawatts Gross. This will be achieved through both efficiency and capacity increases. Total coal flow will only increase by approximately 6 percent while load increases by 8.5 percent. It is imperative for this load increase project, that total SO_2 emissions in tons-per-year decrease even though coal consumption and load both increase. The Contractor will continue to work with IPSC after the load increase project is complete to

~~ensure that SO_2 emissions are decreased at the higher load. This may require refinements or tuning of the design by the Contractor to achieve this goal at the new load.~~

~~6~~5. Unit Reliability: Maintaining unit reliability and availability is paramount to the financial and operational success of IGS. The Contractor will carefully and professionally consider any impact the Contractor's design may have on unit reliability and availability. The method for attaching the wall rings to the module walls will incorporate features to prevent corrosion of the module mild steel and rubber protective lining. The Contractor will consider any flow related vibration that may occur that would cause the wall ring to abrade the rubber lining. The wall ring will be sufficiently stiffened and attached to prevent any damaging vibration or any other unwanted movement. The Contractor's design will also prevent material build-up that could impede water or air flow in the module.