



US ITER Project Office  
1055COM, MS-6483  
P.O. Box 2008  
Oak Ridge, TN 37831-6483  
Phone: (865)574-5947  
Facsimile: (865)574-6108  
Email: sauthoffnr@ornl.gov

August 06, 2015

Mr. David K. Arakawa  
Federal Project Director,  
US Contributions to ITER  
Department of Energy  
Post Office Box 2008  
Oak Ridge, Tennessee 37831-6483

Dear Mr. Arakawa:

**Contract DE-AC05-00OR-22725, Request Concurrence on Closure Documentation for Level 3 Performance Plan Milestone**

This letter requests your concurrence on the closing of the FY 14 Performance Plan Milestone, **USEP06G1110; Award Contract for HV Substation Hardware**, based on the attached Copy of contract.

Please provide your concurrence by signing below and return the original to my office at your earliest convenience. Should you have questions or concerns, please contact Suzanne Herron at 865-241-5128 or herronsa@ornl.gov.

Sincerely,

Ned R. Sauthoff, Project Manager  
US ITER Project

Concur: \_\_\_\_\_  
David K. Arakawa, Federal Project Director  
US Contributions to ITER

Date: \_\_\_\_\_

NRS:lfl

Cc: Bill Cahill  
Suzanne Herron  
Jama Hill  
Graeme Murdoch  
Charles L. Neumeyer  
Mark Pratt  
Wayne Steffey  
USIPO DCC (RC)

**ATTACHMENT**

**Contract DE-AC05-00OR-22725, Request Concurrence on Closure Documentation for Level 3 Performance Plan Milestone**

**Performance Plan Milestone:** Award Contract for HV Substation Hardware

**Performance Plan Milestone Date:** January 16, 2014

**Completion Date:** January 16, 2014

**Justification for Milestone Closure:** Copy of contract

**Recommend for Closure:**

Concur: \_\_\_\_\_  
Charles L. Neumeyer, WBS Team Leader

Date: \_\_\_\_\_

Concur: \_\_\_\_\_  
Graeme Murdoch, Non-Nuclear Division Director  
US ITER Project

Date: \_\_\_\_\_

## SUBCONTRACT AGREEMENT

by and between

### THE TRUSTEES OF PRINCETON UNIVERSITY

(hereinafter called "Princeton", "Plasma Physics Laboratory", "PPPL" or "Buyer")

and

### MVA PUISSANCE INC.

Hereinafter called the "Subcontractor" or "Seller", and whose official business address is: 1 Saint-Etienne St L'Assomption, QC-J5W 1Z1, Canada

#### WITNESSETH:

#### WHEREAS IT IS UNDERSTOOD THAT:

(i) the United States of America (hereinafter referred to as the "Government"), acting through a duly authorized Contracting Officer of the United States Department of Energy (hereinafter referred to as "DOE") has heretofore entered into Contract DE-AC02-09-CH11466 (which contract is hereinafter referred to as the "Prime Contract") with Princeton whereunder certain work was undertaken to be performed for the Government;

(ii) Princeton has undertaken performance (either by such Prime Contract or by issuance of a Subcontract thereunder) of all or a portion of such work;

(iii) This Subcontract does not bind nor purport to bind the Government of the United States; and

(iv) the Buyer desires to have the Seller perform the work called for by this Agreement and the Seller desires to so perform upon the terms and conditions of this Agreement as set forth herein.

**NOW, THEREFORE, the parties do mutually agree as follows:**

**ARTICLE I – DESCRIPTION OF WORK**

The Subcontractor agrees to purchase, verify and package in accordance with Statement of Work # US ITER 1040100-PD0014-R01, Revision 1, dated September 9, 2013 and terms of this subcontract specified below. Shipment is not a responsibility of the Subcontractor.

