**SCHEDULE 17**

**MILESTONE PAYMENT SCHEDULE**

1. Item 1 (Police Patrol Craft) and Item 2 (Option Police Patrol Craft) to Schedule 1 (Schedule of Requirements) - Milestone Evidence and Validation Criteria is attached at Table 2 to this Schedule

Table 1

|  |  |
| --- | --- |
| Milestone Number and Description | Percentage of Firm Boat Price (excluding Training, Initial Provisioning Spares package and Documentation) |
|  | Percentage | Cumulative |
| 1. | Delivery of Long Lead Items | 10% | 10% |
|  |  |  |  |
| 2. | Completion of hull and superstructure | 30% | 40% |
|  |  |  |  |
| 3. | Completion of outfit (interior fit out, all mechanical and electrical systems final installation) pre Setting To Work | 30% | 70% |
|  |  |  |  |
| 4. | Signature by the Authority of the Boat Certificate of Acceptance  | 20% | 90% |
|  |  |  |  |
| 5. | Retention 1 – released 12 months after signature of Boat Certificate of Acceptance subject to satisfactory completion of all defects  | 5% | 95% |
|  |  |  |  |
| 6. | Retention 2 - released 24 months after signature of Boat Certificate of Acceptance subject to satisfactory completion of all defects | 5% | 100% |

1. Item 3 (Training, Support to Safety Case Development Meeting and Documentation), Item 4 (Model of Police Patrol Craft) and Item 5 (Initial Spares Package) of Schedule 1 (Schedule of Requirements)

100% of Firm Price on satisfactory delivery of the work.

1. Item 6 (Facilitation of Monthly Contract Progress Meetings) of Schedule 1 (Schedule of Requirements)

Payment will be made quarterly in arrears.

Table 2 - Boat Milestone Evidence and Validation Criteria

| **No** | **Milestone Description** | **Evidence** | **Verification Criteria** |
| --- | --- | --- | --- |
| 1 | Delivery of Long Lead Items | * MOD visit and photographic evidence (provided MOD visit is carried out within seven (7) Days of invitation to visit)
 | Delivery to the Contractor or nominated build sub contractors premises of the below materials and equipment (per Boat):Main EnginesGeneratorsShafts, Propulsion and Steering Systems |
| 2 | Completion of hull and superstructure | * Certificate of Conformity (CoC) including Contractors Quality Assurance (QA) inspection
* Lloyds Hull Build Inspection Certificate
* MOD visit and photographic evidence of delivery (provided MOD visit is carried out within seven (7) Days of invitation to visit)
* Hull Identification Number present.
 | Hull and superstructure complete with CoC confirming construction to MCA certification standards. |
| 3 | Completion of outfit (interior fit out, all mechanical and electrical systems final installation) pre Setting To Work | * Contractors Boat Build Pack including QA inspection and sign-off
* MOD visit and photographic evidence (provided MOD visit is carried out within seven (7) Days of invitation to visit)
 | Outfitting complete (including interior fit out, all mechanical and electrical systems final installation). |
| 4 | Signature by the Authority of the Boat Certificate of Acceptance | * For First-of-Class (FOC) Police Patrol Craft: Verification and Validation Requirements Matrix (VVRM) showing Schedule 2 (SOTR) requirements relevant to the craft has been accepted by the MOD, all training has been delivered and provision of all required safety and support documentation
* Contractors Certificate of Conformity
* MCA Workboat Code Certificate / Document of Compliance from Certifying Authority
* Signed Boat Certificate of Acceptance
 | Functional and production testing successfully completed for individual Police Patrol Craft including inspection and sign-off by Contractors QA and Test and Acceptance.MCA Workboat Code Certificate / Document of Compliance from Certifying AuthorityThe Boat Certificate of Acceptance has been signed by the MOD. |
| 5 | Retention 1 – released 12 months after signature of Boat Certificate of Acceptance subject to satisfactory completion of all defects  | * Contractor to provide a record of all Warranty issues and Defects including evidence of successful rectification.
 | All Defects have been addressed to the Authority’s satisfaction.  Note that: * A defect may have been identified at boat acceptance (recorded on Schedule 10a – Boat Certificate of Acceptance) or have become apparent over the timescale specified.
* Some defects may be in an agreed process of rectification.
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| 6 | Retention 2 - released 24 months after signature of Boat Certificate of Acceptance subject to satisfactory completion of all defects | * Contractor to provide a record of all Warranty issues and Defects including evidence of successful rectification.
 | All Defects have been addressed to the Authority’s satisfaction.  Note that: Some defects may be in an agreed process of rectification. |