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|  |  | **SHIPS** |

Type 23 - Power Generation and MCAS Update (PGMU) – Machinery Control and Surveillance System (MCAS)

**CONTRACT SSA/004/04**

**SCHEDULE D**

**PAYMENT PLAN**

Issue: v 1.0

Date: January 2016

Document Control

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CONTENTS

|  |  |  |
| --- | --- | --- |
| **Part** | **Description** | **Page** |
| **1** | Introduction | **4** |
| **2** | Milestone Payments | **5** |
| **3** | Performance Payments | **16** |

1. Introduction
   1. This document sets out the payment arrangements in accordance with Clause 9 (Payment) to the Terms and Conditions of Contract.
   2. The Contract Price for Items 1b, 1c, 1d, Item 2 and Item 3 of the Schedule of Requirements (SoR) shall be paid on the successful achievement of the Milestones set out and described at Section 2 of this Schedule D (Payment Plan) to the satisfaction of the Authority’s Project Manager or as otherwise specified in this Schedule.
   3. The Contract Price for Item 1a of the SoR shall be subject to Performance Monitoring and moderated subject to the achievement of the Key Performance Indicators (KPIs) at Section 3 of this Schedule D (Payment Plan) and as described in Schedule C (Contract Performance Management).
   4. The Contract Price for Item 1e of the SoR (Guarantee Defect Period) shall be subject to Performance Monitoring and moderated subject to the achievement of the Key Performance Indicators (KPIs) at Section 3 of this Schedule D (Payment Plan) and as described in Schedule C (Contract Performance Management).
2. Milestone Payments
   1. The Milestone Payment Plans are described in the following Tables in this Schedule.
      1. Table 1 shows the percentage of the Contract Price available as payment for the delivery of Equipment for each Ship, as Priced at Item 1b of the SoR:
         1. Table 1.1 is a breakdown of the Contract Price available for the First of Class Ship in Table 1 and shows the percentage of the Contract Price available as payment for successful completion of the Milestones as described within this Table.
         2. Table 1.2 is a breakdown of the Contract Price available for each of the subsequent Ships (2-11) in Table 1 and shows the percentage of the Contract Price available as payment for successful completion of the Milestones for each Ship as described within this Table.
         3. Table 1.3 is a breakdown of the Contract Price available for the Last of Class Ship in Table 1 and shows the percentage of the Contract Price available as payment for successful completion of the Milestones as described in this Table.
      2. Table 2 shows the percentage of the Contract Price available as payment for the delivery of the Uplift of Base Spares and Delivery of On-Board Spares for each Ship as Priced at Item 1c on the SoR upon the successful completion of the Milestones as described within this Table.
      3. Table 3 shows the percentage of the Contract Price available as payment for the delivery of the Training Equipment as Priced at Item 1d on the SoR upon the successful completion of the Milestones as described within this Table.
      4. Table 4 shows the percentage of the Contract Price available as payment for the delivery of the Integrated Logistics Support Pre-Planning Activities as Priced at Item 2 on the SoR upon the successful completion of the Milestones as described within this Table.
      5. Table 5 shows the percentage of the Contract Price available as payment for the delivery of Training as Priced at Item 3 on the SoR upon the successful completion of the Milestones as described within this Table.
      6. In each Table, the Contract Price available for the successful completion of the Milestone has been left blank and shall be inserted prior to Contract Award in accordance with the Price bid by the successful Tenderer for each of the Items on the SoR.