The Subcontractor agrees to provide the following items and services, specified in the Price List of Schedule C and summarized below for the total Firm Fixed Price of (\$XXXXXX):

PRICE SUMMARY

No.	Substation Hardware	Price
1	Suspension String Fittings	\$XXXXXX
2	Overhead Line Cable	\$XXXXXX
3	Glass Insulators for Suspension String	\$XXXXXX
4	QA Inspection Costs	\$XXXXXX
<b>Total Price</b>		<b>\$XXXXXX</b>

Delivery schedule for equipment and documentation required under this Subcontract is as follows:

DELIVERABLES	DELIVERY SCHEDULE	DELIVERABLE FORMAT
Final Manufacturer's Data Sheets	Prior to order	electronic
Statement of Compliance	Prior to packaging for shipment	electronic
Release for Shipping	Upon completion of tasks (1.2.1 to 1.2.5)	electronic
Certified cable test report	Upon receipt of order (once report from Cable Manufacturer received)	paper and electronic
Detailed assembly and installation documentation	Upon receipt of order (inclusion in shipments verified by MVA at consolidation point)	paper and electronic
Warranty documentation	Upon receipt of order (inclusion in shipments verified by MVA at consolidation point)	paper and electronic
All Physical Deliverables Required	Shipping Dates: <b>May 7, 2014</b>	FCA the Subcontractor facility per Incoterm 2010

## ARTICLE II – TERM OF SUBCONTRACT

The term of this Subcontract shall commence on the date the Subcontract has been signed by both Parties and shall remain in effect until all of the Subcontractor's contractual obligations hereunder have been fulfilled, including but not limited to the expiration of the warranty (the "Term"). The Term may be extended upon mutual written agreement of the Parties.

## ARTICLE III – LOGISTICAL ARRANGEMENTS

The Subcontractor agreed to perform the following tasks at no additional costs:

1. The Subcontractor will procure Substation Hardware listed in the Price List, Schedule C, from the following manufacturers:

No.	Equipment	Manufacturer	Country
1	Suspension String Fittings	Industrias Arruti	Amorbiata, Spain
2	Glass Insulators	Global Insulator Group	Ukraine
3	Overhead Line Cable	Yifang Cable Co.	China

2. The Subcontractor will arrange and pay for QA inspection of:
  - a. Suspension string fittings manufactured by Industrias Arruti, Spain;
  - b. Overhead Line Cable manufactured by Global Insulator Group, Ukraine;
  - c. Glass Insulators manufactured by Yifang Cable Co, China.
3. The Subcontractor will arrange and pay for shipment (including documentation, export/import duties and all applicable fees and taxes) of:
  - a. Glass Insulators from Global Insulator Group' facilities to warehouse facilities of Industrias Arruti, located at Amorbiata, Spain;
  - b. Overhead Line Cable from Yifang Cable Co.' facilities to warehouse facilities of Industrias Arruti, located at Amorbiata, Spain.
4. The Subcontractor will receive and handle all required equipment at the Arruti warehouse facility utilizing Arruti personnel, equipment and warehouse spare.
5. The Subcontractor will inspect the equipment in conjunction with a PPPL QA Representative and submit the Release for Shipping (Article X) to PPPL for approval.

6. The Subcontractor will consolidate, package and arrange for the pick-up of the equipment by the ITER Logistics Service Provider (LSP) including documentation and notification requirements defined in the subcontract clause "Required Coordination with ITER Logistical Services Provider (LSP)";
7. The Subcontractor will load the equipment to the ITER Logistics Service Provider (LSP) vehicle utilizing Arruti personnel and resources.

Shipping from factory to the ITER site, foundations, external wiring and cabling, assembly, erection and commissioning are not included in the scope of this effort.

#### ARTICLE IV – TIME IS OF ESSENCE

Subcontractor agrees that time is of essence in the performance of this Subcontract.

