TERRAWATT AI-NATIVE OPERATING BACKBONE

Build the operating spine. Prove the first loop. Transfer the system.

A Phase 1 proposal to design and build TerraWatt's custom BusinessOS: a TerraWatt-controlled, local-first and Azure-connected platform that turns source evidence into governed deal state, approvals, data-room operations, meeting intelligence, and continuously improving company memory.

PHASE 1 MANDATE

Establish trusted operating state.

Prove one complete governed loop across TerraWatt's highest-value workflows.

Transfer an inspectable system the internal team can own and extend.

Commercial terms appear after the solution, delivery plan, acceptance model, and team structure.

PREPARED FOR

TerraWatt LLC

Royden Hudnall

Founding and operating team

PREPARED BY

MIOSA + Fractal

August 11, 2026

OUR POSITION

The vision is right. The delivery boundary must be exact.

TerraWatt is not buying a chatbot, software seats, or a collection of disconnected automations. It is commissioning a custom operating platform in which agents prepare and execute bounded work, humans retain consequential authority, and every answer or action can be traced to evidence.

01 / OWNERSHIP

TerraWatt owns its custom system

TerraWatt data and the paid, client-specific modules, workflows, schemas, configurations, tests, and documentation are delivered into TerraWatt-controlled repositories and assigned under the SOW.

02 / PORTABILITY

The foundation remains replaceable

BusinessOS and Optimal Engine provide open foundations. Models, runtimes, and modules sit behind documented interfaces and regression tests.

03 / DELIVERY

A joint team builds and proves it

A multi-disciplinary delivery pod works with TerraWatt's founders, operators, administrators, legal owners, and acceptance authority. Production follows deterministic tests, parallel runs, citations, policy gates, and written acceptance.

Recommended award structure: authorize paid kickoff and baseline confirmation immediately after finalist selection, then execute the fixed Phase 1 statement of work against the functional heat map, source inventory, responsibility and authority map, security boundary, and acceptance corpus confirmed during kickoff. Discovery is part of implementation because it determines what the custom platform must encode.

90 days	6	100%	0
Target for the accepted first operating loop	Phase 1 foundation and module surfaces	Gated actions visible in one approval queue	Silent document loss or delegated payment authority

This response treats TerraWatt's RFP architecture references as intended outcomes, not mandatory implementation choices. That aligns with Royden's July 28 clarification that the delivery team should select the best architecture while preserving the fixed Phase 1 business scope.

SECTION 08 COMPLIANCE

Everything TerraWatt requested, in review order.

Understanding and delivery thesis 04
Ownership and independence 06
M0 and F0 08
M3 and M17 10
Acceptance test plan 12
Model plan and run cost 14
Fixed fees and future ROM 16
Maintenance and service levels 18
Decision and next steps 20
Architecture memo 05
Phase 1 scope 07
M1 and M2 09
Milestones and payments 11
Security and resilience 13
Named delivery team 15
Assumptions and dependencies 17
Transfer and enablement 19

FROM IMMEDIATE PAIN TO OPERATING MODEL

Model how the work reaches an outcome. Then encode the stable path.

THE ORIGINAL JOB

Remove data-room administration from Royden's day

- Standardize current data rooms without deleting originals.
- Capture incoming documents from Microsoft 365.
- Resolve the correct deal, type, name, and destination.
- Route uncertain cases to a human.
- File approved documents and update trackers.
- Preserve an attributable record of every action.

THE OPERATING BACKBONE

Turn accepted evidence into governed company state

- Know each deal's stage, obligations, dates, gaps, owners, and risks.
- Surface one approval inbox and one executive brief.
- Capture meetings, decisions, commitments, and precedents.
- Run bounded agents against versioned playbooks.
- Improve through corrections without training on TerraWatt data.
- Replace models or modules without rebuilding the spine.

