

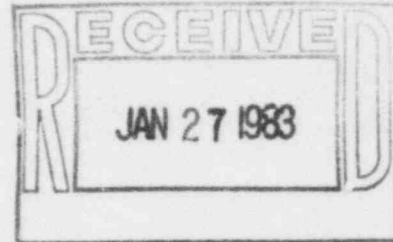
Nebraska Public Power District

GENERAL OFFICE
P.O. BOX 499, COLUMBUS, NEBRASKA 68601-0499
TELEPHONE (402) 564-8561

January 26, 1983

Mr. John T. Collins, Regional Administrator
U. S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Reference: Docket No. 50-298
License No. DPR-46
EA 82-46



Dear Mr. Collins:

Subject: Progress Report and Submittal of Information
for NRC Approval

With reference to the subject enforcement action and the Order Modifying License, we submit the following:

1. By letter dated November 19, 1982, NPPD submitted to your attention, "NPPD Proposed Management Appraisal of Corporate Management, submitted October 8, 1982, revised November 19, 1982".
2. By your letter dated December 7, 1982, which we received by telecopy on December 8, 1982, you said "we find the proposed management appraisal plan and schedule described in your submittal to be acceptable and recommend that you initiate your program as soon as practical".
3. NPPD then proceeded to develop a detailed "Request for Proposal" document and it was issued to eleven (11) prospective firms by letters dated December 15, 1982. A copy of the RFP is attached for your review.
4. All the firms were invited to respond and to have their responses back to NPPD by January 14, 1983.
5. By Monday, January 17, 1983, we found that nine (9) firms had returned proposals and the evaluation proceeded.
6. The evaluation has progressed sufficiently that we are now submitting to you the names of three firms to determine that they meet the requirement of the order that they are "independent". NPPD staff feels that all three have met all the basic requirements of the RFP and one of these three will finally be recommended to the Board of Directors by our management.

The three firms are (no order of ranking):

- A. Management Analysis Company (MAC)
11095 Torreyana Road
San Diego, California 92121

Project Manager	- L. E. Zwissler
Operations Consultant	- K. T. Perkins
Engineering Consultant	- K. M. Horst
Q. A. Consultant	- A. W. Crevasse
ORG Develop Consultant	- A. M. Freedman

MAC has never done any work previously for the District and any dealings between MAC and District people have been casual and insignificant.

- B. Summit Nuclear Resources
1201 Camino Del Mar, Suite 204
Del Mar, California 92014

Project Manager	- J. French
Consultant	- Dr. J. Turnage
Behav. Science Consult.	- Dr. D. Ehat
QA/QC Consultant	- W. Stokes
Consultant	- J. Waage
Consultant	- M. Fertel
QA/QC Consultant	- F. Pimentel

Summit has never done work for the District. There are no known significant relationships between any Summit and District people.

- C. LRS Consultants, Inc.
355 West 14th Street
Idaho Falls, Idaho 83402

Project Manager	- C. M. Rice
Consultant	- Dr. R. E. Lapp
Consultant	- R. G. Staker
Consultant	- R. N. Ferguson

LRS has never done work for the District. We do want to divulge that members of this firm were previously employed by the same employer as three of our staff; J. M. Pilant, R. D. Boyle, and F. E. Williams. This relationship was approximately 10 years ago. We know that to a certain degree, a personal, social relationship still remains between two of their project group

John Collins
Page #3
January 26, 1983

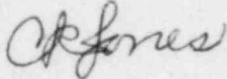
and J. M. Pilant of our organization. We do not feel that this will influence the objectivity of being independent, but do want you to know of this relationship.

We specifically request that you give us your concurrence that these three firms meet the requirement of being "independent". Your prompt answer will allow us to proceed on the schedule outlined.

If you desire any other information, please advise.

Sincerely,

NEBRASKA PUBLIC POWER DISTRICT



Cecil R. Jones
Assistant General Manager

CRJ/bms

Attachment

cc: J. M. McGarry (Debevoise & Liberman) w/o attach.
D. E. Schaufelberger w/o attach.
G. D. Watson w/o attach.
F. G. Yanney w/o attach.
R. S. Kamber w/o attach.
J. M. Pilant w/o attach.
F. C. Whitney w/o attach.
L. G. Kunc1 w/o attach.
R. E. Buntain w/o attach.

REQUEST FOR PROPOSAL

APPRAISAL OF
GENERAL OFFICE CORPORATE MANAGEMENT
AND
COOPER NUCLEAR STATION SUPERVISION

NEBRASKA PUBLIC POWER DISTRICT
1414 - 15th Street
Columbus, Nebraska 68601

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1	Introduction	1
2	District Background	2
3	Scope of Services.	3
4	Selection Process.	5
5	Evaluation Data.	7
	5.1 Organizational.	7
	5.2 Financial	7
	5.3 Experience of Firm.	7
	5.4 Project Team.	8
	5.5 Methodology and Approach.	8
	5.6 Compensation.	9
	5.7 Contract Terms and Conditions	11
 <u>Appendix</u>		
A	Organization Charts	
B	Evaluation and Appraisal Schedule	
C	District Management and Supervisory List	

1.0 INTRODUCTION

The Nebraska Public Power District (District) has committed to the Nuclear Regulatory Commission (NRC) that a "limited scope management appraisal" of its nuclear activities will be performed. This appraisal is to be performed by a consultant that is "independent" of the District. Independence as used herein shall mean there is no potential conflict of interest due to 1) existing future or potential work with the District or 2) business and/or personal relationships with District management or supervisory personnel in nuclear-related areas. The appraisal is to include evaluation of current organizational responsibilities, management controls, staffing levels, experience, communications, and practices at and between the General Office and Cooper Nuclear Station.

This document is a request for proposal (RFP). It contains information concerning the District, a scope of services, schedule, and requested evaluation data. Responses to this RFP should be submitted by the designated date.

The appraisal report is to be complete and thorough. It should be able to stand on its own without requiring additional studies.

2.0 DISTRICT BACKGROUND

The following information is included for the benefit of the respondents. More information can be made available at a future time.

- 2.1 The District is a political subdivision of the State of Nebraska and is governed by State statutes regarding competitive bidding, contracting, and many other areas. The management of the District serves under the direction of an eleven (11) member Board of Directors who are elected in eleven areas or "districts" within the state.

The District owns and operates power plants, transmission, and distribution facilities and serves both wholesale and retail customers.

- 2.2 One of the power plants is the Cooper Nuclear Station (CNS) which is a nominal 800 MW boiling water reactor that became "commercial" in 1974. This plant is the District's only nuclear plant and is located on the Missouri River near Brownville, Nebraska. Brownville is approximately 150 miles from the District's General Office at Columbus, Nebraska.
- 2.3 The District's General Office includes the corporate management responsible for operations, engineering, licensing, quality assurance, environmental affairs, and other corporate functions. Copies of organizational charts, which show the organizational structure from the Board of Directors to the plant personnel and to various support groups, are included in Appendix A.

3.0 SCOPE OF SERVICES

The selected firm shall conduct an appraisal of the District's Columbus General Office corporate management organization that is responsible for and involved in the overall management operation and control of CNS and the CNS supervisory organization. The appraisal shall evaluate current organizational responsibilities, management controls, staffing levels, communications, and practices at and between the General Office and CNS.

The results of the appraisal are to be provided in a written report. This report is to be complete and in such form that any recommended changes can be implemented by the District without further significant study. The report is to include the following for each of the individual scope of service items: a) review comments, b) evaluation of existing conditions, c) need and necessity for change, and d) feasible recommendations and alternatives.

During all phases of review, particular emphasis should be placed on safe and reliable conduct of nuclear operations.

3.1 Organization Structure

- 3.1.1 Address the General Office corporate organization responsible for the nuclear-related areas to establish that functions, assignments, responsibilities, and authority of individuals are clearly defined and understood.
- 3.1.2 Address the CNS supervisory organization to establish that functions, assignments, responsibilities, and authority of individuals are clearly defined and understood.
- 3.1.3 Address the manner in which responsibility and authority are passed through the various management and supervisory levels in both the General Office and CNS organizations to assure the effective conduct of functions and assignments.
- 3.1.4 Address how the corporate and the CNS organizations interface internally, with each other and with the NRC to accomplish their functions and assignments.

3.2 Management Involvement and Commitment

- 3.2.1 Determine whether corporate managers, assigned functional responsibilities for nuclear matters, have direct involvement in significant decisions that fall within their areas of responsibility.
- 3.2.2 Examine the corporate commitment, to the operation of CNS in a safe and proper manner, by reviewing the personal involvement, interests, awareness, and knowledge of corporate managers responsible for nuclear activities.

3.3 Technical Support

- 3.3.1 Address whether there are sufficient experienced and knowledgeable corporate and CNS engineering/technical staff to carry out the required engineering and/or engineering supervision of tasks and whether the technical support staff is knowledgeable of the principles of their respective disciplines, regulations, codes, and standards.

3.4 Licensing and Regulation

- 3.4.1 Address whether the corporate nuclear licensing staff has sufficient experienced and knowledgeable personnel to carry out the functions necessary to support the nuclear licensing effort.

3.5 Quality Assurance

- 3.5.1 Address whether the corporate quality assurance staff has sufficient experienced and knowledgeable personnel to carry out the functions necessary to support the quality assurance effort and whether the quality assurance staff is knowledgeable of regulations, codes, and standards.
- 3.5.2 Address whether the functions, assignments, and responsibilities of the quality assurance group are clearly defined and that there is a division of responsibility between the corporate quality assurance group and other nuclear-related groups.
- 3.5.3 Address how matters having nuclear safety significance are brought to the attention of the quality assurance group. Examine whether these matters are being monitored, reviewed, audited, and analyzed by this independent quality assurance group.

4.0 SELECTION PROCESS

The selection procedure to be used in selecting the appraisal firm will consist of the following phases:

1. Request for Proposal.
2. Review and evaluation of written proposals.
3. Preliminary selection.
4. Oral presentations.
5. Final selection.

The tentative Schedule is shown in Appendix B.

- 4.1 The primary purpose of this RFP is to 1) define the scope of services to be performed, and 2) outline the data to be provided by respondents which will be evaluated by the District in the selection process.

The written proposals are to address the following categories as outlined in Section 5, "Evaluation Data," of this RFP.

- a. Organization.
- b. Financial.
- c. Experience of Firm.
- d. Project Team.
- e. Methodology and Approach.
- f. Compensation.
- g. Contract Terms and Conditions.

The sequence of presenting the requested information is also to follow the outline of Section 5. In all cases the statement to be discussed should first be provided with the narrative following. Failure to present the information in the manner requested shall be grounds for considering the proposal as being nonresponsive. Try to be complete, yet precise, for voluminous information is not desired.

Additional information can be provided at the end of each category as felt necessary. The additional information is to be clearly denoted as being supplemental to that requested.

Ten (10) copies of the written proposal are to be in the possession of the District no later than January 14, 1983. Late submittals shall be considered nonresponsive.

- 4.2 The District will review and evaluate the proposals. A spokesman will act as the interface with all responding firms providing communication and coordination as needed.
- 4.3 Upon the initial evaluation of proposals, two or three firms will be selected. Prior to any additional evaluation the District will supply the names of these firms to the NRC for their review to insure there is no question relative to their independent status.
- 4.4 The selected firms will be requested to make oral presentations to the District. All professional members of the consultants project

team shall be in attendance. The oral presentations are to cover the same material presented in the written proposals and in the same sequence. As a result of reviewing the written proposals there may be additional areas the firms will be requested to discuss during the oral presentations. Any such additional information will be requested at the time of invitation for the oral presentation.

The oral presentations will be presented at the District's General Office in Columbus, Nebraska. The presentations shall commence at 9:00 a.m. and shall be concluded no later than 3:00 p.m., including questions and discussion.

- 4.5 The District will evaluate the firms making oral presentations. One firm will be recommended to the District's Board of Directors for award of the agreement.

5.0 EVALUATION FACTORS

The following are factors which will serve as the basis for evaluating proposals.

5.1 Organization

The District is interested in two areas of respondent's organization:

- a. Corporate
- b. Project

- 5.1.1 Show your corporate organization indicating officers and their relationship to this project.
- 5.1.2 Show the project organization. Indicate by name and show how all the project individuals will relate within the project group and how they will relate to other support functions to allow the District's project to get the benefit of all corporate strengths.

5.2 Financial

- 5.2.1 Provide the value of the largest management appraisal project performed during the last five (5) years. Who was the client?
- 5.2.2 Provide gross revenue figures of the management consulting segment of your firm for the last three (3) years.

5.3 Experience of Firm

- 5.3.1 Provide list of management appraisals or audits completed over the past five (5) years with year performed, names of clients, and names of individuals within those firms most familiar with respondents work.
- 5.3.2 Provide short description of major management appraisals or audits performed during the past year or now in progress.
- 5.3.3 Identify and discuss appraisals or audits that relate to the management, operation, and support of nuclear facilities performed within the last five (5) years.
- 5.3.4 Identify relevant interfacing relationships that the firm has had with the Nuclear Regulatory Commission and the dates or time frame involved.
- 5.3.5 Briefly describe the qualifications of your firm regarding the ability to assess nuclear power facilities management, operation, and support functions.
- 5.3.6 Identify previous work done for the District during the last five (5) years including dollar amount and brief

description. Identify present business and personal relationships with the District or any of its management or supervisory personnel as identified in Appendix C.

5.4 Project Team

Resumes must be furnished for all professional members of the project team. If not included in the resume, the following additional information should be furnished for each team member:

- 5.4.1 Experience in the performance of management audits and appraisals.
- 5.4.2 Experience in the management, operation, and support of nuclear power facilities.
- 5.4.3 Knowledge of Nuclear Regulatory Commission requirements for the organization and management of nuclear power facilities.
- 5.4.4 Formal training in management control, organizational structure alternatives, and organizational theory.
- 5.4.5 Specific attributes, knowledge, and abilities individual will contribute to the appraisal task.
- 5.4.6 Provide the number of man-hours estimated to be worked by each professional member of the project team.

5.5 Methodology & Technique

- 5.5.1 Describe the methodology to be used by the respondent and outline the approach of implementing this methodology in carrying out this project assignment.
- 5.5.2 What standards will be used to measure attributes identified under Section 3.0, "Scope of Services"? Attributes include qualification, personal involvement, etc.
- 5.5.3 What specialized techniques do you propose to carry out this appraisal?
- 5.5.4 Provide discussion as to why you feel your firm and the proposed team are best qualified to provide the services identified in Section 3.0.
- 5.5.5 Describe how the District benefits from using the respondent's particular methodology and techniques:
- 5.5.6 The appraisal to be performed, including final report, is scheduled for completion in 60 calendar days from award of agreement. (See schedule, Appendix B). Indicate your acceptance of that schedule and comment as to your capability and commitment to perform consistent with it.

5.6 Compensation

It is the intent of the District to receive from each respondent clear and explicit standards of compensation for the work to be performed under this appraisal agreement. Material requested is designed to cover all facets of compensating for the services and is intended to be complete.

Should there be information concerning your compensation and billing procedure that is not covered here, it is incumbent that such additional information is supplied at this time to permit complete evaluation of all submissions. There is no intent to permit the introduction by any respondent of new information following their selection, either as one of the finalists or in contract negotiations.

The compensation concept desired by the District is cost reimbursable with a ceiling for all services, plus a fixed fee, plus reimbursement of all direct (out of pocket) expenses.

Consistent with that the following information is requested:

5.6.1 Basis for time (salary) compensation.

The daily per diem rates provided below are to include all salary and salary-related costs, including overheads.

5.6.1.1 List the daily per diem rates for each of the professional personnel assigned as shown in Section 5.4, Project Team.

5.6.1.2 List the daily per diem rates for each of the nonprofessional project team members such as specialists, staff, drafting, word processing, and similar personnel who are job chargeable. State their respective work title.

5.6.1.3 If other professional personnel (e.g., corporate managers, schedulers and planners, legal, accounting, etc.) will charge to the job, other than those shown in Section 5.4, Project Team, list their respective daily per diem rates.

5.6.2 Out-of-Pocket (Direct) Cost

This is generally those items for which the District will directly reimburse the consultant. It includes such items as travel cost, including hotel, meals, air fare, car rental, etc.; such home office charges as long-distance calls, reprographics, computer time, etc. Please list all items of cost which you are proposing to handle as out-of-pocket cost. For each cost item state whether it is a direct flow-through or marked up cost and provide the respective percentage mark up.

- 5.6.3 For those items of direct cost which will be performed and charged consistent or in conformance with your corporate policies, (e.g., travel, reprographics, etc.) submit copies of applicable corporate policy schedules.
- 5.6.4 State the following:
- 5.6.4.1 Your fixed fee.
 - 5.6.4.2 Your not-to-exceed (ceiling) dollar amount for cost-reimbursable services by your "professional" project team and other time-chargeable personnel performing staff or other support services as a direct effort in the management appraisal assignment.
 - 5.6.4.3 Your estimated amount of direct out-of-pocket expenses.

5.7 CONTRACT TERMS AND CONDITIONS

The following terms and conditions are standard provisions used by the DISTRICT in Professional Service Agreements, and will appear in the Agreement which results from this Request for Proposal.

THIS AGREEMENT is made and entered into effective the _____ day of _____, 19____, by and between NEBRASKA PUBLIC POWER DISTRICT, a public corporation and political subdivision of the State of Nebraska with offices at Columbus, Nebraska, hereinafter referred to as the DISTRICT, and _____, a _____, with principal place of business at _____, _____, and registered to do business in Nebraska, hereinafter referred to as the CONSULTANT.

WITNESSETH

WHEREAS, it has been determined that it would be of benefit to and in the best interests of the DISTRICT to initiate a "limited scope management appraisal" of both the General Office corporate management organization that is responsible for the overall management operation and control of Cooper Nuclear Station (CNS) and the CNS supervisory organization, and

WHEREAS, the Nebraska Public Power District has committed to the Nuclear Regulatory Commission (NRC) that it will conduct such an appraisal, and

WHEREAS, the CONSULTANT has at its disposal a complete staff of qualified and competent personnel capable of performing such services as authorized by the DISTRICT in accordance with the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing and of the mutual agreement and covenants hereinafter contained, the DISTRICT and the CONSULTANT hereby agree as follows:

ARTICLE I - SCOPE OF SERVICES

Scope of services shall be in accordance with section 3 of this Request for Proposal.

ARTICLE II - CAPABILITIES

The CONSULTANT shall maintain an adequate staff of qualified, competent personnel to perform the foregoing services and shall make professional assignments consistent with those named in the CONSULTANT'S proposal for performing said services.

ARTICLE III - SCHEDULE

The schedule for performance hereunder shall be in accordance with Appendix B of this Request for Proposal.

ARTICLE IV - COMPENSATION AND TERMS OF PAYMENT

- A. Compensation shall be in accordance with section 5.6 of this Request for Proposal.
- B. Payment shall be made to the CONSULTANT upon the DISTRICT'S receipt of the final report.

C. All invoices shall be sent to:

Nebraska Public Power District
Purchasing Division
P.O. Box 499
Columbus, Nebraska 68601

ARTICLE V - AUDIT

The CONSULTANT shall keep accurate records and books of accounts showing all charges and expenses incurred in the performance of the work hereunder. The DISTRICT shall have the right upon reasonable notice to verify at any time, up to two (2) years after completion of work and/or services, all costs, expenses, and disbursements made or incurred by the CONSULTANT in connection with the work to be performed hereunder and may examine the CONSULTANT'S books and records relating thereto.

ARTICLE VI - TERMINATION

The DISTRICT shall have the right to terminate, with or without cause, the services of the CONSULTANT and to cancel this Agreement forthwith. In the event of such termination, the DISTRICT and the CONSULTANT agree that all close-down work and expenses, all direct costs of work incurred up through the date of termination and any additional expenses reasonably incurred by the CONSULTANT in terminating the work shall be billed in accordance with Article IV, Compensation and Terms of Payment, as well as all other provisions of this Agreement. In no event shall the DISTRICT be liable to the CONSULTANT for any loss of profit or earnings that may have been realized by the CONSULTANT were it not for termination of this Agreement pursuant hereto.

In the event of termination, either with or without cause, the DISTRICT shall have the right to use, without additional charge and in accordance with ARTICLE XXI, Ownership of Documents, any and all data, reports, and other documents which the CONSULTANT prepared in connection with the work, and the CONSULTANT shall, upon the DISTRICT'S request, deliver same to the DISTRICT. In addition, the CONSULTANT shall take all steps, including assignment of any contractual rights with third parties, relating to this Agreement, as may be required to fully vest such rights in the DISTRICT.

ARTICLE VII - CONFIDENTIAL INFORMATION

All data, documents, and other information which are furnished in documentary or tangible form and conspicuously marked as secret or confidential (herein collectively referred to as Proprietary Information) by either party shall be received by the other party in confidence. Said other party shall use its best efforts to preserve the value of such Proprietary Information and maintain it secret and confidential.

This obligation of confidentiality shall not apply to any Proprietary Information which is (1) in the public domain at the time of disclosure or thereafter becomes part of the public domain by publication or otherwise, other than by the receiving party; or (2) is in the receiving party's possession prior to the disclosure as shown by written record; or (3) after it has lawfully been obtained by the receiving party on a nonconfidential basis from other sources.

In addition, all information, data, and reports obtained or generated by the CONSULTANT in the course of its performance hereunder shall be held in confidence by the CONSULTANT and shall not be divulged to any third party without the prior written approval of the DISTRICT.

The provisions of this Article shall survive the term of this Agreement and continue in full force and effect for a period of two (2) years beyond the termination of this Agreement.

ARTICLE VIII - NONDISCRIMINATION

During the performance of furnishing goods or services, as stipulated in this Agreement, the CONSULTANT agrees that it will comply with the provisions of 41 CFR 60741.4 relating to employment of the Handicapped and 41 CFR 50250.3 relating to employment of Disabled Veterans and Vietnam Era Veterans.

The CONSULTANT and its Subcontractors shall not discriminate against any employee, or applicant for employment, to be employed in the performance of this Agreement with respect to hire, tenure, terms, conditions, or privileges of employment because of race, color, religion, sex, or national origin. All of the quoted provisions contained in Section 202 of Presidential Executive Order No. 11246 of September 24, 1965, as amended by E.O. 11375, are hereby incorporated in this Agreement by reference.

ARTICLE IX - NEBRASKA FAIR EMPLOYMENT PRACTICE ACT

The CONSULTANT and its Subcontractors shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract with respect to hire, tenure, terms, conditions, or privileges of employment, because of race, color, religion, sex, disability, marital status, or national origin. Disability shall mean any physical or mental condition, infirmity, malformation, or disfigurement as defined in the Act which is unrelated to such person's ability to engage in a particular occupation, and this paragraph shall not preclude denying privileges of employment when the nature and extent of a disability reasonably precludes the performance of the particular employment.

ARTICLE X - LAWS AND REGULATIONS

A. Laws, Ordinances, and Regulations

In the execution of the work, the CONSULTANT shall provide all notices and comply with all prevailing and applicable laws, ordinances, rules and regulations.

The CONSULTANT shall abide by all lawful rules and regulations governing employment of persons on the work as covered by these specifications and in the execution of this Agreement shall maintain fair labor standards. Workmen who are citizens of the State of Nebraska shall be employed by this CONSULTANT whenever possible.

B. Unemployment Compensation Fund

The CONSULTANT will pay to the Unemployment Compensation Fund of the State of Nebraska, any unemployment contributions and interest that may be due under the provisions of Sections 48-601 to 48-669 of Nebraska Statutes on wages paid to individuals employed in the performance of this Agreement. Notwithstanding anything to the contrary herein provided, final payment cannot be made by the DISTRICT on the final 3% of all work performed on this Agreement in the State of Nebraska until the DISTRICT has received a written clearance from the State Commissioner of Labor certifying that all payments then due of contributions or interest which may have arisen under this Agreement have been made by the CONSULTANT or its Subcontractor to the Unemployment Compensation Fund. (This paragraph shall apply only if the CONSULTANT employs Nebraska residents.)

ARTICLE XI - INSURANCE

A. Instructions

The CONSULTANT shall not commence work under this Agreement until all insurance required under this Section has been obtained and such insurance has been approved by the DISTRICT, nor shall the CONSULTANT allow any Subcontractor to commence work on any subcontract until all similar insurance required of the Subcontractor has been so obtained and approved.

B. Workers' Statutory Compensation Insurance and Employer's Liability Insurance

The CONSULTANT shall take out and maintain during the life of this Agreement the applicable statutory Workers' Compensation Insurance with an insurance company authorized to write such insurance and in the applicable state covering all its employees, and in the case of any work sublet, the CONSULTANT shall require the Subcontractor similarly to provide statutory Workers' Compensation Insurance for the latter's employees. The CONSULTANT shall take out and maintain during the life of this Agreement, Employer's Liability Insurance with a limit of \$100,000 with an insurance company authorized to write such insurance in all states where the CONSULTANT will have employees located in the performance of this Agreement and the CONSULTANT shall require each of its Subcontractors similarly to maintain Employer's Liability Insurance on their employees.

C. Public Liability Insurance

1. The CONSULTANT shall maintain during the life of this Agreement such Public Liability Insurance as shall protect the CONSULTANT against claims for damages resulting from (a) bodily injury, including wrongful death, and (b) property damage, which may arise from operations under this Agreement whether such operations be by the CONSULTANT or by any Subcontractor or anyone directly or indirectly employed by either of them. The minimum acceptable limits of liability to be provided by such Public Liability Insurance shall be as follows:

- | | |
|-----------------------------|---|
| (a) Bodily Injury Limits: | \$ 500,000 Each Person
1,000,000 Each Occurrence |
| (b) Property Damage Limits: | \$ 500,000 Each Occurrence
1,000,000 Aggregate |

- #### D. Automobile Liability Insurance

1. Bodily Injury Limits \$ 500,000 Each Person
 1,000,000 Each Occurrence
2. Property Damage Limits: \$ 500,000 Each Occurrence

If the DISTRICT requests the CONSULTANT to obtain additional insurance coverage, the costs not included in overhead as above said shall constitute an additional direct charge to the DISTRICT.

-15-

G. Subcontractor's Insurance

The CONSULTANT shall require each of its Subcontractors to take out and maintain during the life of its subcontract the same insurance coverages required of the CONSULTANT under Paragraphs B., C., and D. above, including the extensions of coverage required under Paragraph C., Subparagraph 2. above. Each Subcontractor shall furnish to the CONSULTANT two (2) copies of a certificate of insurance and such certificate shall contain the same information required in Paragraph F. above. The CONSULTANT shall furnish one copy of the certificate to the DISTRICT.

H. Insurance Company and Agent

All insurance policies herein required of the CONSULTANT shall be written by a company duly authorized and licensed to do business in the State of Nebraska and be executed by some agent thereof duly licensed as an agent in said state.

ARTICLE XII - INDEMNIFICATION

The CONSULTANT shall indemnify and save the DISTRICT, and its officers, directors, and employees, harmless from and against all losses, and all claims, demands, suits, actions, payments, and judgments arising from personal injuries or otherwise, brought or recovered against the DISTRICT by reason of any act or omission of the CONSULTANT, its agents, servants, or employees, in the execution of the work, including any and all expense, legal or otherwise, incurred by the DISTRICT or its representatives in the defense of any claim or suit.