#### ARTICLE V - CONSIDERATION AND FUNDING

In consideration for delivery of the items and services specified in Article I, the Subcontractor shall be paid the firm fixed price of **US \$ XXXXXX** subject to acceptance of the items and services by PPPL (or its surrogate) in accordance with Articles VI and VII. The Subcontractor agrees to be paid in accordance with the following Subcontractor performance schedule:

ITEM No.	PERFORMANCE MILESTONE	PAYMENT
1	Release for Shipping (80%)	\$ XXXXXX
2	Leaving facilities of Industrias Arruti (20%)	\$ XXXXXX

#### ARTICLE VI - INVOICES AND PAYMENTS

- A. The Subcontractor shall submit one invoice for payment upon notification from PPPL of Subcontractor's satisfactory completion of the performance. Payment will be made by PPPL in accordance with Clause 1.15 – Payment in PPPL Terms and Conditions for Commercial Items and Services of Schedule A. Payments will be released by PPPL within 30 days after receipt of a proper invoice provided that all deliverable items are accepted by PPPL in accordance with Article VII and conditioned upon review and approval of the invoice by the PPPL Technical Representative.
- B. The Subcontractor shall cite the Subcontract number on the invoice and shall submit the invoice to the following address:

Princeton University  
Plasma Physics Laboratory  
P.O. Box 451  
Princeton, NJ 08543  
General Accounting/ Subcontract No. (S012946-G)

C. The following certification shall accompany each request for performance based payment.

"I certify to the best of my knowledge and belief that --

*(1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of (the Subcontractor), in accordance with the Subcontract and the instructions of the PPPL's Subcontract Administrator;*

*(2) (Except as reported in writing on \_\_\_\_\_), all payments to subcontractors and suppliers under this Subcontract have been paid, or will be paid, currently, when due in the ordinary course of business;*

*(3) There are no encumbrances (except as reported in writing on \_\_\_\_\_) against the property acquired or produced for, and allocated or properly chargeable to, the Subcontract which would affect or impair the PPPL (Government's) title;*

*(4) There has been no materially adverse change in the financial condition of the Subcontractor since the submission to PPPL of the most recent written information dated \_\_\_\_\_; and*

*(5) After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the Subcontract, and the amount of all payments under the Subcontract will not exceed any limitation in the contract."*

(End of Certificate)

D. Approval and payment of requests.

- a. The Subcontractor shall not be entitled to a performance-based payment prior to the successful accomplishment of the event or performance criterion for which payment is requested. PPPL shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the Subcontract. PPPL may, at any time, require the Subcontractor to substantiate the successful performance of an event which has been or is represented as being payable.

- b. The approval by PPPL of a request for performance-based payment does not constitute an acceptance by PPPL and does not excuse the Subcontractor from performance of obligations under this Subcontract.
- c. Liquidation of performance-based payments.
- (1) Performance-based payments made prior to payment for PPPL acceptance of an item shall be liquidated by deducting a percentage or a designated dollar amount from the acceptance payment.
- (2) If at any time the amount of payments under this Subcontract exceeds any limitation in this Subcontract, the Subcontractor shall repay to PPPL the excess. Unless otherwise determined by the PPPL Subcontract Administrator, such excess shall be credited as a reduction in the unliquidated performance-based payment balance(s), after adjustment of invoice payments and balances for any retroactive price adjustments.
- d. Reduction or suspension of performance-based payments. PPPL may reduce or suspend performance-based payments, liquidate performance-based payments by deduction from any payment under the Subcontract, or take a combination of these actions after finding upon substantial evidence any of the following conditions:
- (1) The Subcontractor failed to comply with any material requirement of this contract.
- (2) Performance of this Subcontract is endangered by the Subcontractor's --
- (a) Failure to make progress; or
- (b) Unsatisfactory financial condition.
- (c) The Subcontractor is delinquent in payment of any lower-tier Subcontractor or supplier under this contract in the ordinary course of business.
- e. Title.
- (1) Title to the property described in this paragraph shall vest in PPPL and the Government. Vestiture shall be immediately upon the date of the first performance-based payment under this Subcontract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.
- (2) "Property," as used in this Article, includes all of the following described items acquired or produced by the Subcontractor that are or should be allocable or properly chargeable to this Subcontract

under sound and generally accepted accounting principles and practices:

- (a) Electrical products required to be delivered to PPPL.
- (b) Special tooling and special test equipment to which PPPL is to acquire title under any other clause of this Subcontract;
- (c) Drawings and technical data, to the extent the Subcontractor is required to deliver them to PPPL by other clauses of this contract.

