



## **Track and Systems Construction Contract No.: HSR25-xx**

### **Term Sheet**

This document provides background information and summarizes certain terms in the California High-Speed Rail Authority's Contract included in the Request for Proposals (RFP) for the Track and Systems Construction Contract (TSCC) procurement. This document is not a full restatement of the Contract requirements. There are numerous details, exceptions and qualifications associated with the provisions of the Contract that can only be ascertained by reviewing the Contract.

<b>1. Contract Overview</b>	
<b>Authority</b>	California High-Speed Rail Authority
<b>TSCC Contractor (Track and Systems Construction Contract) Contractor</b>	The entity identified as “TSCC Contractor” in the Contract and determined through the TSCC procurement.
<b>Contract Overview</b>	<p>TSCC Contractor will be responsible for providing construction services for the track and overhead contact system (OCS) on the 171-mile Early Operating Segment of the California High-Speed Rail System, and for design and construction services for high-speed rail systems, including traction power, train control (ETCS Level 2), and communications systems.</p> <p>The Work will be divided into separate Packages which will each have a separate cost, whether lump sum (LS), Guaranteed Maximum Price (GMP), or other. Each Package will be authorized through a Notice to Proceed (NTP) and amendment to the Contract that incorporates Package specific details and scope of work. The Work will be delivered using a hybrid delivery model that will incorporate managing cost, risk and schedule, partnering, collaboration, in-depth communication, motivation for innovation, and progressive project development of each of the Packages. The Contract shall be written to allow novation to a P3 entity, should Authority establish such an arrangement.</p> <p>TSCC Contractor will work collaboratively with Authority and the Authority’s Track/OCS Design Services consultant, stakeholders, and other Interfacing Contractors to deliver the Work.</p>
<b>Procurement Overview</b>	Selection of TSCC Contractor will be selected through a best-value approach based on team qualifications, technical proposal elements, and a price proposal. Proposals will include pricing for civil, track, and OCS portions of the construction Work and design and other preconstruction services for systems Work. Pricing for systems construction Work will be based on negotiated work packages with open book pricing.
<b>Term</b>	The term of this Contract is anticipated to begin upon Contract execution and to extend through Final Completion of all Work, with certain obligations, such as warranty obligations discussed in Section 4 of this Term Sheet below, extending beyond Final Acceptance.
<b>Estimated Contract Value</b>	The Authority anticipates the TSCC scope of work could reach a not-to-exceed value of \$3.5 billion for the 171-mile Early Operating Segment. See Section 3 Pricing and Payment below.

<b>Federal Requirements</b>	The Contract incorporates federal requirements, including Build America, Buy America, related to the Passenger Rail Investment and Improvement Act (PRIIA).
<b>High-Speed Rail Small Business Program Plan</b>	TSCC Contractor will comply with High-Speed Rail Program Plan (HSR SB Program Plan) and will establish a SB Performance Plan, including a Communication Plan, to address how TSCC Contractor will meet the participation goals throughout the duration of the Contract.
<b>Community Benefits Agreement</b>	TSCC Contractor and its Subcontractors will comply with the Community Benefits Agreement with the State Building and Construction Trades Council of California and the Signatory Craft Councils and Local Unions. TSCC Contractor will also comply with the Overhead Electrification System Agreement with I.B.E.W. Local 47 and I.B.E.W. Local 1245.
<b>Labor and Employment</b>	TSCC Contractor, as part of its Proposal, will be required to describe its approach to developing a skilled labor force for the delivery of the Project.
<b>Environmental Compliance</b>	The HSR System will comply with all state and federal environmental requirements, including noise mitigation requirements, through the Contract and/or other contracts.
<b>2. Certain Authority Obligations</b>	
<b>Governmental Approvals</b>	<p>Authority will obtain the following Governmental Approvals: USFWS NMFS Section 7 Biological Opinion, as amended; CA SHPO Section 106 Programmatic Agreement Memorandum of Agreement and Treatment Plans; FRA Air Quality General Conformity Determination; FRA Section 4(f)/Section 6(f) Determination; SJVAPCD Indirect Source Review; SJVAPCD Voluntary Emissions Reduction Agreement; SWRCB Section 401 – State Water Quality Certification, as amended; SWRCB Section 402 – Post Development (Operations Phase) NPDES MS4 Stormwater Discharge Permit; USACE Section 404 Clean Water Act Individual Permit, as amended, or Nationwide Permits; USACE Preliminary Section 408 Determination; CDFW Section 1602 Master Streambed Alteration Agreement, as amended; CDFW Section 2081 Incidental Take Permit, as amended.</p> <p>TSCC Contractor will obtain all other applicable Governmental Approvals.</p>
<b>Access to Civil Infrastructure Works</b>	Authority will provide TSCC Contractor with access to the Civil Infrastructure Works in defined sections by deadlines specified in the Contract.
<b>Railheads</b>	Authority will provide TSCC Contractor with access to the southern Railhead located in Kern County and the northern Railhead site located in