ARTICLE XIII - LIMITATION OF LIABILITY

The liability of the CONSULTANT for any claims, whether based upon contract, tort (including negligence), strict liability, or otherwise, for any loss or damage arising out of, connected with, or resulting from, the performance or breach of this Agreement, other than claims of the DISTRICT covered by ARTICLE XI - INSURANCE, shall be limited to twice the sum of the "fixed fee" plus "ceiling" portions of this Agreement (fixed fee and ceiling portions of this Agreement are described in Sections 5.6.4.1 and 5.6.4.2 of this Request for Proposal).

For those claims covered by ARTICLE XI - INSURANCE, the CONSULTANT'S total liability shall in no case exceed the amount recovered by the CONSULTANT (plus any deductibles) under the applicable insurance requirements therein.

In no event, however, shall the CONSULTANT be liable for any loss of interest, earnings, profits, cost of replacement power or other consequential or special damages.

ARTICLE XIV - ASSIGNMENTS AND SUBCONTRACTS

The DISTRICT and the CONSULTANT each for itself binds itself, its principals, successors, assigns, and legal representatives of such party with respect to this Agreement.

This Agreement and all obligations arising thereunder shall not be sold, assigned or transferred by the CONSULTANT without the previous consent, in writing, of the DISTRICT.

No part of this Agreement shall be sublet without the written approval of the DISTRICT. If the CONSULTANT, with the approval of the DISTRICT, sublets any part of this Agreement, the CONSULTANT shall be fully responsible to the DISTRICT for any acts or omissions of its Subcontractor and of any persons directly or indirectly employed by such Subcontractor.

ARTICLE XV - NOTICES AND COORDINATION OF WORK

The DISTRICT shall designate a representative authorized to act in its behalf and, when necessary, will designate alternate or additional persons.

The CONSULTANT shall designate a representative authorized to act in its behalf and, when necessary, will designate alternate or additional persons. Said representatives designated by the CONSULTANT shall have full authority to direct all affairs with respect to the performance of the work hereunder by the CONSULTANT and shall be the person to whose attention all ordinary correspondence and notices shall be addressed.

Each party shall provide full and timely information as to those requirements or plans for the project and basic policies or plans which are necessary for reaching pertinent and expeditious decisions with respect to the prosecution of the work.

All ordinary notices and correspondence arising under this Agreement shall be in writing and delivered to the following address unless changed by written notice:

NEBRASKA PUBLIC POWER DISTRICT
P.O. Box 499
Columbus, NE 68601
Attn: Mr. Cecil R. Jones
Assistant General Manager, Operations

Such notices and correspondence shall only be effective when actually delivered.

ARTICLE XVI - REPORT SUBMITTAL

As completed, any interim and final copies of the appraisal report provided for herein shall be submitted to the following parties:

NEBRASKA PUBLIC POWER DISTRICT
P.O. Box 499
Columbus, NE 68601
Attn: Mr. Cecil R. Jones
Assistant General Manager, Operations

NEBRASKA PUBLIC POWER DISTRICT
P.O. Box 499
Columbus, NE 68601
Attn: President, Board of Directors

U.S. NUCLEAR REGULATORY COMMISSION
Region IV
611 Ryan Plaza Drive
Suite 1000
Arlington, TX 76011
Attn: Mr. John T. Collins
Regional Administrator

ARTICLE XVII - FORCE MAJEURE

The CONSULTANT shall not be liable for loss or damage resulting from any delay or failure to perform any of its contractual obligations within the time specified as a result of a Force Majeure. Force Majeure shall include, by way of example and not as a limitation, those circumstances which are beyond the control of the CONSULTANT or the DISTRICT such as acts of God, the public enemy, the U.S. Government, or any department or agency thereof, any of the several states, other contractors of the DISTRICT as well as fire, flood, epidemics, quarantines, riots, strikes, civil insurrections, freight embargoes, and unusually severe weather. In the event of a Force Majeure, the CONSULTANT shall be excused from performance during the existence of the Force Majeure and shall have a reasonable extension of time after the termination of the Force Majeure to complete performance. When a Force Majeure occurs, the CONSULTANT shall immediately notify the DISTRICT of the existence of the Force Majeure and shall submit a revised performance schedule for DISTRICT approval as soon as practicable.

ARTICLE XVIII - CHANGES

A. DISTRICT Changes

The DISTRICT may request changes in the services to be provided hereunder. Schedules for completion of services hereunder will be equitably adjusted prior to the implementation of any such change to reflect any estimated differences in time for performance which may be occasioned to the CONSULTANT thereby. If a modification in compensation is required because of a change in the services rendered, such compensation shall be agreed upon prior to the time the change is implemented.

B. Governmental Authorities and Codes

It is recognized that changes in the services may be necessary in order to meet the requirements of governmental authorities and codes. The DISTRICT and the CONSULTANT will consult as needed to determine whether any changes in the services are necessary in order to comply with such requirements. The schedules for completion of services will be equitably revised prior to implementation of the change in the services to reflect any estimated differences in time of performance which may be occasioned to the CONSULTANT thereby. If a modification in compensation is required because of a change in the services rendered, such compensation shall be agreed upon prior to the time the change is implemented.

ARTICLE XIX - PROFESSIONAL RESPONSIBILITY

The CONSULTANT agrees that it will provide, in connection with the services to be performed hereunder, the standards of care, skill and diligence normally provided by a professional engineer, contractor or other professional consultant engaged in the performance of services with respect to similar work. In the event the CONSULTANT fails to perform any services consistent with such standards of care, skill, and diligence, the CONSULTANT will be in breach of contract and the DISTRICT, at the DISTRICT'S option, may select to have the CONSULTANT reperform such services at a level of performance consistent with the standards described above and such reperformance shall be at no cost to the DISTRICT, or, the DISTRICT may select to have such services performed by another consulting firm. In this latter case, the CONSULTANT will repay to the DISTRICT all monies paid by the DISTRICT to the CONSULTANT for the performance of such services including salary cost, fringe benefits and overhead allowances, per diem cost, fees and direct (out-of-pocket) expenses.

ARTICLE XX -- CONTROLLING LAW

This Agreement is deemed to have been effectively entered into in the State of Nebraska and it shall be interpreted and controlled by the laws of said state.

ARTICLE XXI -- OWNERSHIP OF DOCUMENTS

The DISTRICT shall own, possess, and have complete and unrestricted right henceforth and forever in the conduct of its operations to use all data, information, documents, and reports prepared by the CONSULTANT pursuant to this Agreement. The CONSULTANT shall have the right to retain copies of such data, documents, information, and reports for the CONSULTANT'S records and use.

ARTICLE XXII -- ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties. It supersedes all prior or contemporaneous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. There have been no inducements by either party other than those herein expressed. No modification or revision to this Agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized representative of the party sought to be bound thereby.

The terms and conditions contained in this Agreement shall exclusively govern all dealings between the DISTRICT and the CONSULTANT with regard to the audit and appraisal of General Office Corporate Management and Cooper Nuclear Station Supervision. Any additional or different terms contained in any other document or communication shall be of no effect and not binding upon the DISTRICT or the CONSULTANT unless reduced to writing and incorporated herein by amendment.