(3) When the Subcontractor completes all of the obligations under this Subcontract, including liquidation of all performance-based payments, title shall vest in the Subcontractor for all property (or the proceeds thereof) not –

- (a) Delivered to, and accepted by, PPPL under this Subcontract; or
- (b) Incorporated in supplies delivered to, and accepted by PPPL under this Subcontract and to which title is vested in PPPL under this Article.

- E. Risk of loss. Before delivery to and acceptance by PPPL, the Subcontractor shall bear the risk of loss for property, the title to which vests in PPPL and the Government under this Article, except to the extent that PPPL expressly assumes the risk. If any property is damaged, lost, stolen, or destroyed, the basis of payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the Subcontract and not payable (if the property is part of or needed for performance), and the Subcontractor shall refund the related performance-based payments received.
- F. Records and controls. The Subcontractor shall maintain records and controls adequate for administration of this Article. The Subcontractor shall have no entitlement to performance-based payments during any time the records or controls are determined by PPPL to be inadequate for administration of this Article.
- G. Reports. The Subcontractor shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the PPPL Subcontract Administrator for the administration of this Article and to determine that an event or other criterion prompting a financing payment has been successfully accomplished.
- H. Special terms regarding default. If this contract is terminated under the Default clause,

- (1) The Subcontractor shall, on demand, repay to PPPL the amount of unliquidated performance-based payments, and
- (2) Title shall vest in the Subcontractor, on full liquidation of all performance-based payments, for all property for which PPPL elects not to require delivery under the Default clause of this Subcontract. PPPL shall be liable for no payment except as provided by the Default clause.

I. Reservation of rights.

- (1) No payment or vesting of title under this Article shall --
  - (a) Excuse the Subcontractor from performance of obligations under this contract; or
  - (b) Constitute a waiver of any of the rights or remedies of the parties under the Subcontract.
- (2) PPPL's rights and remedies under this Article --
  - (a) Shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this Subcontract; and
  - (b) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this Article or the exercise of any other right, power, or privilege of PPPL.

## **ARTICLE VII – ACCEPTANCE BY PPPL**

For each lot delivery is considered to be complete when all items of the lot, listed in the Price List, Schedule C, have been loaded on the means of transport provided by the PPPL shipping service supplier.

## **ARTICLE VIII - TECHNICAL AND ADMINISTRATIVE REPRESENTATIVES**

The following Technical and Administrative representatives have been designated for this Subcontract:

### SUBCONTRACTOR'S REPRESENTATIVE:

Benjamin Avi-Hadid      PHONE: (450)589-0445 X 223  
EMAIL: [bhadid@mvapower.com](mailto:bhadid@mvapower.com)

### PPPL'S REPRESENTATIVES:

TECHNICAL      Charles Neumeyer      PHONE: (609)243-2159

EMAIL: [neumeyer@pppl.gov](mailto:neumeyer@pppl.gov)

QUALITY ASSURANCE Frank Malinowski PHONE: (609)243-2003  
EMAIL: [fmalinow@pppl.gov](mailto:fmalinow@pppl.gov)

ADMINISTRATIVE Natalya Gnyp PHONE: (609)243-2397  
EMAIL: [ngnyp@pppl.gov](mailto:ngnyp@pppl.gov)

Princeton's Technical Representative (PTR) designated above is responsible for day-to-day clarifications and guidance as may be required within the scope of the Statement of Work.

Contacts with Princeton regarding cost or prices, terms, quantities, deliveries, or financial adjustments shall only be made with the PPPL designated Administrative Representative. Agreement and/or actions taken by the Subcontractor, which by their nature effect a change to this Subcontract, shall only be binding upon PPPL when such agreement or action is specifically authorized in writing by PPPL's Administrative Representative. All correspondence and communication between the Subcontractor and PPPL shall be addressed to and directed through Princeton's Administrative Representative.

PPPL shall be responsible for all liaison and communication with the Government and/or PPPL's customers as well as PPPL's other subcontractors for the length of this Subcontract.