**Table 1 – Equipment and Technical Services**

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| **Table 1 – SoR Item 1b - Payment Plan by Ship** | | | | |
| **Milestone Number** | **Milestone Description** | **Contract Price for Completion of Milestone**  *''''''''' '''''''''''''''''''''''''* | **Percentage of the Contract Price of SoR Item 1b** | **Description** |
| 1 | Delivery to FOC | ''''''''''''''''''''''''''''''' | '''''''''''' | a) Further payment Milestones are detailed in Table 1.1. |
| 2 | Delivery to Ship 2 | ''''''''''''''''''''''''''''''''' | ''''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 3 | Delivery to Ship 3 | '''''''''''''''''''''''''''''''''''' | ''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 4 | Delivery to Ship 4 | ''''''''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 5 | Delivery to Ship 5 | '''''''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 6 | Delivery to Ship 6 | ''''''''''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 7 | Delivery to Ship 7 | '''''''''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 8 | Delivery to Ship 8 | ''''''''''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 9 | Delivery to Ship 9 | ''''''''''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 10 | Delivery to Ship 10 | '''''''''''''''''''''''''''''' | '''''''' | a) Further payment Milestones are detailed in Table 1.2. |
| 11 | Delivery to LOC | '''''''''''''''''''''''''''''''''' | ''''''''''' | a) Further payment Milestones are detailed in Table 1.3. |
| **Sub- Total** | | **''''''''''''''''''''''''''''''''** | **'''''''''''** |  |

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| **Table 1.1 – SoR Item 1b - Milestone Payment Plan For First of Class (FOC)** | | | | |
| **Milestone Number** | **Milestone Description** | **Contract Price for Completion of Milestone**  **''''''''''''''''''''''''''''** | **Percentage of the Contract Price for Milestone 1 of Table 1** | **Description** |
| 1 | Delivery of Tranche 1 DRL Documents | ''''''''''''''''''''''''''''' | '''''''' | a) All DRL Tranche 1 Documents as detailed at Annex B to Schedule B accepted by the Authority in accordance with the associated standards. |
| 2 | Delivery of Tranche 2 DRL Documents | ''''''''''''''''''''''''''''''' | '''''''' | a) All DRL Tranche 2 Documents as detailed at Annex B to Schedule B accepted by the Authority in accordance with the associated standards. |
| 3 | Delivery of Tranche 3 DRL Documents | '''''''''''''''''''''''''''''''' | ''''''''' | a) All DRL Tranche 3 Documents as detailed at Annex B to Schedule B accepted by the Authority in accordance with the associated standards. |
| 4 | Critical Design Review (CDR) | '''''''''''''''''''''''''''' | ''''''''''' | a) Successful completion of the CDR to the criteria that will be jointly established by the ITEA WG.  b) All associated ITEAP activities have been accepted by the Authority as complete. |
| 5 | Software Functional and Integration Testing (SFIT) | ''''''''''''''''''''''''''' | '''''''''''' | a) Successful completion of the SFIT to the criteria that will be jointly established by the ITEA WG and fully signed Test Form.  b) All associated ITEAP activities have been accepted by the Authority as complete. |
| 6 | Factory Acceptance Test (FAT) | ''''''''''''''''''''''''''''' | ''''''''' | a) Satisfactory completion of FAT to the criteria that will be jointly established by the ITEA WG and fully signed Test Form.  b) All associated ITEAP activities have been accepted by the Authority as complete.  c) Receipt and approval by the Authority of EMC Test Report (DRL E15).  d) Receipt of FAT Test Reports (DRL E22). |
| 7 | System Functional Test (System Readiness Review (SRR)) | '''''''''''''''''''''''''''' | ''''''' | a) Satisfactory completion of the SRR to the criteria that will be jointly established by the ITEA WG and fully signed Test Form.  b) All associated ITEAP activities have been accepted by the Authority as complete. |
| 8 | Delivery of equipment for installation and S&TE | ''''''''''''''''''''''''''''' | '''''''''' | a) Upkeep Contractor will confirm to Project Lead receipt of all equipment. |
| 9 | Delivery of shore-based S&TE | ''''''''''''''''''''''''''''' | '''''''' | a) Devonport and Portsmouth dockyards will confirm receipt of S&TE. |
| 10 | Control System Integrity Check | ''''''''''''''''''''''''''''''' | '''''''''' | a) MCTA to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG. |
| 11 | Sea Acceptance Test (ME) (SAT(ME)) | '''''''''''''''''''''''''''''' | ''''''''''' | a) MCTA to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG of relevant elements of SAT(ME). |
| 12 | Final acceptance – FOC Initial Operating Capability (IOC) | '''''''''''''''''''''''''''''' | '''''''' | a) Successful completion to the criteria that will be jointly established by the ITEA WG of all FOC T&E events listed in the ITEAP. |
| **Sub- Total** | | **'''''''''''''''''''''''''''''** | **''''''''''''** |  |