CONSULTANT

NEBRASKA PUBLIC POWER DISTRICT

By _____

By _____

Title _____

Title _____

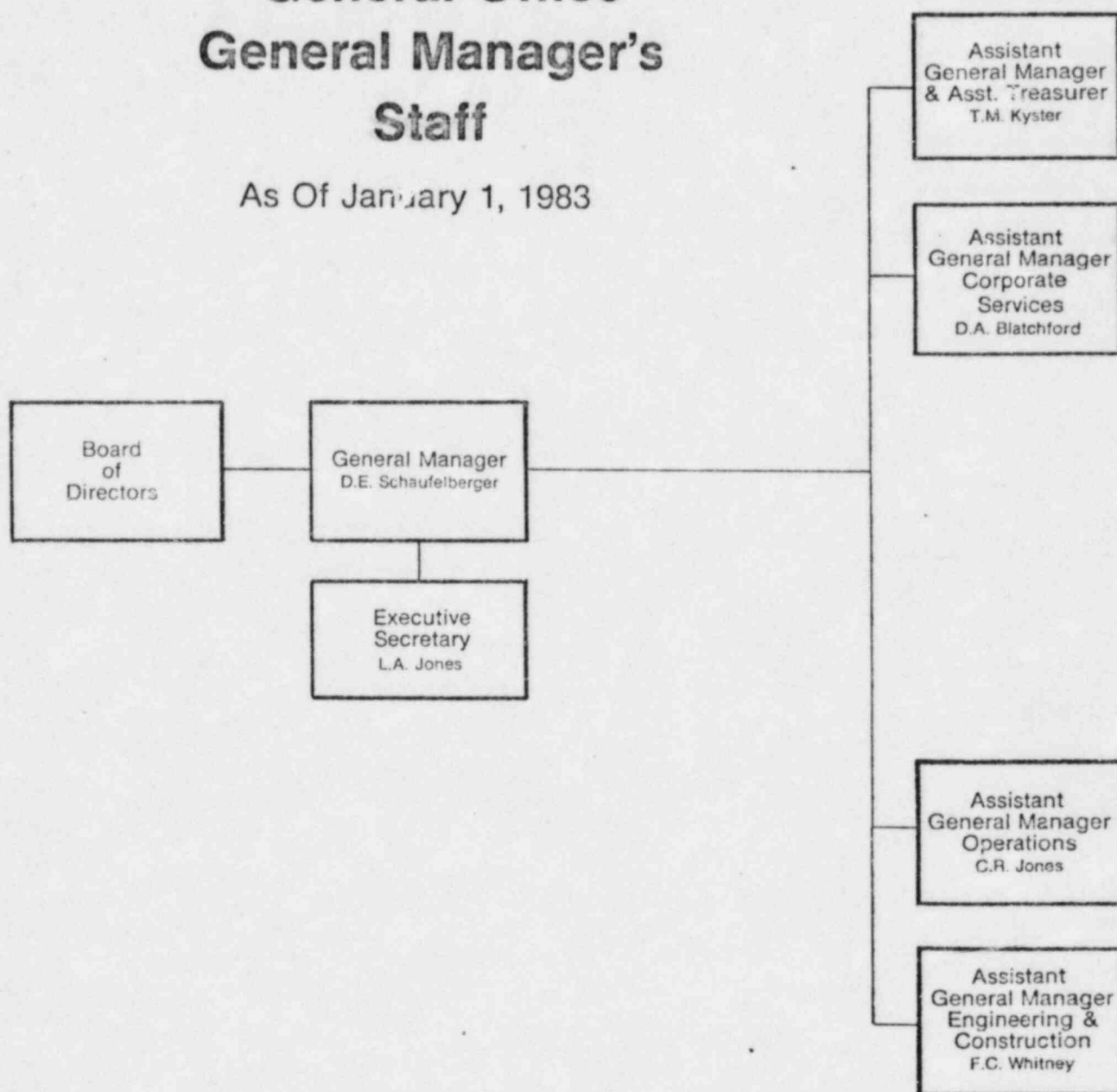
Date _____

Date _____

NEBRASKA PUBLIC POWER DISTRICT

Organization Chart
General Office
General Manager's
Staff

As Of January 1, 1983

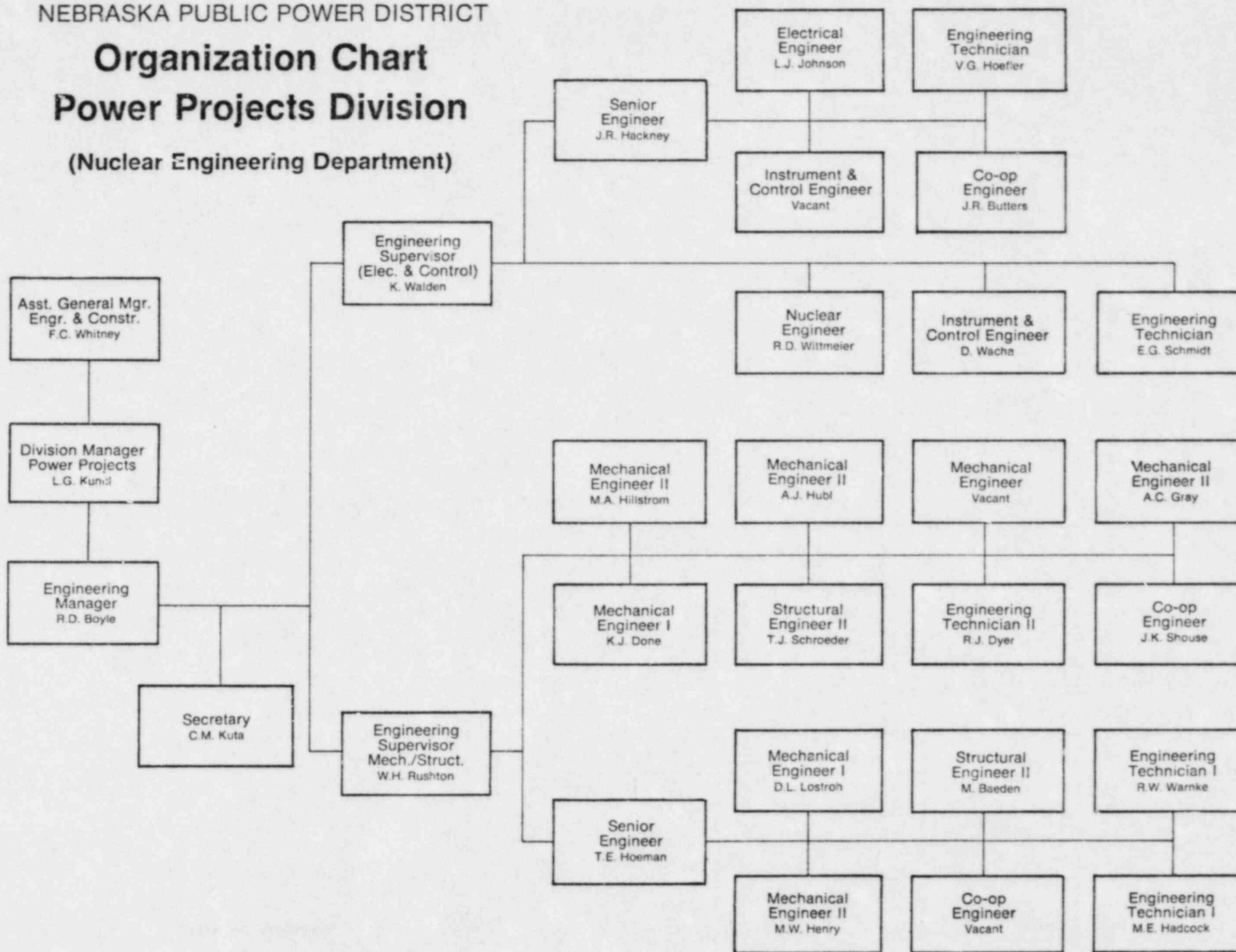