#### **ARTICLE IX – REQUIRED COORDINATION WITH ITER LOGISTICAL SERVICES PROVIDER (LSP)**

- A. Shipment is not a responsibility of the Subcontractor.
- B. The Subcontractor is responsible for loading the items to be transported onto the LSP transport vehicle at the factory located at:

P.E. Boroa, Parcela 2B 10 48340 Amorebieta Bizkaia, Spain
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- C. The Subcontractor is responsible for providing information and documentation required for international shipping in accordance with the requirements described in clause Required Coordination with ITER Logistical Services Provider of Schedule A.

#### **ARTICLE X – RELEASE FOR SHIPMENT AND DELIVERY METHOD**

- A. **Shipping Release Form.** Prior to and as a condition for shipment of the equipment, the Subcontractor shall submit a completed Shipping Release Form and related Process History documentation as required by Statement of

Work Section 1.2.6, Release for Shipment, for approval by the PPPL Quality Assurance Representative. PPPL shipping service supplier will not accept the equipment without a PPPL-approved release.

**B. Delivery Method.** Equipment shall be delivered Free Carrier (FCA) the Subcontractor Facility per Incoterms 2010. The Subcontractor shall be responsible for packaging of all items in a manner that protects them from damage during shipment and storage prior to installation. In accordance with Statement of Work Section 10, Shipping, Storage and Handling. The Subcontractor shall mark each package, container, or crate with any applicable cautionary notices warning of improper handling and with any instructions for loading unloading, shipment, or storage prior to installation. Each package, container or crate shall be marked with PPPL Subcontract Number **\*\*S012946-G\*\***. A packing list shall be provided with each separate package, container or crate which identifies its contents.

**C. Destination.** Equipment will be shipped to and utilized in construction of the ITER in Saint Paul-lez-Durance, France.

**D. Freight Address.** Freight Address shall be indicated on each delivery package:

ITER Site Route de Vinon Verdon 13115 St Paul Lez Durance France Attention: Mrs. Supriya Nair, Technical Responsible Officer
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**ARTICLE XI – STORAGE**

Subcontractor agrees to store equipment ready for shipment for up to 60 days at no cost. After that, they will charge PPPL for daily maintenance required during storage, as follows:

Optional Price Elements	Cost Per Lot
Storage up to 60 days	FREE
Storage after 60 days	\$50.00 per day

**ARTICLE XII- RIGHT OF ACCESS BY OTHERS**

In order to ensure the quality and fitness of components and systems procured for ITER, Princeton, ITER International Organization (IO), other ITER Domestic Agencies (DA), or authorized representatives of any of these organizations (e.g. inspectors) shall have right of access to Seller's (and its subcontractor's) premises to:

- ❖ Witness acceptance tests;
- ❖ Attend periodic meetings to monitor contract execution;
- ❖ Perform reviews, surveillance, inspections, and/or audits; or
- ❖ Witness fabrication operations deemed critical by PPPL.

In addition, Notified Bodies (e.g. for pressure equipment) and French Safety Authorities shall have right of access for the components that are safety important under French regulations.

The Seller shall provide all reasonable facilities and assistance for the safety (i.e. Personal Protective Equipment) and convenience of Princeton, ITER International Organization (IO), other ITER Domestic Agencies (DA), and/or other authorized representatives in the performance of their duties.

Princeton will coordinate all contact by the IO, other DAs, or their authorized representatives, with the Seller in advance.

Seller shall include this clause in all subcontracts, at any tier, involving the performance of this Agreement.

### **ARTICLE XIII – WARRANTY**

The duration of the included in price warranty is twelve (12) months after commissioning or eighteen (18) months after shipping, whichever comes first.

The Subcontractor agrees to pay for shipping of returned defective parts. PPPL will be responsible for shipping costs of the replacement parts.

### **ARTICLE XIV – TAXES AND FEES**

The Subcontractor agreed to pay all applicable taxes and fees including the Value Added Tax, at no cost in addition to the Total Price of this subcontract.