	Fresno County within time frames or by deadlines specified in the Contract.
<b>Construction Materials</b>	Authority will provide TSCC Contractor with some long-lead materials for construction identified in the Contract. Materials will be available for construction of the initial segment and additional materials will be provided based on a delivery schedule to be developed by Authority and TSCC Contractor.
<b>OCS System License</b>	Authority will provide TSCC Contractor an OCS system license for the Authority's OCS system (SNCF).
<b>Rolling Stock</b>	Authority will provide Rolling Stock for use by TSCC Contractor in testing the Project by a specified deadline.
<b>Radio Frequency</b>	Authority will provide TSCC Contractor with specified radio frequency to use in connection with the operation of the Project.
<b>Mobilization and Co-Location</b>	Authority will provide some office space, parking, and initial site preparation to facilitate expedited TSCC Contractor mobilization.
<b>3. Pricing and Payment</b>	
<b>Contract Price</b>	<p>The Contract Price will be comprised of the price(s) for the Work authorized under each NTP, as described below. The price(s) for each NTP will be based on the Contractor's Price Proposal and/or developed under the Contract as follows:</p> <p>NTP 1: (a) a not-to-exceed allowance for mobilization of the TSCC Contractor; (b) a Bid Tab with relevant unit prices; (c) a lump-sum price or not-to-exceed price for all Systems design services for the 119-mile First Construction Section; (d) a not-to-exceed amount for all other systems design and preconstruction Work authorized under NTP 1 and fixed labor rates (which will be subject to escalation) for the personnel that will perform such Work;</p> <p>NTP 2: a Lump Sum Price of all Civil, track, and OCS construction of the CP 4 geographical area. This includes all construction activities specified in the Contract.</p> <p>NTP 3: Prior to the Authority's issuance of NTP 3, the Authority and Contractor will develop a final Lump Sum Price for all Work to be completed under the applicable NTP, in each case, based on the detailed list of unit prices in the Contractor's Bid Tab and escalation and adjustments permitted under the Contract; the Authority's approval of a price will be a condition to the issuance of the applicable NTP. NTP 3 to include Civil, track, and OCS construction of the CP 2-3 geographical area. This includes all construction activities specified in the Contract.</p>

	<p>NTP 3 may be issued as NTP 3(A) for the southern portion of CP 2-3 and NTP3(B) for the northern portion of CP 2-3.</p> <p>NTP 4: Prior to the Authority's issuance of NTP 4, the Authority and Contractor will develop a final Lump Sum Price for all Work to be completed under the applicable NTP, in each case, based on the detailed list of unit prices in the Contractor's Bid Tab and escalation and adjustments permitted under the Contract; the Authority's approval of a price will be a condition to the issuance of the applicable NTP. NTP 4 to include Civil, track, and OCS construction of the CP 1 geographical area. This includes all construction activities specified in the Contract.</p> <p>NTP 5: The Contractor must competitively procure long-lead materials and equipment (subject to permitted carve-outs for specialized OEM equipment) to ensure competitive and transparent prices, and the Contractor will be permitted to include a margin (which will be a fixed percentage established in the Contract) on the base cost of the procured items. NTP 5 to include Mobilization of the Contractor's high-speed rail systems (traction power, train control, telecommunications systems, and SCADA systems installation and testing teams), including OEM suppliers, and procurement of long lead materials and equipment for systems work.</p> <p>NTP 6: As a part of the systems preconstruction Work under NTP 1, the Authority and Contractor will negotiate one or more final price(s) for the construction Work under each of NTP 6; the Authority's approval of a final price will be a condition to the issuance of the applicable NTP. NTP 6 to include Construction, testing, and commissioning of high-speed rail systems (train control, communication and traction power system) for the 119-mile First Construction Section, including all activities and technical specifications referenced in the Contract.</p> <p>NTP 7: As a part of the systems preconstruction Work under NTP 1, the Authority and Contractor will negotiate one or more final price(s) for the construction Work under each of NTP 7; the Authority's approval of a final price will be a condition to the issuance of the applicable NTP. NTP 7 to include Construction, testing, and commissioning of the high-speed rail traction power system, including all activities and technical specifications referenced in the Contract.</p> <p>NTP 8: Prior to the Authority's issuance of NTP 8, Authority and TSCC Contractor will develop a final price for all Work to be completed under the applicable NTP. NTP 8 to include construction, testing, and commissioning for track and high-speed rail systems, including OCS, traction power, train control and communications systems for the Merced Extension.</p> <p>NTP 9: Prior to the Authority's issuance of NTP 9, Authority and TSCC Contractor will develop a final price for all Work to be completed under the applicable NTP. NTP 9 to include construction, testing, and</p>
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	commissioning for track and high-speed rail systems, including OCS, traction power, train control, and communications systems for the Bakersfield Extension.
<b>Payments</b>	The Contract will include customary terms and conditions regarding the Authority's payment of monthly invoices submitted by the Contractor for Work completed, including provisions related to evidence of progress of the Work, payments to subcontractors, and disputed amounts.
<b>4. Description of Work; Commencement of Work</b>	
<b>Scope of Work Summary</b>	<p>Th The Contractor will be responsible for the following Work under the Contract for the 119-mile First Construction Section:</p> <ul style="list-style-type: none"> <li>• Construction Work for track, overhead contact system (OCS), and related civil works;</li> <li>• Fresno County railhead development;</li> <li>• Design and construction for high-speed rail systems, including traction power, train control, and communications systems;</li> <li>• Systems integration;</li> <li>• Safety certification; and</li> <li>• Testing and commissioning of the high-speed rail system.</li> </ul> <p>Contractor will also be responsible for the following Work under the Contract for the Merced Extension and the Bakersfield Extension:</p> <ul style="list-style-type: none"> <li>• Construction Work for track, overhead contact system (OCS), and related civil works;</li> <li>• Design and construction for high-speed rail systems, including traction power, train control, and communications systems;</li> <li>• Systems integration;</li> <li>• Safety certification; and</li> <li>• Testing and commissioning of the high-speed rail system.</li> </ul>
<b>Notices to Proceed</b>	<p>Planned sequencing of Notices to Proceed (NTP) Packages is provided below. Final packaging and sequencing may be revised during the term of the Contract to maintain the Project schedule:</p> <p>NTP 1: (A) Mobilization of the TSCC Contractor; procurement of long lead materials and equipment for NTP 2-4 construction; and (B) all systems design work for the 119-mile First Construction Section covered under the Contract and systems original equipment manufacturer (OEM) procurement.</p>

	<p>NTP 2: Civil, track, and OCS construction of the CP 4 geographical area. This includes all construction activities specified in the Contract.</p> <p>NTP 3: Civil, track, and OCS construction of the CP 2-3 geographical area. This includes all construction activities specified in the Contract. NTP 3 may be issued as NTP 3(A) for the southern portion of CP 2-3 and NTP3(B) for the northern portion of CP 2-3.</p> <p>NTP 4: Civil, track, and OCS construction of the CP 1 geographical area. This includes all construction activities specified in the Contract.</p> <p>NTP 5: Mobilization of the Contractor's high-speed rail systems team (traction power, train control and communications systems), including OEM suppliers, and procurement of long lead materials and equipment for systems work.</p> <p>NTP 6: Construction, testing, and commissioning of high-speed rail systems (train control, and communications systems) for the 119-mile First Construction Section</p> <p>NTP 7: Construction, testing, and commissioning of the high-speed rail traction power system for the 119-mile First Construction Section</p> <p>NTP 8: Construction, testing, and commissioning for track, OCS and high-speed rail systems, including traction power, train control and communications systems for the Merced Extension.</p> <p>NTP 9: Construction, testing, and commissioning for track, OCS and high-speed rail systems, including traction power, train control and communications systems for the Bakersfield Extension.</p>
<b>Options</b>	<p>The Contract will include options for the following work, which may be exercised at the Authority's discretion:</p> <ul style="list-style-type: none"> <li>• Design and/or construction of Maintenance of Way, Operations Control Center, Trainset Certification Facility, or other facilities to the extent they are not included in the scope above;</li> <li>• Maintenance of high-speed rail systems assets after testing and commissioning and/or system certification; and/or</li> <li>• Construction, testing, and commissioning for track, OCS, traction power, train control and communications systems for the High-Desert Corridor.</li> </ul> <p>Pricing for any option(s) exercised would be developed using the GMP process established in the Contract and an NTP would be issued prior to the start of any option work.</p>



<b>Early Works</b>	The Authority may, in its sole discretion, allow work to be performed in Early Works Packages and provide written notice to the TSCC Contractor of that Early Works Package. Pricing, milestone deadlines, and any other requirements will be agreed by the parties and incorporated into the Contract through an amendment.
<b>Procurement of Systems Original Equipment Manufacturer</b>	Selection of the systems original equipment manufacturer (OEM) will occur after award of the Contract and will be based on a competitive procurement process with open book pricing administered by TSCC Contractor and supported and overseen by Authority.
<b>General Interface Requirements</b>	TSCC Contractor will have lead responsibility for coordinating all technical and programming obligations among the Interfacing Parties (including all contractors that could affect TSCC Contractor).
<b>Design Responsibility and Liability</b>	<p>TSCC Contractor will be solely responsible for designing the Systems elements of the Project, and for performing all design activities related to the Systems elements of the Work and for ensuring that the design of the Project is fully integrated with the work of all Interfacing Parties, as set forth in more detail below. TSCC Contractor will be responsible for the professional quality, technical accuracy and the coordination of all designs, drawings, specifications and other services furnished by TSCC Contractor.</p> <p>TSCC Contractor will not be relieved of its obligation to design and perform the Work by Authority's, or its representatives', oversight, spot checks, assessments, reviews, tests, inspections, acceptances, statements of no objection, statements of objection, or approvals, or by any failure of the Authority or its representatives to take such action.</p> <p>For TSCC Contractor's purposes, Authority will be the designer of record for the Track &amp; OCS design.</p>
<b>Maintenance of Existing Civil Infrastructure Assets</b>	TSCC Contractor shall be responsible for maintenance of Civil Infrastructure Works in its possession starting from when access is provided and continuing until handback.
<b>Testing and Commissioning</b>	All testing, commissioning and integration of the Work will be the responsibility of TSCC Contractor and will be performed pursuant to a testing and commissioning program, which TSCC Contractor will develop and implement in accordance with the Contract.
<b>System Certification and Safety</b>	TSCC Contractor will develop and draft the safety case required (in conjunction with Authority) that will be submitted to the FRA for the railroad to be certified as safe to commence revenue operations. This Work will involve the testing of all systems in compliance with the relevant



	CFRs, documenting all test results, and engaging with the FRA proactively as required.
<b>Applicable Laws</b>	TSCC Contractor will comply with all applicable laws that bear on the performance of the Work.
<b>Permits, Licenses, Approvals, and Agreements</b>	TSCC Contractor shall perform its obligations and comply with the requirements identified by the Authorities having jurisdiction (AHJ), obtain, maintain, and, as applicable, renew or extend all Contractor Permits, Licenses, Approvals and Agreements which may be required for the performance of the Works.
<b>Warranty</b>	TSCC Contractor will provide a five-year warranty commencing on achieving revenue service covering all Work, including defects, but excluding any latent construction defects in the Civil Infrastructure Works caused by a Civil Infrastructure Works contractor.
<b>5. Commencement of Work; Completion Deadlines</b>	
<b>Prerequisites for Commencement of Work under Notices to Proceed</b>	No Work may be performed for any Package until NTP for such Package has been issued by the Authority. The Authority will not issue NTP for any Package until the conditions precedent for the specific NTP, as set forth in the Contract, have been met.
<b>Milestone Deadlines</b>	<p>TSCC Contractor is required to meet the certain Milestone Deadlines to be established at issuance of each NTP with the overall goal to achieve revenue service by January 1, 2032, as outlined in the Authority's 2024 Business Plan and 2025 Project Update Report.</p> <p>TSCC Contractor will be required to start track construction no later than December 15, 2026.</p> <p>The Contract may include certain interim milestone deadlines as needed to track and complete the Work under this Contract and of Interfacing Contractors.</p> <p>Failure to achieve Milestone Deadlines in the Contract may result in liquidated damages or other remedies discussed further in Section 8 of this Term Sheet, below.</p>
<b>6. Change Orders</b>	
<b>Change Orders</b>	<p><u>Authority Change Orders:</u></p> <p>At any time during the term of the Contract, the Authority may issue a "Change Order Price Request" to TSCC Contractor, which will set out details of a proposed Change that the Authority is considering. TSCC</p>

	<p>Contractor will provide details of changes to pricing, project schedule and performance of the Work.</p> <p>Whether or not the Authority has issued a Change Order Price Request, the Authority may at any time during the term of the Contract issue a Change Order or Directive Letter. A Change Order will describe negotiated pricing and project schedule changes based on terms in the Contract. A Directive Letter will describe the Work in question and will state the basis for determining compensation, if any.</p> <p><u>TSCC Contractor Change Order Requests</u></p> <p>TSCC Contractor may, for its convenience, request, in writing, that the Authority to issue a Change Order. The Authority will have sole discretion in approving, rejecting, or requesting additional information on TSCC Contractor Change Order Requests.</p>
<b>Relief Events</b>	<p>TSCC Contractor will be entitled to a time extension for a Relief Event, and a time extension and/or change to the GMP or Lump Sum Price for a Compensable Event.</p> <p>The Relief Event must occur before the Completion Deadline for the Work and must (i) delay the achievement of Completion by the Completion Deadline; or (ii) materially adversely impact performance of the Work; <u>and</u> TSCC Contractor must have complied with all notice and other requirements in the Contract.</p> <p>Relief Events include:</p> <ul style="list-style-type: none"> <li>(a) a Change Order requested by TSCC Contractor and approved by the Authority;</li> <li>(b) an Authority-Caused Delay, including delays in Authority-Provided Materials and delayed access to applicable Work Sites;</li> <li>(c) a Change in Law;</li> <li>(d) a Force Majeure Event;</li> <li>(e) a Differing Site Condition;</li> <li>(f) certain Hazardous Materials Management by TSCC Contractor subject to TSCC Contractor complying with its obligations to coordinate with Other Contractors, any act or omission of any Other Contractor which materially and adversely directly affects TSCC Contractor's obligations under the Contract; and</li> </ul>

	<p>(g) a Major Approval Delay.</p> <p>Compensable Events include any Relief Event other than a Force Majeure Event or a Major Approval Delay.</p>
<b>Limitations on Relief Events and Compensable Events</b>	<p>TSCC Contractor's sole right to claim an extension of time, additional compensation, relief from performance of its obligations, or other relief under the Contract or to otherwise make any Claim in connection with any Relief Event will be set out in the Contract.</p> <p>TSCC Contractor must take all proper and reasonable steps necessary and within its control both to preclude, and to minimize the occurrence or and consequences of a Relief Event, including by resequencing, reallocating, or redeploying personnel, equipment and resources to other Work, as appropriate.</p> <p>The compensation payable or relief due to TSCC Contractor with respect to any Relief Event will be reduced by amounts recovered by insurance and by the amount of any costs avoided due to the Relief Event.</p> <p>No compensation will be allowed for any Relief Event if caused by TSCC Contractor's fault or its failure to mitigate the Relief Event.</p>
<b>7. Security, Indemnities, Insurance, Risk of Loss</b>	
<b>Performance and Payment Security</b>	<p>Contractor will provide industry-standard performance and payment security for each package, including performance and payment bonds or letters of credit.</p>
<b>Guaranty</b>	<p>The ultimate parent company of TSCC Contractor (or if TSCC Contractor consists of a consortium, partnership or joint venture, the ultimate parent company of each member, partner or joint venturer) may be required to provide a guaranty for the Project. The guaranty will assure performance of all obligations of TSCC Contractor under the Contract.</p>
<b>Indemnities</b>	<p>The Contract will include standard indemnification requirements for TSCC Contractor, including without limitation, breach of contract, claims by subcontractors, release of hazardous materials, fines and penalties, bad acts by TSCC Contractor, design defects in design documents furnished by TSCC Contractor, and breach of certain railway agreements.</p>
<b>Authority-Provided Insurance (ROCIP)</b>	<p>Authority has elected to implement a Rolling Owner Controlled Insurance Program (ROCIP). ROCIP is a series of insurance policies issued to provide certain types of coverages for TSCC Contractor and eligible subcontractors of all tiers, which Authority will administer. These coverages include general liability and excess liability. TSCC Contractor and each eligible subcontractor shall be enrolled in ROCIP before starting</p>

	<p>Work on the job site. Eligible contractors and subcontractors are contractors who provide direct labor at the job site.</p> <p>Excluded subcontractors are required to provide their own insurance, and ROCIP insurance policies and coverages will not apply to excluded parties.</p> <p>ROCIP provides the following insurance coverages for the enrolled Contractor and subcontractors of all tiers for Work pursuant to NTPs 2-4 and 6-9:</p> <ol style="list-style-type: none"> <li>1. Commercial General Liability Insurance. Limits for bodily injury, including death arising from bodily injury, and property damages are \$2,000,000 for each occurrence, \$2,000,000 aggregate for completed operations, and \$2,000,000 general annual aggregate.</li> <li>2. Umbrella or Excess Liability Insurance. Minimum limits of \$200,000,000 per occurrence and in the aggregate.</li> </ol>
<b>Contractor-Provided Insurance</b>	<p>Contractor shall maintain its own insurance for coverages not provided under the ROCIP for the duration of the Contract. Coverages apply to all NTPs unless otherwise noted.</p> <ol style="list-style-type: none"> <li>1. Automobile Liability Insurance. The minimum combined single limit for primary coverage is \$2,000,000 per occurrence for NTP 1 and NTP 6; \$25,000,000 per occurrence for NTPs 2-4 and NTPs 6-9.</li> <li>2. Workers' Compensation at statutory limits and Employer's Liability Insurance with limits of liability of not less than \$1,000,000 for each accident.</li> <li>3. Commercial General Liability Insurance for any operation not covered under the ROCIP. For NTP 1 and NTP 5, annual limits of \$2,000,000 per occurrence and \$4,000,000 general aggregate. For NTPs 2-4 and NTPs 6-9, annual limit of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate and \$2,000,000 products and completed operations aggregate.</li> <li>5. Professional Liability Insurance with limits of not less than \$10,000,000 per claim and in the aggregate.</li> <li>6. Railroad protective liability coverage for NTPs 2-4 and NTPs 6-9, with a limit of not less than \$25,000,000 per occurrence and \$25,000,000 in the aggregate.</li> <li>7. Environmental pollution Liability Insurance for NTPs 2-4 and NTPs 6-9 with a limit of not less than \$5,000,000 per loss and \$5,000,000 in the aggregate.</li> </ol>