NEBRASKA PUBLIC POWER DISTRICT

Organization Chart

Power Projects Division

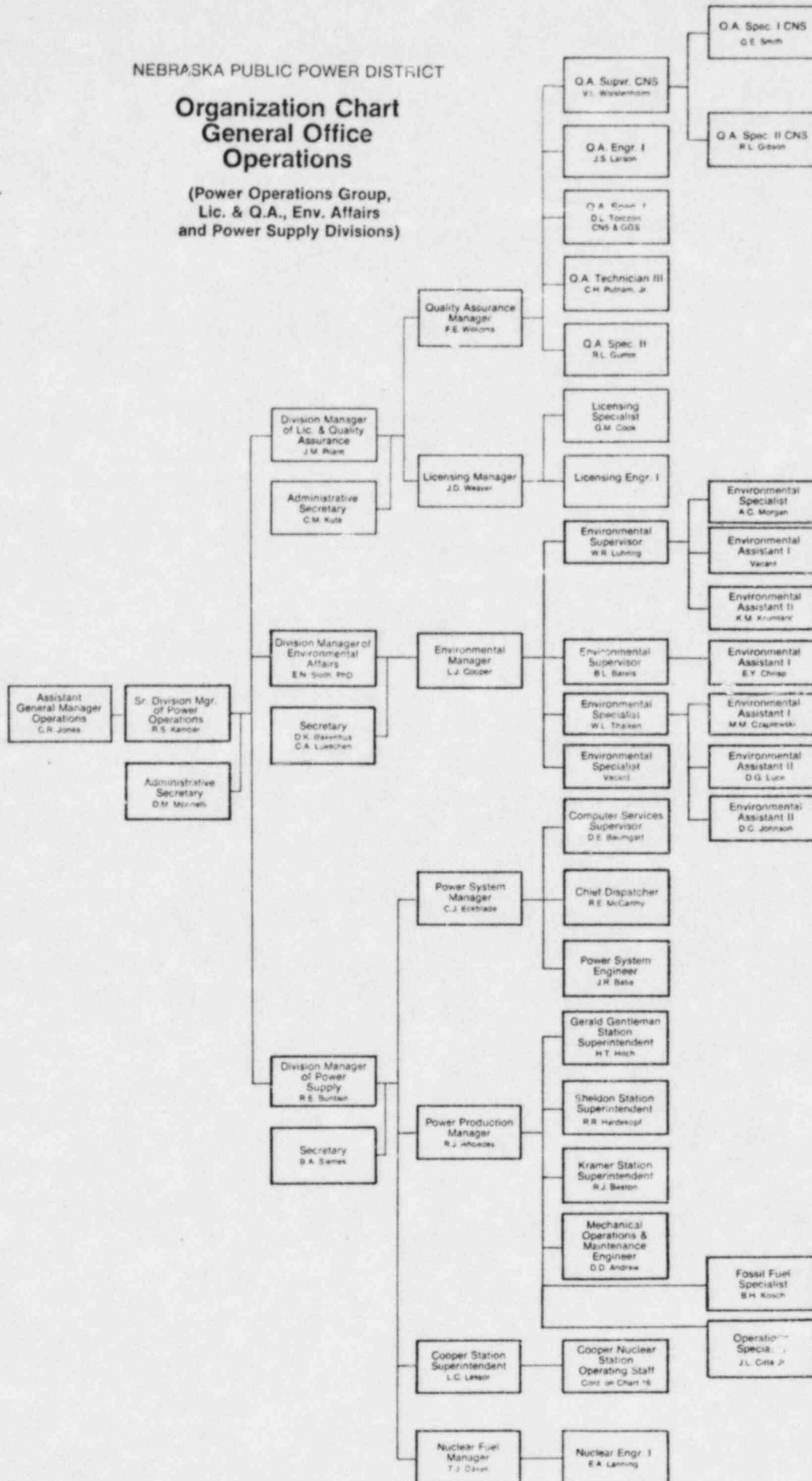
(Nuclear Engineering Department)



NEBRASKA PUBLIC POWER DISTRICT

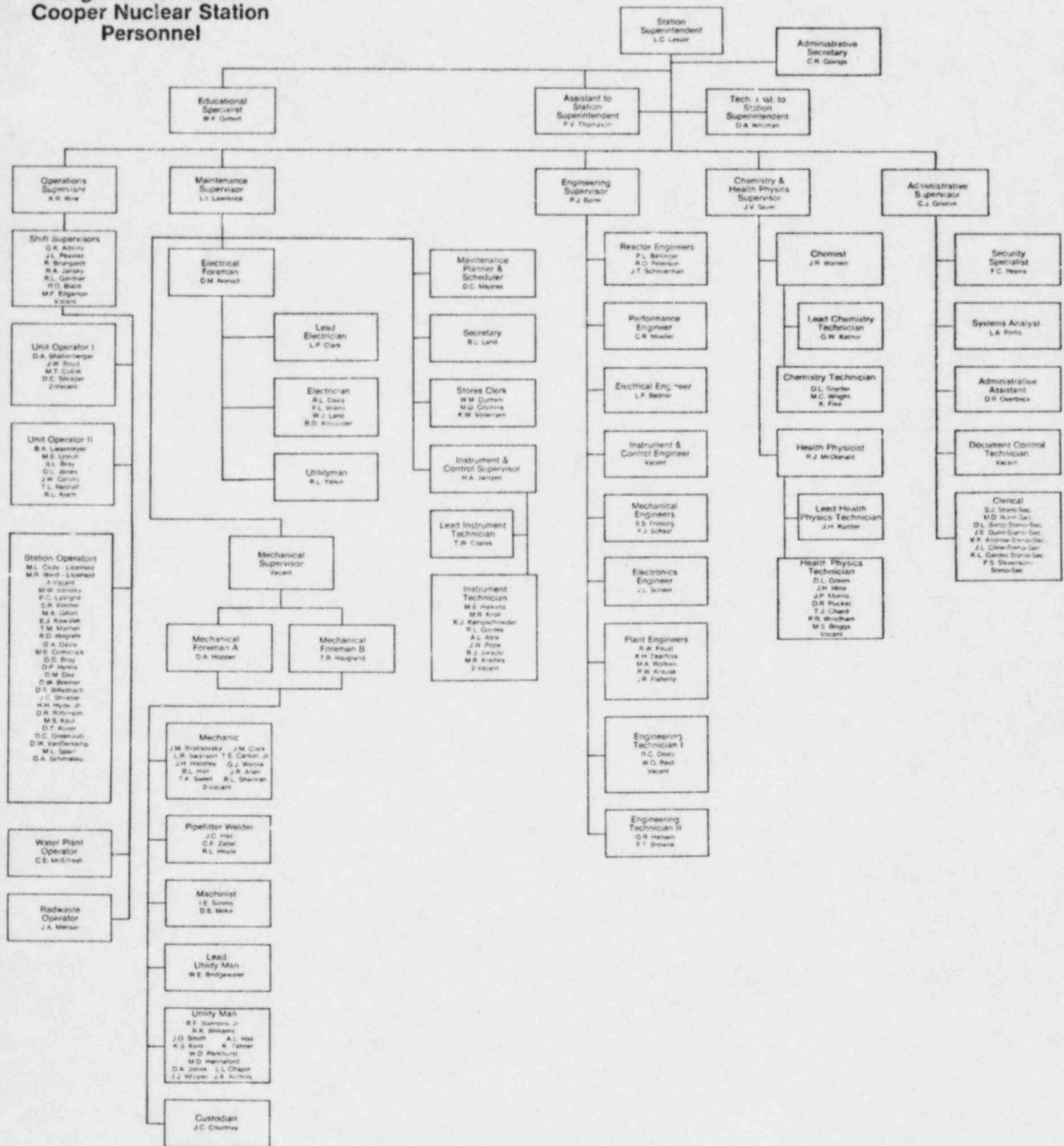
Organization Chart General Office Operations

(Power Operations Group,
Lic. & Q.A., Env. Affairs
and Power Supply Divisions)

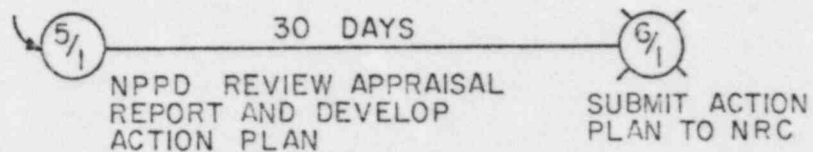
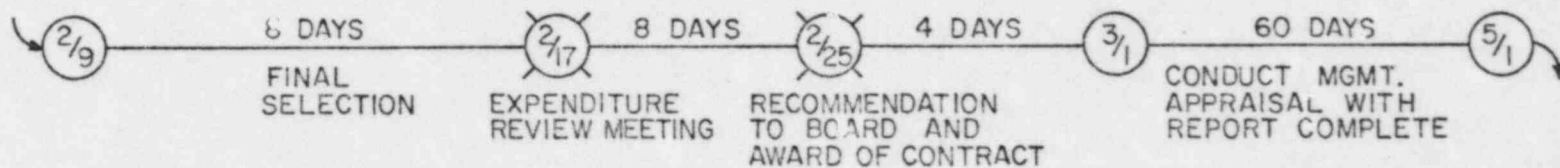
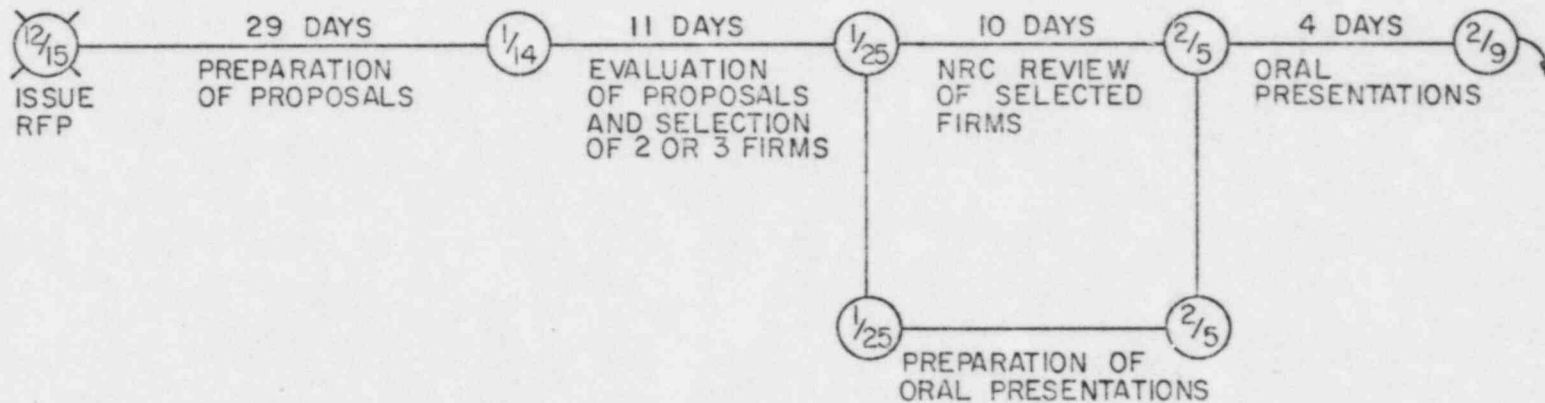


NEBRASKA PUBLIC POWER DISTRICT

Organization Chart Cooper Nuclear Station Personnel



TENATIVE SCHEDULE



DISTRICT MANAGEMENT AND SUPERVISORY LIST
Effective January 1, 1983

D. E. Schaufelberger	General Manager
D. A. Blatchford	Assistant General Manager, Corporate Services
T. M. Kyster	Assistant General Manager & Assistant Treasurer
C. R. Jones	Assistant General Manager, Operations
R. S. Kamber	Senior Division Manager, Power Operations
R. E. Buntain	Division Manager, Power Supply
T. J. Oakes	Nuclear Fuel Manager
L. C. Lessor	Cooper Nuclear Station Superintendent
P. V. Thomason	Assistant to Station Superintendent
D. A. Whitman	Technical Assistant to Station Superintendent
P. J. Borer	CNS Engineering Supervisor
C. J. Goebel	CNS Administrative Supervisor
L. F. Lawrence	CNS Maintenance Supervisor
J. V. Sayer	CNS Chemistry & Health Physics Supervisor
K. P. Wire	CNS Operations Supervisor
J. M. Pilant	Division Manager, Licensing & Quality Assurance
J. D. Weaver	Licensing Manager
F. E. Williams	Quality Assurance Manager
V. L. Wolstenholm	CNS Quality Assurance Supervisor
F. C. Whitney	Assistant General Manager, Engineering & Construction
L. G. Kunc1	Division Manager, Power Projects
R. D. Boyle	Engineering Manager, Nuclear Engineering Department
W. H. Rushton	Engineering Supervisor, Mechanical/Structural
K. C. Walden	Engineering Supervisor, Electrical & Control