### **ARTICLE XV – GENERAL PROVISIONS FOR COMMERCIAL SUBCONTRACTS**

The PPPL TERMS AND CONDITIONS FOR COMMERCIAL ITEMS AND SERVICES WITH ITER SPECIAL ADDENDUM are hereby incorporated into and made a part of this Subcontract and are set forth in Schedule A.

### **ARTICLE XVI -- SUBCONTRACT DOCUMENTS AND ORDER OF PRECEDENCE**

The following documents are hereby incorporated and made part of this Subcontract. In the event of an inconsistency between provisions of this Subcontract, the inconsistency shall be resolved by giving precedence in the following order:

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(1) ARTICLES OF SUBCONTRACT

(2) SCHEDULE A:

- ❖ PPPL Terms and Conditions for Commercial Items and Services, PPL-PD-CTC, Rev. 18; 02-2011, Modified for RFP 13-006-G, 6 pages;
- ❖ Addendum to PPPL Terms and Conditions for Commercial Items and Services, PPL-PD-I-K (ITER SPECIAL); Rev.0; 12/2012, 7 pages;
- ❖ Required Coordination with ITER Logistical Services Provider (LSP), (March 2013), 3 pages.

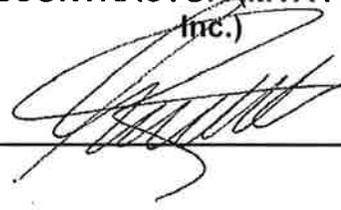
(3) SCHEDULE B: Statement of Work for HV Overhead Line, Glass Insulators, and Fittings # US ITER 1040100-PD0014-R00; Rev. Rev.1, dated 09/05/2013.

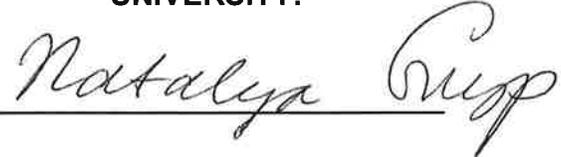
(4) SCHEDULE C: Price list, dated 09/11/2013, 2 pages

IN WITNESS WHEREOF, the Parties hereto have executed this Subcontract Agreement:

**SUBCONTRACTOR (MVA Puissance Inc.)**

**THE TRUSTEES OF PRINCETON UNIVERSITY:**

BY:  \_\_\_\_\_

BY:  \_\_\_\_\_

TYPED: Benjamin-Avi Hadid \_\_\_\_\_

TYPED: Natalya Gnyp \_\_\_\_\_

TITLE: Sales and marketing \_\_\_\_\_

TITLE: Sr. Subcontract Administrator \_\_\_\_\_

DATE: January 16th 2014 \_\_\_\_\_

DATE: January 16,2014 \_\_\_\_\_

## **SUBCONTRACT S012946-G**

### **SCHEDULE A**

#### **PPPL GENERAL PROVISIONS FOR COMMERCIAL SUBCONTRACTS**

- ❖ PPPL Terms and Conditions for Commercial Items and Services
- ❖ Addendum to PPPL Terms and Conditions for Commercial Items and Services
- ❖ Required Coordination with ITER Logistical Services Provider (LSP)

**SUBCONTRACT S012946-G**

**SCHEDULE B**

**STATEMENT OF WORK**

For HV Overhead Line, Glass Insulators, and Fittings

**SUBCONTRACT S012946-G**

**SCHEDULE C**

Price List

## **SUBCONTRACT S012946-G**

### **SCHEDULE A**

#### **PPPL GENERAL PROVISIONS FOR COMMERCIAL SUBCONTRACTS**

- ❖ PPPL Terms and Conditions for Commercial Items and Services
- ❖ Addendum to PPPL Terms and Conditions for Commercial Items and Services
- ❖ Required Coordination with ITER Logistical Services Provider (LSP)

**SUBCONTRACT S012946-G**

**SCHEDULE B**

**STATEMENT OF WORK**

For HV Overhead Line, Glass Insulators, and Fittings

**SUBCONTRACT S012946-G**

**SCHEDULE C**

Price List