



Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

December 6, 2022

Corrected Copy – Typo removed from due date

PRE-QUALIFICATION CERTIFICATION NOTICE Engineering & Construction Services for TVA Small Modular Reactor (SMR) Project(s)

Tennessee Valley Authority (TVA) intends to pre-qualify experienced firms with a history of successful work either as a principal constructor, engineer, architect-engineer (AE), engineer, procurement & construction (EPC), construction management (CM), or EPC/CM contractor, or any combination thereof, on major electric generation construction projects (>\$200 million), either non-nuclear or nuclear, and are interested in providing similar services on one or more TVA SMR projects at the Clinch River Nuclear (CRN) site near Oak Ridge, Tennessee, and potentially elsewhere in the Tennessee Valley. Contractors selected by TVA may not necessarily be required to have a formal Nuclear Quality Assurance program or experience with nuclear steam supply systems (NSSS), depending on their scope of work, but, if required, selected contractors may be able to team or subcontract with other firms to meet such requirements.

This prequalification is only the first of an expected three-step process to select one or more firms. Step 2 will involve a detailed Expression of Interest (EOI) as summarized herein. In Step 3, the responding firms that are deemed to be highly qualified by TVA will receive a detailed Request for Proposal (RFP).

Importantly, all TVA SMR projects will be undertaken only as applicable environmental, Nuclear Regulatory Commission and other licensing, permitting and regulatory requirements are satisfied, and only when approval to proceed has been received from the TVA Board of Directors (or other appropriate TVA officials). *TVA may ultimately decide to not issue an EOI or RFP, or both.*

BACKGROUND

The TVA Board of Directors previously approved a programmatic approach for exploring advanced nuclear technology as a component of achieving TVA's decarbonization aspirations. In December 2019, TVA obtained an Early Site Permit (ESP) from the NRC, which establishes the suitability of TVA's 935-acre Clinch River Nuclear site near Oak Ridge, Tennessee, for one or more small modular reactors (SMRs) that could generate up to 800 megawatts total. Following completion of all required environmental reviews and other legal requirements, TVA would still need to decide to apply and obtain NRC approval for construction and operating licenses for specific SMR designs before any SMR could generate electric power at the Clinch River Nuclear site. The ESP itself is valid for 20 years.

In April 2022, TVA announced a collaboration agreement with Ontario Power Generation (OPG) to support the development of SMRs as an effective long-term source of 24/7 carbon-free energy in both Canada and the United States. The TVA-OPG agreement allows the parties to coordinate their explorations into the design, licensing, construction, and operation of SMRs.

TVA has entered an agreement with GE-Hitachi Nuclear Energy Americas (GEH) for planning and preparation of a construction permit application to help inform the potential deployment of a GEH BWRX-300 SMR at CRN and for GEH to provide additional information that will be needed to analyze the viability of SMRs in the Tennessee Valley.

RFP SCOPE(s)

The successful contractor(s) are expected to provide TVA, individually or collectively, with construction, engineering, engineer-procurement (EP), architect-engineer (AE), or engineering, procurement & construction (EPC) or construction management (CM) services, or with some combination thereof. TVA may issue more than one RFP to address different scopes of work. Additionally, the successful contractor(s) may be responsible for managing and administering certain future TVA major equipment purchases, if TVA makes any such purchases. TVA may elect to provide required construction and/or installation forces for any individual project that otherwise would have been provided by a selected contractor.

Teaming and subcontracting relationships among firms are permitted, and the minimum qualification requirements listed herein may be collectively satisfied by combining the qualifications of team members and/or subcontractors that are committed to perform in the event of an award.

INTEGRATED PROJECT DELIVERY (IPD)

The IPD approach to managing large, complex engineering and construction projects has been demonstrated to increase the likelihood of meeting a project's cost and schedule objectives. Since specific details of any IPD arrangements for the CRN SMR project have not been developed, TVA requires responding firms without prior IPD experience to only certify their willingness to consider utilizing the IPD approach. Importantly, however, TVA does not presently intend to award contracts to key project contractors that have no interest in utilizing the IPD approach.

To implement the IPD approach, TVA expects to eventually enter a multi-party contract arrangement with GEH and other key project contractors. The IPD approach differs from traditional contracting arrangements on large engineering and construction projects. More can be found about IPD (also called I2PD) at the Construction Industry Institute's website: CII - Home (construction-institute.org)

TVA currently expects selected key project contractor(s) to work in full financial transparency with one another to establish an integrated, mutually agreed project cost estimate (Target Cost), integrated project schedule, and a single risk/reward model that includes shared contingency. Additionally, under equitable and negotiated risk sharing and decision-making arrangements, each contractor will put 100% of their profits at risk, but upon achieving the project objectives each firm will have the opportunity to share in potential savings if performance exceeds project objectives.

Firms responding affirmatively to all certifications listed below will receive TVA's Expression of Interest (EOI) questionnaire that will highlight a contractor's experience using the IPD approach, or absent such experience, their willingness to embrace the IPD approach.

MINIMUM QUALIFICATIONS & CERTIFICATION

To receive TVA's EOI (and any subsequent related RFP that TVA may issue), firms must first certify to meeting all pre-qualification requirements in the **Mandatory Minimum Qualification Certification found as a separate file nearby**. These pre-qualifications do not comprise the complete list of criteria TVA will eventually utilize to select a contractor or contractors. *Teaming and subcontracting relationships are permitted, and TVA's minimum qualification requirements may collectively be satisfied by combining the qualifications of team members and identified subcontractors committed to perform in the event of award.*

Firms which certify to meeting all mandatory minimum qualification requirements will receive TVA's EOI and be invited to attend any related mandatory meetings.

Responding firms should submit their certifications electronically in a form compatible with MicroSoft® Office products to M. Scott Fugate, TVA Principal Contracts Manager, by no later than 5:00 pm Eastern Time on Monday, January 2, 2023. Please submit by e-mail only. Hard copies are neither required nor desired. Contact Information:

M. Scott Fugate
Principal Contracts Manager
msfugate@tva.gov
865-566-7424

After publication of this notice, only M. Scott Fugate, TVA Principal Contracts Manager, is authorized to provide any explanation or interpretation of this pre-qualification certification or the corresponding mandatory minimum requirements set forth herein. Firms that elect to submit certifications must, at a later step, submit detailed, verifiable information to substantiate their certifications. **To be accepted by TVA, the certification must be signed by a company officer who is authorized to bind the organization.**

Sincerely,

M. Scott Fugate
Principal Contracts Manager
Tennessee Valley Authority

Enclosure: Mandatory Minimum Qualification Certification