

Appendix P Progress Payments

General: Progress payments will be available to the Seller upon Seller's request and on condition that the Seller submits and has approved by the Buyer a Progress Payment Plan prior to or within 30 days of contract award. Progress payments will be paid to the Seller at invoice and upon the completion of physically verifiable milestones defined and scheduled in the plan. Payment will be made at ninety percent (90%) of the assigned value of the milestone(s) achieved or the Seller's incurred cost, whichever is less. Payment for any milestone will not be made until after the scheduled date of milestone completion. Progress payments will be made monthly unless the eligible amount is five thousand dollars or less, in which case the amount shall be included in the Seller's next invoice.

Progress Payment Invoice Request Format: Each invoice must be accompanied by Exhibits A, B and C (C must be duly executed by a Company Officer of the Seller), updated to include the current billing.

Progress Payment Suspension: The Buyer may reduce or suspend progress payments at any time if there is substantial evidence that the Seller has failed to comply with any material provision of the contract.

Liquidation: The Seller shall be entitled to invoice the difference between the contract amount and the cumulative total payments made, less any amount set aside for any provision of the contract providing for monetary retentions by the Buyer, at Delivery of the product(s).

Title: Title for Contract Products is vested in the Buyer as payment is made. Disposition of property shall be determined by other applicable clauses of the contract (e.g. Termination). The Seller must obtain approval of the Buyer before acquiring for its own use or disposing of any property for which title is vested in the Buyer under this clause.

Risk of Loss and Insurance: The Seller shall bear the risk of loss or damage to any property of the Buyer in Seller's possession or care, and shall maintain adequate insurance so as to cover any such loss or damage, and shall name the buyer as the beneficiary of any payments therefrom.

Property Identification: The Seller shall clearly identify, by marking and segregating, all property subject to any liens or title in favor of the Buyer, and shall maintain reasonable control over such property.

Reservation of Rights: The rights and remedies of Buyer provided in this Clause shall not be exclusive, and are in addition to any other rights and remedies provided under this contract or at law.

Preparation Instructions for Program Milestone Plan & Progress Report (EXHIBIT A)

Description/Purpose:

Program milestones consistent with the contract schedule will be identified by the Seller with the proposal or within thirty days after award of the contract as mutually agreed to by the Seller and Buyer. The milestones will represent events which are physically measurable and completion of which is clearly verifiable. A percentage will be assigned to each milestone based on the labor, material and other resources required to achieve the milestone. If provided before contract award, these percentages may be adjusted to reflect the results of negotiations between BIW and the Seller. The milestones and/or percentages may be revised to reflect the effects of scope changes in the contract.

The Program Milestone Plan & Progress Report (Exhibit A) is to be submitted either with the Seller's proposal or within thirty days after award of the contract, as well as with each request for progress payments.

Instructions for filling out Exhibit A:

Provide a brief description of the item being procured (include purchase specification number if applicable).

Item 2. Contract: Enter the contract number.

Item 3. Seller: Enter the company name of the Seller.

Item 4. Ship/Hull: Enter the ship or hull number the milestones are applicable to. A separate plan and progress report must be submitted for each ship.

Item 4a. Current Value of this Shipset: Enter the current value of this shipset.

Item 5. Milestone Description: Enter a short description of the milestone.

Item 6. Milestone Percentage of Contract: Identify the progress percentage that each milestone represents. The sum of all milestones should equal 100%.

Item 7. Cumulative Milestone Percentage: This is the cumulative total of the individual milestone percentages listed in item 6.

Item 8. Planned Milestone Completion Date: Enter the date the milestone is scheduled to be complete.

Item 9. Actual Milestone Completion Date: Enter the date the milestone was actually completed.

Item 10 Planned Milestone Invoice Date: Enter the date the invoice is scheduled to be submitted.

Item 11 Actual Milestone Invoice Date: Enter the date the invoice was actually submitted.

Item 12. Dollar Value of Milestone: Identify the dollar value of the milestone. This is computed by multiplying the milestone percentage value in item 6 by the "Current value of this shipset".

Item 13. Cumulative Dollar Value of Milestones: This is the cumulative total of the individual milestone dollar values listed in item 10.

Item 14. Invoice Dollar Value of Milestone: Identify the dollar value of the invoice to be submitted. (90% of value of milestone(s) achieved or the incurred cost, whichever is less.)

Item 15. Cumulative Invoice Dollar Values: This is the cumulative total of the individual invoice dollar values listed in item 14.

BIW Program Milestone Plan Progress Report

Product:	Specification
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4. Seller:	4b. Current Total Value:
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4a. Hall:	
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REF. NO.	5. Milestone Description	6. Milestone Percentage of Contract	7. Cumulative Milestone Percentage	8. Milestone Planned Completion Date	9. Actual Milestone Completion Date	10. Milestone Planned Invoice Date	11. Actual Milestone Invoice Date	12. Dollar Value of Milestone	13. Cumulative Dollar Value of Milestone	14. Invoice Dollar Value of Milestone	15. Cumulative Invoice Dollar Value of Milestone
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3											
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NOTE: If the Seller would like an electronic copy of this form, please e-mail a request to the BIW authorized Purchasing Representative noted on the face of the Purchase Order.

Preparation Instructions for Progress Payment Request (EXHIBIT B)

Description/ Purpose:

Requests progress payments based on progress made against the milestones on the Program Milestone Plan.

Instructions for Filling out Exhibit B.

Item 1. Product: Provide a brief description of the item being procured (include purchase specification number if applicable).

Item 2. Request Period: Enter the period for which progress payments are being requested.

Item 3. Seller: Enter the company name of the Seller.

Item 4. Request Date: Enter the date of this request.

Item 5. Contract Number: Enter the contract number.

Item 6. Request Number: Enter the number of this request. The request number should be the same as the cumulative number of progress payments requested to date for the contract.

Item 7. Total Price for Hull: Enter the total price of the hull for which the progress payment is being requested.

Item 8. Value of Prompt Payment Terms: Enter the value of any prompt payment terms included in the contract.

Item 9. Amount subject to Progress Payments: Contract value of prompt payment terms from total contract price.

Item 10. Percent Value Earned: Enter the cumulative percentage of completion as shown on Exhibit A, Item 7.

Item 11. Cumulative Dollar Value of Milestones Earned: Enter the cumulative dollar value of completed milestones as shown on Exhibit A, Item 11.

Item 12. 90% of Earned Value: Enter 90% Item 11 above.

Item 13. Incurred Cost: Enter the cumulative cost incurred to date on the contract.

Item 14. Amount Eligible for Billing: Enter the lesser of Items 12 and 13.

Item 15. Previous Progress Payments: Enter the cumulative dollar value of all previous progress payments applied for before this request.

Item 16. Value of Present Request: Subtract Item 15 from Item 14 and enter the results here.

Item 17. Certificate of Inspection: Must be executed by an Officer of the company.

Progress Payment Request

1	Product:		2	Request Period:	
3	Seller:		4	Request Date:	
5	Contract Number:		6	Request Number:	

- 7 Total Price for Hull:
- 8 Value of Prompt Payment Terms:
- 9 Amount subject to Progress Payments:
- 10 Percent Value Earned
- 11 Cumulative dollar value of milestones earned
- 12 90% of Earned Value:
- 13 Incurred Cost:
- 14 Amount Eligible for Billing:
- 15 Previous Progress Payments:
- 16 Value of Present Request:
- 17 Certificate of inspection:

I certify that I am familiar with the construction of the _____
 (work or equipment furnished) and with the progress made thereon, that I have examined the Progress Report(s)
 supporting this application, and that I find them to be true and correct.

 (Company Name)

 (Company Officer)

EXHIBIT C

Progress Payment Invoice #: _____

Contract #: _____

Seller _____

Assignee (if applicable) _____

Date _____

AFFIDAVIT OF NO LIEN

_____, being duly sworn, deposes and says:

That he/she is _____ (position/title) of _____ (Seller's Name), contractor for furnishing of the aforesaid _____. It is his/her duty to know, and he/she does know and is thoroughly familiar with (a) the conduct of the business of said company, (b) its financial condition and the stature of its business transactions, and (c) the provisions of the contract identified above.

That in connection with Invoice No. _____ made by the Seller for partial payment under said contract, he/she has made due and diligent personal inquiry and has ascertained that there are no liens or rights in rem of any kind whatsoever against said _____ (work or equipment furnished), or material construction thereof, other than claims and liens of the _____

That no laborer or mechanic in the employ of said contractor has been permitted or required to work upon any part of the _____ (work or equipment furnished) in violation of the provisions of the contract identified above.

That title to all material and equipment included as part of the value of work done and delivered to the Seller on which payments are made shall immediately be vested in BIW and that all other conditions of said contract are being observed by the Seller in the prosecution of said contract.

Signature