01
Define outcome
Name the business result, constraints, decision, and proof of completion.

02
Map the work
Enumerate tasks, systems, inputs, variants, failure cases, and handoffs.

03
Assign authority
Identify the function owner, contributor, approver, and escalation path.

04
Map evidence
Locate source data, provenance, permissions, expected output, and acceptance evidence.

05
Reduce variance
Agree the stable path and explicitly rule exceptional permutations.

06
Build and prove
Encode the module, pilot with users, measure it, correct it, and accept it.

Function-based delivery principle: TerraWatt organizes around outcomes rather than narrow job titles. Phase 1 therefore creates a function heat map before implementation: outcome, tasks, variants, owners, authority, handoffs, systems, evidence, and exceptions. The team simplifies unstable permutations before encoding them. Broad conversational intelligence is the final interface over that trusted state, not a substitute for creating it correctly.

TERRAWATT-CONTROLLED PRODUCTION BOUNDARY

Open foundation. Governed execution. Replaceable infrastructure.

TERRAWATT ESTATE

Authoritative sources

- Microsoft Entra ID
- Outlook and Teams
- SharePoint and OneDrive
- landID and approved data
- TerraWatt-controlled repositories

→

OPERATING CONTROL PLANE

BusinessOS + Optimal Engine

- Typed operating spine and provenance
- Playbooks, memory, and policy
- Module and agent registry
- Approvals and execution receipts
- Evaluation and promotion harness

→

PLACEMENT AND SCALE

TerraWatt-approved runtime

- TerraWatt Azure subscription
- Local-first operator surfaces
- MIOSA deployment and operations
- Fractal enterprise architecture
- Approved model and data services

System of record

PostgreSQL holds transactional state. Original documents stay in the Microsoft estate and are referenced by stable identity, hash, version, and permission.

System of context

Optimal Engine assembles governed facts, signals, decisions, memory, and policy within organization and workspace boundaries.

System of action

BusinessOS modules expose work to users. MIOSA deploys bounded services. Agents act only through scoped tools and named policy gates.

OWNERSHIP SCHEDULE

TerraWatt can operate, export, replace, and transition the system.

LAYER	CONTROL AND OWNERSHIP	PORTABILITY MECHANISM
TerraWatt data	TerraWatt-owned source documents, records, feedback, history, and outputs.	Open exports, documented schema, source package, database backups, and content hashes.
Commissioned implementation	Upon payment of the applicable milestone, the TerraWatt-specific modules, workflows, mappings, schemas, playbooks, prompts, policies, configurations, acceptance tests, documentation, and infrastructure definitions are assigned to TerraWatt under the SOW.	TerraWatt-controlled repositories from kickoff with build, deploy, test, recovery, and transition documentation.
BusinessOS	Open-source application foundation under its upstream license.	Forkable source, documented module contracts, local execution, and customer-controlled customization.
Optimal Engine	Open-source context, retrieval, memory, and governance foundation under its upstream license.	Open data stores and interfaces, workspace-scoped export, and replaceable adapters.
MIOSA	Paid deployment, runtime, release, recovery, evidence, and operating service. Pre-existing platform technology remains MIOSA property.	TerraWatt applications remain deployable in customer Azure. MIOSA is not the transactional source of truth.
Fractal	Joint delivery and enterprise architecture participation. Any Fractal product license is separately disclosed only when the approved design requires it.	Compatibility boundary and test contract prevent a product dependency from silently entering the core chain.
Third-party services	Microsoft, Anthropic, licensed data, OCR, and other approved providers remain under their own terms.	Provider inventory, configuration export, model abstraction, and regression harness.

TerraWatt's BusinessOS, not a rented generic account: the client-specific product is built for TerraWatt and transferred under the SOW. BusinessOS and Optimal Engine retain their open-source licenses. MIOSA remains a replaceable deployment and operations service. Pre-existing MIOSA, Fractal, open-source, and third-party technology remains with its existing owner and license.

FIXED SCOPE

One foundation, four connected operating modules, and one benchmarked intelligence track.

FOUNDATION	CORE LOOP	MEETINGS	BENCHMARK
F0 data spine, identity, policy, audit, intake, alerts	M3 documents, M1 deal state, M0 command and approvals	M2 consent, capture, review, and governed commitments	M17 source universe, comp schema, evaluation, daily evidence

INCLUDED

- Current-state inventory and function-based operating-model discovery.
- Outcome, task, workflow-variant, authority, handoff, system, and evidence heat map.
- TerraWatt ontology, taxonomy, glossary, permission model, and responsibility map.
- Dedicated environments and TerraWatt-controlled repositories.
- Microsoft 365 ingestion and source-preserving migration path.
- One accepted intake-to-evidence-to-approval loop.
- Custom TerraWatt Phase 1 module interfaces and shared approval inbox.
- Evaluation harness, regression corpus, training, runbooks, source package, and structured handoff.

BOUNDED OR DEFERRED

- M17 production breadth is limited to the approved source universe and benchmark corpus.
- Counterparty-facing virtual data rooms remain Phase 2.
- Phase 2-4 modules are roadmap and ROM only.
- True deletion, signatures, payment authority, and wire instructions remain outside agent tooling.
- Materially larger data volume, poor source quality, or added integrations enter change control.
- SOC 2 certification is not represented as a Phase 1 deliverable.

90-day interpretation: the goal is an accepted production loop, not the simultaneous perfection of every future module. TerraWatt and the delivery team must reduce high-variance functional workflows to a ruled, testable baseline. Unresolved permutations are decided by named TerraWatt owners rather than silently encoded into an unstable system.

COMMAND AND FOUNDATION

The front door can only be as reliable as the spine beneath it.

M0 / COMMAND INTELLIGENCE

One governed interface across Phase 1

- Cross-module queries with field- and document-level citations.
- Morning briefs scoped by user, role, deal, and urgency.
- One approval inbox for every gated action.
- Module health and watcher status, including explicit failure alerts.
- Institutional memory for accepted decisions, precedents, and rulings.

Acceptance: at least 95% verified answer accuracy, 100% gated-action surfacing, and registration proof for every Phase 1 module.

F0 / DATA SPINE AND GOVERNANCE

Authoritative state and controls

- Deal, site, parcel, entity, party, document, obligation, date, task, approval, and financial schemas.
- Provenance and versioning on every material field.
- SSO, MFA, RBAC, audit, secrets, and scoped connector identity.
- Microsoft Graph intake with immutable source preservation.
- OCR, extraction, claims, citations, confidence, and review queues.

Acceptance: agreed active-deal inventory populated, 98% critical-date and dollar extraction accuracy, complete audit evidence, and SSO enforcement.

Interface	Command, brief, approval, exception, and operator views in BusinessOS
Context	Accepted facts, signals, decisions, people, relationships, policies, and memory in Optimal Engine
Transactional truth	Versioned operating records, provenance, workflow state, and execution receipts in PostgreSQL
Evidence	Original Microsoft 365 content, source identity, page reference, checksum, retention, and access policy

DEAL STATE AND MEETING INTELLIGENCE

Every deal answer resolves to evidence, ownership, and time.

M1 / DEAL STATE

Current state, obligations, and closing conditions

- Lifecycle model with entry and exit conditions.
- Deal onboarding brief covering strategy, internal owners, and external cast.
- Critical-date ledger with source citation and escalation cadence.
- Conditions-to-closing checklist with status and owner.
- Required-document gaps tied to M3.
- Daily principal digest and weekly portfolio roll-up.

Acceptance: 60-day parallel run, zero missed critical dates, at least 95% verified answer accuracy, and gap refresh within four hours.

M2 / MEETING INTELLIGENCE

Consent-aware capture into governed state

- Teams, Zoom, and approved dial-in intake with speaker attribution.
- Counsel-approved recording consent and typed-note fallback.
- Structured decisions, actions, owners, due dates, questions, and commitments.
- Transcript-moment links and human review before canonical commit.
- Searchable meeting archive with deal and party relationships.

Acceptance: approved minutes within 30 minutes, at least 95% action capture, and counsel acceptance of the consent workflow.

01
Capture
Consent or typed-note fallback.

02
Structure
Decisions, tasks, owners, dates, and commitments.

03
Review
Human validates meaning and authority.

04
Commit
Accepted records update deals and memory.

05
Track
M0 surfaces follow-up and unresolved risk.

DOCUMENT OPERATIONS AND COMP INTELLIGENCE

One is an operating loop. The other is a measured data product.

M3 / DATA ROOM OPERATIONS

Copy, verify, approve, then archive

- Inventory and one-to-one migration manifest.
- Standard taxonomy with preserved originals.
- Three-tier email routing: known cast and content, per-deal address, or Outlook override.
- Low-confidence queue in M0 with no dropped item.
- Internal and client-index completeness trackers.
- Approved filing, tracker update, and execution receipt.

Acceptance: 97% classification, at least 95% correct deal routing, zero lost documents, verified migration inventory, and 24-hour room creation.

M17 / COMP INTELLIGENCE

Benchmark before nationwide autonomy

- Audit the supplied v7 schema and approximately 1,160 seed records.
- Define qualifying transaction and source-rights policy.
- Build source adapters with identity, retrieval date, and retraction behavior.
- Measure precision, recall, duplicate resolution, and claim completeness.
- Route uncertain or conflicting comps for review.
- Expand only after the benchmark gate passes.

Acceptance: fixed benchmark corpus and thresholds agreed at kickoff. National breadth is a gated expansion, not an unbounded day-one promise.

Why M17 is separated: a nationwide watcher is constrained by source rights, source stability, identity resolution, coverage, and correction behavior. Treating it as a bounded benchmark protects TerraWatt from an agent that appears active while silently missing transactions.

PHASE 1 DELIVERY SEQUENCE

Ninety days to an accepted operating loop.

GATE	WINDOW	WORKING OUTPUT	ACCEPTANCE EVIDENCE	PAYMENT
G0 Mobilize	Signature	Named team, secure project room, repository ownership, access plan, kickoff calendar.	Mutual execution package and confirmed product owner.	20% / $100,000
G1 Model	Days 1-21	Organization, ontology, taxonomy, source inventory, permission map, data profile, threat model, acceptance corpus.	Signed baseline and decision record.	20% / $100,000
G2 Foundation	Days 22-45	F0, environments, identity, connectors, source-preserving intake, audit, backup, module shell.	Security, ingestion, provenance, and recovery tests.	20% / $100,000
G3 Core loop	Days 46-70	M3 intake and review, M1 deal state, M0 command and approval, bounded M2 path.	Golden-path demonstration using approved real examples.	20% / $100,000
G4 Parallel run	Days 71-90	Operational pilot, migration batch, M17 benchmark, training, documentation, correction loop.	Acceptance report, open exceptions, handoff, and continue/kill decision.	15% / $75,000
G5 Handoff	Within 10 business days	Source package, runbooks, credentials transition, administrator sessions, restore drill.	Signed transfer checklist.	5% / $25,000

Weekly operating rhythm

- Product-owner ruling session.
- Delivery and risk review.
- Acceptance evidence update.
- Decision log and scope variance review.

Gate discipline

- No silent scope substitution.
- No release without regression proof.
- No production connector without least-privilege approval.
- No phase expansion before written acceptance.

CONTRACTUAL ACCEPTANCE

Every criterion becomes a repeatable test, not a presentation claim.

TEST FAMILY	METHOD	EVIDENCE	GATE
Extraction accuracy	Stratified corpus of executed, draft, and scanned instruments with independently labeled dates and values.	Field-level precision, recall, citation, confidence, and error analysis.	F0
Deal-state accuracy	Weekly blinded questions against approved records during parallel run.	Answer, source chain, state version, reviewer ruling, and correction.	M1
Critical dates	Parallel ledger comparison and simulated acknowledgement failures.	Zero missed dates, alert timestamps, escalation receipt, and owner response.	M1
Document routing	Golden corpus plus live shadow traffic across known, ambiguous, duplicate, unreadable, and adversarial documents.	Correct deal and class, review routing, no-loss reconciliation, and migration manifest.	M3
Meetings	Counsel-approved scenarios for consent, no consent, poor audio, correction, and action assignment.	Consent record, transcript moment, structured minutes, and approved commit.	M2
Governance	Permission, prompt-injection, secret, approval, and disallowed-action tests.	Denied action, policy reason, immutable audit event, and incident path.	F0/M0
Model substitution	Run the same corpus against approved candidate models and prompts.	Quality, cost, latency, failure profile, and exact promotion decision.	All
Recovery	Restore isolated backup into a clean environment and reconcile state.	RPO/RTO result, checksums, data-binding proof, and operator sign-off.	F0

Permanent deliverable: TerraWatt receives the acceptance corpus, test definitions, expected outcomes, and execution history so its future team can qualify models, modules, and vendors after handoff.

LEAST PRIVILEGE BY CONSTRUCTION

Agents never receive more authority than the task requires.

IDENTITY

Named principals

Entra SSO, MFA, user and service identities, role and workspace boundaries, scoped connectors, and explicit ownership.

ACTION

Policy-bound tools

Send, share, file, post, and external communication actions remain behind named approval. Pay, sign, delete, and wire authority remain excluded.

EVIDENCE

Complete receipts

Every material read, extraction, decision, approval, write, archive, and deployment produces attributable evidence.

INJECTION

Untrusted content boundary

Inbound email, documents, and web content are treated as data, never instructions, with parsing isolation and tool policy enforcement.

RETENTION

Archive-only agent lifecycle

Agents may create, read, update, move, or archive. Administrative deletion remains a separate named-human process.

RECOVERY

Isolated immutable backup

Separate security boundary, retention lock, no runtime credentials, named-human restore, quarterly test, and reported result.

Untrusted intake
Email, document, web, meeting

Quarantine
Type, malware, integrity, identity

Bounded extraction
No action authority

Policy gate
Named human or deterministic rule

Approved commit
Version, receipt, audit, rollback

MODEL-AGNOSTIC BY CONTRACT

Use deterministic software first. Use models where interpretation adds value.

WORK CLASS	DEFAULT MECHANISM	MODEL POLICY	COST DRIVER
Identity, hashing, file movement, retention, permissions, tracker updates	Deterministic services and APIs	No LLM required	Compute, storage, Microsoft API usage
OCR and structured extraction	Document parser plus targeted model fallback	Route by document type, confidence, and sensitivity	Page count, OCR quality, extraction complexity
Classification and relationship resolution	Rules, registries, embeddings, bounded model decision	Low-confidence cases require review	Inbound document volume and ambiguity
Command answers and briefs	Retrieval over accepted records and cited evidence	Model composes, never invents authoritative state	Question volume, context size, selected model
Meeting structuring	Transcription plus schema-bound extraction	Human approval before canonical commit	Audio minutes and model usage
M17 research	Source adapters, entity resolution, claim extraction	Conflicts and uncertain comps are reviewed	Licensed data, source volume, crawl frequency

PILOT BAND

About $2,000 / month

Low document and meeting volume, limited users, modest model usage, and standard backup and monitoring.

OPERATING BAND

About $5,000 / month

Routine production use across Phase 1 modules with regular ingestion, OCR, model calls, and team access.

SCALE BAND

About $10,000 / month

Higher source volume, concurrency, retention, research cadence, OCR demand, and stronger service coverage.

INTENSIVE BAND

About $20,000+ / month

High-volume data and documents, premium models or providers, frequent research, and elevated reliability needs.

Planning scenarios, not a bundled fee: these are non-binding operating bands for compute, storage, backup, observability, OCR, model APIs, and MIOSA platform operations. Licensed data, custom implementation, and optional maintenance are separate. The delivery team issues a measured forecast at G1 after TerraWatt confirms volume, retention, concurrency, latency, M17 sources, and approved providers. Every call records workflow, model, version, latency, cost, quality, and fallback so the system can move between bands deliberately.

NAMED DELIVERY STRUCTURE

A multi-developer delivery pod works with the people who perform and approve the work.

PERSON	ROLE	PRIMARY ACCOUNTABILITY	ALLOCATION / LOCATION
Roberto H. Luna	Executive sponsor and system architect	Product architecture, BusinessOS and Optimal Engine, client decisions, acceptance boundary, and delivery governance.	CONFIRM
Michael Cation	Enterprise architecture lead, Fractal	Enterprise data architecture, security and scale review, integration boundary, and Fractal compatibility path.	CONFIRM
Jordan Bebo	Operating-model and strategy lead	Functional heat map, workflow-variant reduction, ownership and authority mapping, organizational simplification, and executive rulings.	CONFIRM
Pedro Afonso	Product implementation	BusinessOS interfaces, module implementation, workflow surfaces, and frontend quality.	CONFIRM
Jason Kneen	Technical delivery support	Technical role and allocation to be confirmed in the final named-team schedule.	CONFIRM

LIVE DEMONSTRATION

BusinessOS with TerraWatt workspace

A working system, not slides: modules, approvals, operating records, workspace boundaries, source evidence, and human review.

