MILESTONE SCHEDULE AND CRITERIA (OPTIONAL)

Note to tenderers: Annex B will consist of an amalgamation of TDR D-2, this draft Attachment, the successful tenderer’s response and any negotiated adjustments.

1. MILESTONE SCHEDULE AND CRITERIA
   1. The Contractor shall comply with the schedule of Milestones, including the dates and criteria as identified in Table B-B1: Milestone Schedule.
   2. Table B-B1:
      1. identifies those Milestones that are Stop Payment Milestones; and
      2. sets out the Milestone Criteria that will be used by the Commonwealth to validate whether:
         1. the Contractor may make claims in accordance with clause 7.2 COC in relation to the achievement of work on elements comprising a given Milestone; and
         2. a given Milestone has been achieved.
   3. Subject to clause 1.4, or unless otherwise agreed between the parties, the Contractor shall not claim completion for a Milestone until the following criteria have been met:
      1. all pre-requisite activities and criteria defined within the Contract, including within Table B-B1, have been met;
      2. any goods scheduled for delivery to the Commonwealth on or prior to the Milestone have been delivered and, if applicable, Accepted;
      3. any Services scheduled for completion on or prior to the Milestone have been completed to the satisfaction of the Commonwealth Representative;
      4. all data items required to be delivered before the Milestone, which are applicable to the Milestone, have been delivered and the Commonwealth Representative considers them suitable for the purposes of the Milestone (which includes the suitability of the data items for the applicable Commonwealth action (eg, Approval or Acceptance)); and
      5. any criteria defined in the Approved Services Management Plan, or other Approved governing plan under the Contract, have been met.
   4. The Commonwealth Representative may agree that the requirements for a Milestone have been met despite the existence of minor omissions or defects in the Services, including any Deliverables, when the Contractor has, as applicable:
      1. provided a written explanation to the Commonwealth explaining how the Contractor plans to rectify the minor omission or defect, including the applicable timeframe for resolution, and the Commonwealth Representative has notified the Contractor of its agreement to the Contractor’s proposed rectification plans; or
      2. for related Deliverables subject to Acceptance, submitted an Application for a Deviation in accordance with clause 6.6.5 of the COC and clause 9.4.1 of the SOW.
   5. The Contractor acknowledges and agrees that:
      1. it will comply with a rectification plan agreed under clause 1.4a; and
      2. if an Application for a Deviation submitted in accordance with clause 1.4b is rejected, it will rectify the omission or defect within a reasonable period of the rejection;
      3. the Commonwealth Representative is not required to exercise the discretion under clause 1.4; and

exercising, or failing to exercise the discretion under clause 1.4 does not limit any other right of the Commonwealth in relation to the achievement of the Milestone and is not capable of being the subject of a dispute for the purposes of clause 13.1 of the COC or otherwise subject to review.

Note to drafters: Ensure that prior to issuing the Request for Tender (RFT):

1. the list of Milestones is consistent with those identified for TDR D-2, including the Milestone Schedule in the Complex Services Pricing Workbook (CSERPW);
2. the associated entry/exit criteria in the following table are updated to align with the specific requirements of the Contract, particularly the SOW;
3. the Milestones that the Commonwealth wishes to have treated as Stop Payment Milestones are identified in the table.

Also, drafters are to ensure that prior to the Effective Date, for each Milestone, corresponding entry and exit criteria are updated and included.

Notes on Table B-B1:

1. ID: A unique line item number.
2. Milestone: Milestone name or abbreviation.
3. Milestone Date: Scheduled date for the (start of the) Milestone in months after the Effective Date or a previous Milestone.
4. Stop Payment: Is this Milestone a Stop Payment Milestone in accordance with clause 7.9 of the COC.
5. Description of Milestone: Briefly describe the Milestone, including any Delivery Location requirements.
6. Milestone Criteria: The specific Milestone Criteria relevant to each Milestone, as tailored to suit Contract-specific needs. Note, when a Milestone Payment is attached to a particular Milestone, specific exit criteria may be specified to determine whether or not payment can actually be made. Similarly, a Milestone may be used to designate the start of a pricing period for Recurring Services, and the exit criteria are used to determine if the new level of Services (and associated Recurring Services Fees) can commence. Milestone criteria may refer to Contractor plans (ie, if these are required to scope specific requirements) or referenced manuals (eg, completion of a major Maintenance servicing as defined in a planned servicing schedule). Milestone Payments should not be listed here but be listed in the ‘Milestone Schedule’ at Annex A to Attachment B. By way of example, entry and exit criteria are provided in the Table above.

Table B-B1: Milestone Schedule

| ID | Milestone | Milestone Date  (in months) | Stop Payment  (Y/N) | Description of Milestone | Milestone Criteria (including any specific entry and exit criteria) |
| --- | --- | --- | --- | --- | --- |
| (a) | (b) | (c) | (d) | (e) | (f) |
|  | 1. Effective Date (ED) | 1. 0 – complete |  |  | * *Contract signature* * *Provision to the Commonwealth of securities and deeds, in accordance with COC clauses 7.5 and 7.6* |
|  | 1. Operative Date (OD) |  |  | 1. Refer to clause 1.6 of the COC. | * *Requirements of COC clause 1.6 have been met.* |
|  | 1. Start X Services (RU#1) |  |  |  | * *Establishment of M1 maintenance capability and S1 supply capability at GFF#1 in accordance with the Approved Ramp Up Management Plan (RUMP).* * *Delivery of X Mission Systems and receipt of associated Support Resources by the Contractor from the Contractor (Acquisition). Refer Contract (Acquisition) SAA checklist.* * *Verification of M1 and S1 in accordance with the Approved RUMP.* * *Refer Contract (Acquisition) SAA checklist.* |
|  | 1. Start Y Services (RU#2) |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |