Performance-based Payment Schedule: CLIN 0001 (FFP Gantry Crane Procurement)

Solicitation Number: FA910126QB069
Acquisition Authority: RFO Part 12 & RFO Part 32 (Performance-Based Payments)
Lead Time: 12 Months from Contract Award to Government Acceptance

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1. Milestone Payment Framework

For high-value, long-lead capital assets like the Shuttlelift SL200II Gantry Crane, a milestone-based payment structure (Performance-Based Payments) is highly recommended. This framework aligns the contractor's financial incentives with physical progress milestones, reducing default risk and validating engineering quality at each critical phase of the 12-month delivery schedule.

Key Principles:

- **Verifiable Triggers:** No payment shall be authorized without the submission of the specified verification documentation and formal sign-off by the 846 TS Project Manager.
- **100% Cumulative Allocation:** The milestones sum to exactly 100% of the CLIN 0001 value.
- **Significant Final Withholding:** 10% of the total cost is withheld until final operational load-testing, personnel training, and formal acceptance (DD Form 250 execution) are completed on-site at Holloman AFB.

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2. Proposed Milestone Payment Schedule

The table below outlines the allocation of funds and billing percentages:

Milestone No.	Project Phase / Deliverable	Target Timeline	Billing %	Verification Trigger & Deliverables
1	**Design Approval & Engineering Release**	Month 2	**10%**	Government approval of final engineering drawings, physical clearance calculations (35' ICH x 30' ICW), and official release to manufacturing.

2	**Major Material Sourcing & Steel Receipt**	Month 4	**20%**	Verification of delivery of major structural steel components and primary hoists to the OEM facility, supported by bills of lading and physical inspection photos.
3	**Structural Fabrication & Welding Completion**	Month 7	**20%**	Completion of major structural welding for the top beam (with transport flange joinery), upright pillars, and wheel frame structures. Approved Quality Assurance (QA) weld inspection report.
4	**Factory Acceptance Testing (FAT)**	Month 10	**20%**	Successful dry-run operational and safety system testing of the fully assembled crane at the manufacturer's facility, witnessed virtually or in-person by 846 TS representatives.
5	**On-Site Delivery at Holloman AFB**	Month 11	**10%**	Inbound shipping completed. Safe unloading and verification of all shipped sub-assemblies, spare wheel assemblies, and the custom spreader bar at the HHSTT target arena.
6	**Turn-Key Assembly & Rigging**	Month 11.5	**10%**	Erection of the crane and integration of the AWS/AWD drive systems, hydraulic plumbing, and the enclosed operator cab with heavy-duty HVAC.
7	**Post-Assembly Acceptance,**	Month 12	**10%**	Completion of on-site load tests (125% dynamic/structural),

	Training, & Handover			gradeability testing, operator training, delivery of all digital/physical manuals, and signed final acceptance (DD 250).
-	**Total CLIN 0001 Value**	**-**	**100%**	**-**

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3. Detailed Milestone Descriptions & Triggers

Milestone 1: Design Approval & Engineering Release (10%)

- **Objective:** Initiates the customized configuration of the standard SL200II design to match Holloman's target configurations.
- **Payment Trigger:**
    1. Receipt of the finalized structural engineering and dimensional submittal package.
    2. Formal written approval from the 846 TS Project Manager confirming the dimensional layout (35' ICH and 30' ICW) is compatible with target handling operations.

Milestone 2: Major Material Sourcing & Steel Receipt (20%)

- **Objective:** Offsets the contractor’s upfront material capital cost for the heavy structural steel and major hydraulic/hoisting assemblies.
- **Payment Trigger:**
    1. Manufacturer-signed inventory receipt of steel plates, structural tubes, slew bearings, and dual-range hoist drum assemblies.
    2. Photographic evidence or virtual inspection of the material warehouse inventory dedicated to the Holloman AFB contract.

Milestone 3: Structural Fabrication & Welding Completion (20%)

- **Objective:** Verifies that the crane's primary structural skeleton is completely fabricated.
- **Payment Trigger:**

1. Technical certification from the OEM Quality Assurance (QA) manager that all structural welds conform to AWS (American Welding Society) standards.
2. Documented confirmation that the modular flange joinery on the top beam has been successfully fabricated and certified.

Milestone 4: Factory Acceptance Testing (FAT) & Shipping Clearance (20%)

- **Objective:** Guarantees the crane is fully functional before it is disassembled and loaded onto inbound transport trucks.
- **Payment Trigger:**
    1. Successful execution of the OEM's standard factory checklist (structural alignment, electrical continuity, hydrostatic drive loop functions).
    2. Completion of a dry-run test showing all-wheel steering (AWS) and hoist dual-range function.
    3. Signature of the FAT report by both the contractor's lead engineer and the 846 TS PM.

Milestone 5: On-Site Delivery at Holloman AFB (10%)

- **Objective:** Transfers physical custody of the gantry crane assets to the Government on-site.
- **Payment Trigger:**
    1. Delivery of all components to the Holloman High Speed Test Track (HHSTT) target arena, NM.
    2. Joint inventory inspection by the contractor's site lead and the Government receiver to confirm no parts were damaged or omitted during transit.

Milestone 6: Turn-Key Assembly & Rigging (10%)

- **Objective:** Erection of the gantry crane into its fully operational structural footprint.
- **Payment Trigger:**
    1. Verification that all structural joinery flanges are secured, hydraulic lines are plumbed with O-ring face seals, and the enclosed HVAC operator cab is fully mounted.
    2. Completion of initial "dry-fire" engine starts and functional tests on-site.

Milestone 7: Post-Assembly Acceptance, Training, & Handover (10%)

- **Objective:** Validates full technical compliance, equips operators, and executes the formal transition of ownership.
- **Payment Trigger:**
    1. Successful completion of the on-site operational, structural, and load capacity tests (including custom spreader bar calibration and gradeability under full load).
    2. Delivery of the formal on-site hands-on training program to designated HHSTT personnel.
    3. Turn-in of all physical and digital operator, maintenance, and diagnostic manuals.
    4. Execution of the **DD Form 250** (Material Inspection and Receiving Report) by the Contracting Officer.