Joint delivery requirement: the custom build requires active participation from TerraWatt's function owners, source-system administrators, legal and security owners, pilot users, and acceptance authority. Named owners and decision rights are confirmed during kickoff and maintained in the delivery baseline.

FIXED FEE AND FORWARD ROADMAP

Phase 1 is fixed. Later phases remain gated estimates.

CUSTOM PHASE 1 BUILD

USD 500,000

A commissioned TerraWatt BusinessOS: operating-model discovery, foundation, custom bounded modules, integrations, parallel run, enablement, client-specific IP assignment, source transfer, and handoff under the milestone schedule on page 11. This is not a software-seat fee.

MONTHLY OPERATING SPEND

$2k / $5k / $10k / $20k+

Measured planning bands for compute, models, OCR, storage, backup, observability, and platform operations. Licensed data and optional maintenance are separate. Final band is approved at G1.

FUTURE PHASE	RFP MODULES	NON-BINDING ROM	COMMERCIAL GATE
Phase 2	M4, M5, M6, M7, M8, M10, M13, M3 counterparty rooms	$500,000-$900,000	Re-sequenced and fixed by SOW after Phase 1 acceptance.
Phase 3	M9, M11, M12, M14	$450,000-$800,000	Fixed by SOW after data, finance, and integration discovery.
Phase 4	M15 construction management and M16 public affairs	$500,000-$1,200,000	Separate domain discovery, risk review, and acceptance design.

Commercial separation: the fixed implementation fee pays the multi-disciplinary team to discover, architect, build, prove, document, and transfer TerraWatt's custom platform. Operating infrastructure and provider usage are transparent recurring costs. Optional $15,000 or $25,000 monthly maintenance begins only if TerraWatt elects post-Phase 1 support. Signed scope and acceptance criteria do not move silently.

CLIENT RESPONSIBILITIES AND BOUNDARIES

The fixed fee depends on timely decisions, usable access, and a bounded inventory.

TERRAWATT PROVIDES

- Named product owner, acceptance authority, and weekly ruling session.
- Founding-team and operator access for function-based discovery.
- Named outcome owners, contributors, approvers, and escalation paths.
- Organization, authority, workflow-variant, and external-advisor map.
- Microsoft tenant administrator and approved Graph permissions.
- Current deal, room, tracker, comp, playbook, and document inventory.
- Representative examples, edge cases, expected outputs, and source evidence.
- Counsel rulings and timely review against the agreed decision SLA.

COMMERCIAL ASSUMPTIONS

- Six internal launch users plus designated read-only roles.
- Azure is TerraWatt-controlled and available at kickoff.
- Microsoft 365 is the primary source estate.
- Phase 1 source and data volumes fit the G1 accepted band.
- External communications remain draft-for-approval.
- M17 source rights and data licenses are approved before production use.
- TerraWatt-specific work transfers; pre-existing and open-source technology retains its existing ownership and license.
- Third-party fees are excluded from the fixed implementation fee.

DEPENDENCY	IF UNAVAILABLE	RESPONSE
Admin-consented Microsoft Graph access	Automated intake and filing cannot enter production.	Use approved sample export until tenant access is resolved; schedule impact is documented.
Stable taxonomy and decision owners	Classification and approvals cannot be accepted.	Discovery produces the baseline; later change uses versioned playbooks and change control.
Representative acceptance corpus	Accuracy claims cannot be measured responsibly.	Build a jointly labeled corpus at G1 before threshold commitments activate.
Legal and data-source rulings	M2 recording or M17 source use may be blocked.	Fallback paths remain available; blocked capability does not bypass policy.