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| **Table 1.2 - SoR Item 1b - Milestone Payment Plan For Ships 2 to 10** | | | | | |
| **Milestone Number** | | **Milestone** | **Contract Price for Completion of Milestone 1**  **'''''''''''''''''''''''''** | **Percentage of Contract Price for Milestones 2 to 10 of Table 1** | **Description** |
| 1\* | | \*Key Milestone\*  Delivery of Equipment for installation and S&TE | ''''''''''''''''''''''''''''' | '''''''''' | a) Upkeep Contractor will confirm to Project Lead receipt of all equipment. |
| 2 | | Control System Integrity Check | ''''''''''''''''''''''''''''' | '''''''''' | a) MCTA to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG. |
| 3 | | Sea Acceptance Test (ME) (SAT(ME)) | '''''''''''''''''''''''''''''' | ''''''''''' | a) MCTA to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG of relevant elements of SAT(ME). |
| 4 | | Final acceptance of Ship | '''''''''''''''''''''''' | '''''''' | a) Successful completion to the criteria that will be jointly established by the ITEA WG of all T&E events listed in the ITEAP for Ships 2 to 10. |
| **Sub- Total** | | | **''''''''''''''''''''''''''''''** | **''''''''''''** |  |

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| **Table 1.3 – SoR Item 1b - Milestone Payment Plan For Last of Class** | | | | |
| **Milestone Number** | **Milestone** | **Contract Price for Completion of the Milestone**  **''''''''''''''''''''''''''''''** | **Percentage of Contract Price of Milestone 11 of Table 1** | **Description** |
| 1\* | \*Key Milestone\*  Delivery of Equipment for installation and S&TE | ''''''''''''''''''''''''''''' | '''''''''''' | a) Upkeep Contractor will confirm to Project Lead receipt of all equipment. |
| 2 | Control System Integrity Check | ''''''''''''''''''''''''''''' | '''''''''' | a) MCTA to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG. |
| 3 | Sea Acceptance Test (ME) (SAT(ME)) | ''''''''''''''''''''''''''''''' | '''''''''' | a) MCTA to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG of relevant elements of SAT(ME). |
| 4 | Final acceptance of Ship | ''''''''''''''''''''''''''' | ''''''' | a) Successful completion to the criteria that will be jointly established by the ITEA WG of all T&E events listed in the ITEAP for LOC. |
| 5 | Contract Acceptance | '''''''''''''''''''''''' | '''''''' | a) All Contractor deliverables have been accepted by the Authority prior to the contract being completed. It is assumed that this will not be later than 3 months after the LOC is accepted into service. |
| **Sub- Total** | | **''''''''''''''''''''''''''''''** | **''''''''''''** |  |

**Table 2 – Uplift of Base Spares and Delivery of On-Board Spares**

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| **Table 2 – SoR Item 1c – Milestone Payment Plan for the Uplift of Base**  **Spares and Delivery of On-Board Spares** | | | | |
| **Milestone Number** | **Milestone Description** | **Contract Price for the Completion of the Milestone**  **''''''''''''''''''''''''''** | **Percentage of the Contract Price for SoR Item 1c** | **Description** |
| 1 | Delivery to FOC | '''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 2 | Delivery to Ship 2 | '''''''''''''''''''''''''' | ''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 3 | Delivery to Ship 3 | ''''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 4 | Delivery to Ship 4 | ''''''''''''''''''''''''''''' | ''''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 5 | Delivery to Ship 5 | ''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 6 | Delivery to Ship 6 | ''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 7 | Delivery to Ship 7 | ''''''''''''''''''''''''''' | ''''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 8 | Delivery to Ship 8 | '''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 9 | Delivery to Ship 9 | ''''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 10 | Delivery to Ship 10 | '''''''''''''''''''''''''''' | '''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| 11 | Delivery to LOC | ''''''''''''''''''''''''''''' | ''''''''''' | a) The uplift of Base spares is delivered to the JSC; on-board spares delivered to the dockyard. Delivery date as at Table 1 of Schedule B – Delivery Plan. |
| **Sub- Total** | | **'''''''''''''''''''''''''** | **''''''''''''** |  |

**Table 3 – Delivery of Training Equipment**

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| **Table 3 – SoR Item 1d – Milestone Payment Plan for the Training Equipment** | | | | |
| **Milestone Number** | **Milestone** | **Contract Price for the Completion of the Milestone**  **'''''''''''''''''''''''** | **Percentage of Contract Price of SoR Item 1d** | **Description** |
| 1 | Delivery of the Training Equipment | ''''''''''''''''''''''''''''''' | ''''''''''' | a) HMS SULTAN will confirm to the Project Lead receipt of the Training Equipment. |
| 2 | Acceptance of the Training Equipment | '''''''''''''''''''''''' | ''''''''''' | a) HMS SULTAN to confirm satisfactory demonstration to the criteria that will be jointly established by the ITEA WG of relevant performance tests of the Training Equipment. |
| **Sub- Total** | | **'''''''''''''''''''''** | **''''''''''** |  |

**Table 4 – Integrated Logistics Support Pre-Planning Activities**

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| **Table 4 – SoR Item 2 – Milestone Payment Plan for ILS Pre-Planning Activities** | | | | |
| **Milestone Number** | **Milestone** | **Contract Price for the Completion of the Milestone**  **''''''''''''''''''''''** | **Percentage of Contract Price for SoR item 2** | **Description** |
| 1 | Delivery of Tranche 1 DRL Documents | ''''''''''''''''''''''''''''' | ''''''''''' | a) All DRL Tranche 1 Documents as detailed at Annex B to Schedule B. |
| 2 | Delivery of Tranche 2 DRL Documents | ''''''''''''''''''''''''' | ''''''''' | a) All DRL Tranche 2 Documents as detailed at Annex B to Schedule B. |
| 3 | Delivery of Tranche 3 DRL Documents | ''''''''''''''''''''''''''' | '''''''''' | a) All DRL Tranche 3 Documents as detailed at Annex B to Schedule B. |
| 4 | Logistic Support Date (LSD) | '''''''''''''''''''''''''''' | ''''''''''' | a) Satisfactory achievement to the criteria that will be jointly established by the LSC of the requirements for LSD acceptance (all necessary support in place in range, but not necessarily scale, to support FOC Ship). |
| **Sub- Total** | | **''''''''''''''''''''''''''** | **''''''''''''** |  |

**Table 5 – Training**

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| --- | --- | --- | --- | --- |
| **Table 5 – SoR Item 3 – Milestone Payment Plan for Training** | | | | |
| **Milestone Number** | **Milestone** | **Contract Price for the Completion of the Milestone**  **'''''''''''''''''''** | **Percentage of Contract Price or SoR item 4** | **Description** |
| 1 | Initial Training | ''''''''''''''''''''''''''''' | '''''''''' | a) TSG acceptance of all interim training deliverables required by RFTD stated in Part 5 of Schedule A. |
| 2 | Ship 1 Training | '''''''''''''''''''''''' | ''''''''''' | a) Delivery and acceptance by the TSG of Training required for Ship 1 |
| 3 | Ship 2 Training | ''''''''''''''''''''''''''''' | ''''''''''' | a) Delivery and acceptance by the TSG of Training required for Ship 2 |
| 4 | Completion of Training | ''''''''''''''''''''''''' | ''''''''' | a) Acceptance by the TSG of updated training material to support the steady-state training solution. |
| **Sub- Total** | | **'''''''''''''''''''''** | **''''''''''** |  |

1. Performance Payments
   1. The Contract Price for Item 1a of the SoR shall be moderated subject to the achievement of the KPI stated in this Part of Schedule D (Payment Plan) and as described in Schedule C (Contract Performance Management).
   2. The Contract Price for Item 1e of the SoR (Guarantee Defect Period) shall be moderated subject to the achievement of the KPIs stated in this Part of Schedule D (Payment Plan) and as described in Schedule C (Contract Performance Management).
   3. **SOR Item 1a – Project Management.**
      1. Payment of the Contract Price for Item 1a on the SoR shall be quarterly in arrears from the Effective Date until the completion of the Contract, subject to paragraphs 3.3.2 to 3.3.8.
      2. The quarterly Payments are subject to Performance Monitoring and shall be moderated in accordance with the achievement of the Project Management KPI as described in Part 2 of Schedule C (Contract Performance Management).
      3. The Project Management KPI comprises of 2 (two) subordinate Performance Indicators (PIs).
      4. The Red/Amber/Green performance of each PI will be assessed monthly. In the event there is a mixture of PIs assessed as either Red, Amber or Green, the overall KPI will be scored at the lowest performing PI in the month for the purposes of moderating the monthly total. Quarterly payments will include each of the 3 monthly totals.
      5. Where a KPI indicates a GREEN level of performance in any month then the full KPI payment for that month as defined at Schedule C (Contract Performance Management) shall be claimed by the Contractor and payment shall be made by the Authority.
      6. Where a KPI indicates an AMBER level of performance in any month then ''''''''''' of the KPI payment for that month as defined at Schedule C (Contract Performance Management) shall be claimed by the Contractor and payment shall be made by the Authority.
      7. Where a KPI indicates a RED level of performance in any month then '''''''''' of the KPI payment for that month as defined at Schedule C (Contract Performance Management) shall be claimed by the Contractor and payment shall be made by the Authority.
      8. The moderations for AMBER and RED performances shall be applied to the value of the Contract item and the duration that they apply to. Each month in the quarter shall have the same one third proportion of the quarterly payment value available before moderation. For illustrative purposes, a worked example of how a quarterly payment is determined follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **KPI 1 - PM** | **Month 1** | **Month 2** | **Month 3** |
| **PI 1** | RED | AMBER | GREEN |
| **PI 2** | AMBER | GREEN | GREEN |
| **Overall KPI 1** | RED | AMBER | GREEN |
| **KPI Moderation** | '''''''' | ''''''' | Nil |

* + 1. The quarterly payment for KPI 1 – Project Management comprises: '''''''''''' of the value of month 1 + ''''''''''' of the value of month 2 + ''''''''''''' of the value of month 3.
    2. Table 3.3.10-1 below shows the value of the moderation from the Contract Price:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **KPI 1 – Project Management** | | | | |
|  | | | | |
| **Quarter** | **Month** | **Price for Green performance subject to Performance Monitoring** | **Moderation Amount for Amber Performance**  **('''''' deduction from Contract Price for each Month)** | **Moderation Amount for Red Performance**  **('''''' deduction from Contract Price for each Month)** |
| 1  ''''''''''''''''''''''''''''' | 1 | '''''''''''''''''''''''''''' | ''''''''''''''''''''''''' | '''''''''''''''''''''''''''' |
| 2 | '''''''''''''''''''''''' | '''''''''''''''''''''''' | ''''''''''''''''''''''''''' |
| 3 | ''''''''''''''''''''''''''' | ''''''''''''''''''''''''''' | '''''''''''''''''''''''' |
| Each subsequent Quarter to the completion of the Contract | 1 | '''''''''''''''''''''''' | '''''''''''''''''''''''' | ''''''''''''''''''''''''''' |
| 2 | ''''''''''''''''''''''''''' | '''''''''''''''''''''''''' | ''''''''''''''''''''''''''''' |
| 3 | ''''''''''''''''''''''''''' | ''''''''''''''''''''''''''''' | '''''''''''''''''''''''''''' |

**Table 3.3.10-1 Payment Moderation for SoR Item 1a**

* + 1. In Table 3.3.10-1, the Contract Price column subject to moderation has been left blank and shall be inserted prior to Contract Award in accordance with the Price agreed by the Authority for SoR Item 1a.
    2. Where any Key Performance Indicator continues to display a RED for 3 (three) consecutive months this shall constitute a Default by the Contractor.
  1. **SoR Item 1e – Guarantee Defect Period**
     1. Payment of the Contract Price for Item 1e on the SoR shall be divided on a proportional basis between the -eleven Type 23 Ships that receive the PGMU update, such that the first two Ships each receive '''''''''' seventh of the Contract Price for Item 1e of the SOR and the subsequent nine Ships each receive ''''''''' fourteenth of the Contract price for Item 1e of the SOR.
     2. Payment of the relevant portion of the Contract Price for Item 1e of the SOR for each Ship shall be quarterly in arrears from the completion of Set-to-Work of the Ship until 24 months after completion of its SAT(ME) (for the First and Second of Class Ships) or until 12 months after completion of its SAT(ME) (for Ships 3 to11), subject to paragraphs 3.4.3 to 3.4.9.
     3. The quarterly Payments are subject to Performance Monitoring and shall be moderated in accordance with the achievement of the Guarantee Defect Period Monitoring KPI as described in Part 3 of Schedule C (Contract Performance Management).
     4. The Guarantee Defect Period Monitoring KPI comprises of 7 (seven) subordinate PIs.
     5. The Red/Amber/Green performance of each PI will be assessed monthly. In the event there is a mixture of PIs assessed as either Red, Amber or Green, the overall KPI will be scored at the lowest performing PI in the month for the purposes of moderating the monthly payment. Quarterly payments will include each of the 3 monthly totals.
     6. Where a KPI indicates a GREEN level of performance in any month then the full KPI payment for that month as defined at Schedule C (Contract Performance Management) shall be claimed by the Contractor and payment shall be made by the Authority.
     7. Where a KPI indicates an AMBER level of performance in any month then '''''''''' of the KPI payment for that month as defined at Schedule C (Contract Performance Management) shall be claimed by the Contractor and payment shall be made by the Authority.
     8. Where a KPI indicates a RED level of performance in any month then '''''''''' of the KPI payment for that month as defined at Schedule C (Contract Performance Management) shall be claimed by the Contractor and payment shall be made by the Authority.
     9. The moderations for AMBER and RED performances shall be applied to the relevant portion of the Contract Price for Item 1e of the SOR for the specific Ship to which the Guarantee Defect Period applies and for the duration that they apply to. Each month in the quarter shall have the same one third proportion of the quarterly payment value available before moderation.
     10. Table 3.4.10-1 below shows the value of the moderation from the relevant portion of the Contract Price for Item 1e of the SOR for the specific Ship to which the Guarantee Defect Period applies:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **KPI 2 – Guarantee Defect Period Monitoring** | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | |
| **Quarter** | | | | | **Month** | | | | **Price for Green performance subject to Performance Monitoring** | | | | **Moderation Amount for Amber Performance**  **(''''''' deduction from relevant portion of Contract Price for each Month)** | | | | | **Moderation Amount for Red Performance**  **('''''' deduction from relevant portion of Contract Price for each Month)** | | | |
| 1  ''''''''''''''''''''''' | | | | | 1 | | | | '''''''''''''''''''''''' | | | | ''''''''''''''''''''''''' | | | | | '''''''''''''''''''''''''' | | | |
| 2 | | | | ''''''''''''''''''''' | | | | '''''''''''''''''''''''''' | | | | | '''''''''''''''''''''''' | | | |
| 3 | | | | '''''''''''''''''''' | | | | '''''''''''''''''''''' | | | | | ''''''''''''''''''''''''' | | | |
| Each subsequent Quarter to the completion of the Guarantee Defect Period | | | | | 1 | | | | ''''''''''''''''''''' | | | | ''''''''''''''''''''''''' | | | | | '''''''''''''''''''''''''' | | | |
| 2 | | | | '''''''''''''''''''''''' | | | | '''''''''''''''''''''''''' | | | | | '''''''''''''''''''''''' | | | |
| 3 | | | | '''''''''''''''''''''''' | | | | '''''''''''''''''''''''' | | | | | ''''''''''''''''''''''''' | | | |
| GDP starts at Final Acceptance and runs for ''''' ''''''''''''' for the first ship of each batch and ''''' '''''''''''''' for subsequent ships. | | | | | | | | | | | | | | | | | | | | | | |
| Two ships at ''''''''''' and 9 ships at '''''''''. | | | | | | | | |  | | |  | | |  | |  | | | |  |  |
|  | |  | |  | | | GDP | |  | | |  | | | Check | | ''''''' | | | | ''''''' |  |
|  | | Portion | | Comment | | | Duration | | per month | | | per quarter | | | Total | | Amber | | | | Red |  |
| FOC | | ''''''''''''''' | | First B2 ship | | | '''''' | | ''''''''''''''''''' | | | '''''''''''''''''''' | | | ''''''''''''''''''''''' | | ''''''''''''''''''' | | | | '''''''''''''''''''' |  |
| SS02 | | '''''''''''''' | |  | | | '''''' | | ''''''''''''''''''''' | | | ''''''''''''''''''' | | | ''''''''''''''''''''''' | | '''''''''''''''''''' | | | | '''''''''''''''''''' |  |
| SS03 | | ''''''''''''''''' | |  | | | ''''' | | ''''''''''''''''' | | | ''''''''''''''''''' | | | ''''''''''''''''''' | | '''''''''''''''''' | | | | '''''''''''''''''''' |  |
| SS04 | | '''''''''''''' | | First B1 ship | | | ''''' | | ''''''''''''''''''' | | | '''''''''''''''''' | | | '''''''''''''''''''''' | | ''''''''''''''''' | | | | '''''''''''''''''' |  |
| SS05 | | '''''''''''''' | |  | | | ''''' | | '''''''''''''''''''' | | | ''''''''''''''''' | | | '''''''''''''''''''' | | '''''''''''''''''' | | | | ''''''''''''''''''''' |  |
| SS06 | | '''''''''''''' | |  | | | ''''' | | '''''''''''''''''''' | | | ''''''''''''''''' | | | '''''''''''''''''''' | | ''''''''''''''''''''' | | | | '''''''''''''''''' |  |
| SS07 | | ''''''''''''''' | |  | | | '''' | | ''''''''''''''''''''' | | | ''''''''''''''''''' | | | '''''''''''''''''''''' | | ''''''''''''''''' | | | | '''''''''''''''''' |  |
| SS08 | | ''''''''''''''' | |  | | | ''''' | | '''''''''''''''''' | | | ''''''''''''''''''' | | | ''''''''''''''''''' | | '''''''''''''''''' | | | | ''''''''''''''''''' |  |
| SS09 | | '''''''''''''''' | |  | | | ''''' | | '''''''''''''''''''' | | | ''''''''''''''''''''' | | | ''''''''''''''''''''' | | '''''''''''''''''''' | | | | ''''''''''''''''' |  |
| SS10 | | '''''''''''''' | |  | | | ''''' | | ''''''''''''''''' | | | '''''''''''''''''' | | | ''''''''''''''''''''''' | | ''''''''''''''''''' | | | | ''''''''''''''''' |  |
| LOC | | ''''''''''''''' | |  | | | '''''' | | '''''''''''''''''''' | | | ''''''''''''''''''' | | | ''''''''''''''''''''''' | | ''''''''''''''''''''' | | | | ''''''''''''''''''' |  |
|  | | ''''''''''''''''''' | |  | | |  | |  | | |  | | | '''''''''''''''''' | |  | | | |  |  |
|  | |  | | |  | |  | |  |  | | |  | |  | | |  |  | | |  |  |  |  |

**Table 3.4.10-1 – Payment Moderation for Relevant Portion of Contract Price for SoR Item 1e for the Specific Ship to which the Guarantee Defect Period Applies**

* + 1. In Table 3.4.10-1, the column showing the relevant portion of the Contract Price for SOR Item 1e that will be subject to moderation has been left blank and shall be inserted prior to Contract Award in accordance with the Price agreed by the Authority for SoR Item 1e.
    2. Where any Key Performance Indicator continues to display a RED for 3 (three) consecutive months this shall constitute a Default by the Contractor.