	Contractor is also required to procure and maintain, at its own cost and expense, the applicable insurance required under the contracts between the Authority and the relevant freight railroads.
<b>8. Defaults, Remedies, Suspensions, Terminations</b>	
<b>Breaches and Cure Periods</b>	The Contract will include a standard list of TSCC Contractor Defaults and applicable cure periods, depending on the type of default.
<b>Authority Remedies</b>	The Authority will have standard remedies for TSCC Contractor Defaults, including rejecting non-conforming work, remedying any default at TSCC Contractor's cost, or terminating the Contract, in addition to any remedies provided by law.
<b>Termination for Convenience</b>	<p>Authority may, in its sole discretion, terminate the Contract, in whole or in part, for the convenience of Authority.</p> <p>Upon TSCC Contractor's compliance with applicable requirements, Authority will pay TSCC Contractor for work performed and termination expenses in the event of a termination for convenience, which amount will include certain fixed markups for overhead and profit. TSCC Contractor is not entitled to profit on future terminated Work.</p> <p>Authority may terminate the Contract prior to issuance of any NTP without incurring any cost or liability to TSCC Contractor, including termination expenses. The Authority has no obligation to issue NTP for any Package, and unless and until NTP for any Package is issued, the Authority has no liability to TSCC Contractor under the Contract for any Work under such Package.</p>
<b>Liquidated Damages – Delay in Acceptances</b>	With issuance of each NTP, the Contract will be revised to include any liquidated damages applicable to the Package or Work for which NTP is issued. The type and value of liquidated damages for each Package will vary depending on the scope of work of the Package and whether any other Authority obligations rely on completion of such Package.
<b>Liquidated Damages – Replacement of Key Personnel</b>	Subject to certain circumstances, including death, leave of absence, retirement or change of employer, etc., if any person filling a Key Person's role is not available for, or actively involved in, the performance of the Work as required in the Contract, as determined by the Authority in its good faith discretion, then the Authority may, in its sole discretion, impose upon TSCC Contractor liquidated damages in an amount to be set out in the Contract.

<b>9. Other Contract Provisions</b>	
<b>Intellectual Property Rights Granted to Authority</b>	The Contract will include provisions requiring TSCC Contractor to assign all intellectual property created for the Project, and an irrevocable, perpetual license to use all intellectual property owned by TSCC Contractor-Related Entities used in or for the Project. TSCC Contractor will also be required to secure licenses for intellectual property from third parties required for the Project in the name of the Authority.
<b>Consequential Damages</b>	Neither TSCC Contractor nor Authority will be liable for punitive damages or special, indirect (e.g., loss of profit or loss of revenues), incidental or consequential damages arising out of contract, tort (including negligence) or any other theory of liability.
<b>Limitation of Contractor's Liability</b>	There will be a limitation of TSCC Contractor's liability to Authority under the Contract, with certain carved out exclusions from the cap.