POST-PHASE 1 OPERATING PLAN

Keep the system observable, recoverable, and simpler over time.

STANDARD

$15,000 / month

- Business-hours support and operating review.
- P1 acknowledgement within 60 minutes.
- P2 acknowledgement within four business hours.
- Monthly security, dependency, cost, and reliability review.
- Quarterly model and capability uplift against the harness.
- Up to 80 delivery hours per month.

MISSION-CRITICAL

$25,000 / month

- 24x7 P1 incident intake.
- P1 acknowledgement within 15 minutes.
- P2 acknowledgement within 60 minutes.
- Named on-call and recovery coordination.
- Monthly restore exercise or agreed production simulation.
- Up to 180 delivery hours per month.

SEVERITY	DEFINITION	TARGET RESPONSE	OPERATING OBJECTIVE
P1	Production unavailable, data-integrity risk, security incident, or critical-date alerting failure.	Per selected plan	Contain, preserve evidence, restore safe service, then reconcile.
P2	Material module degradation with a human fallback available.	Per selected plan	Restore the accepted path and document variance.
P3	Non-critical defect, usability issue, or bounded enhancement.	Two business days	Schedule into the operating backlog.

INDEPENDENCE IS AN ACCEPTANCE CRITERION

The engagement ends with TerraWatt able to understand and operate what it owns.

SOURCE

Repository package

Code, schemas, migrations, configuration templates, prompts, playbooks, acceptance tests, infrastructure definitions, dependency inventory, and build instructions.

OPERATIONS

Runbook package

Deploy, promote, roll back, restore, rotate secrets, repair connectors, reconcile state, handle incidents, and prove production health.

KNOWLEDGE

Administrator package

System map, glossary, ontology, data dictionary, permissions, module contracts, decision log, known limitations, and roadmap.

01
Shadow
TerraWatt operators watch delivery team operations.

02
Pair
Operators execute common tasks with guidance.

03
Reverse shadow
Delivery team observes TerraWatt operations.

04
Recover
TerraWatt performs restore and rollback drills.

05
Accept
Named administrator signs the handoff checklist.

Two-week structured handoff: a paid Phase 1 milestone, not an afterthought.

Transition option: TerraWatt may continue with MIOSA support, hire internally, or transition operations to another qualified provider.

MOVE FROM PROPOSAL TO A BINDING OPERATING BASELINE

Approve the team. Confirm the inputs. Start the first loop.

TERRAWATT

Before kickoff

- ✓ Name the product owner and acceptance authority.
- ✓ Name function owners, contributors, approvers, and escalation paths.
- ✓ Confirm the Phase 1 business boundary and launch users.
- ✓ Provide source-system administrators and the current inventory.
- ✓ Select representative deals, rooms, meetings, and comp records.
- ✓ Confirm counsel and security owners.
- ✓ Approve the repository, Azure, and communication model.

MIOSA + FRACTAL

At kickoff

- ✓ Open the governed project room and decision register.
- ✓ Run founder and operator discovery by function.
- ✓ Produce the function heat map and reduce unstable workflow permutations.
- ✓ Produce the ontology, taxonomy, permissions, and source maps.
- ✓ Label the acceptance corpus and migration band.
- ✓ Issue the final execution baseline and run-cost forecast.

PROPOSED NEXT SESSION

Phase 1 confirmation workshop

Review the proposal against TerraWatt's RFP, resolve the remaining assumptions, confirm the named decision owners, inspect the live BusinessOS demonstration, and agree the path to the binding SOW.

SECTION 08 COMPLETION

- ✓ Architecture memo and model plan.
- ✓ Fixed Phase 1 fee and milestones.
- ✓ Acceptance test plan.
- ✓ Named team schedule.
- ✓ Live system demonstration.
- ✓ Assumptions, exclusions, dependencies.
- ✓ Maintenance pricing and SLA.
- ✓ Phase 4 ROM.

Final confirmation items: the binding SOW will record the final named-team allocation, working locations, approved references, TerraWatt decision owners, and accepted kickoff date.

TerraWatt's advantage will not come from having more agents. It will come from giving a small team a governed system that knows what is true, what must happen next, who holds authority, and what evidence proves the work was done.