

**Sub –Part H – Payment Schedule****1.0 PAYMENT SCHEDULE**

Oregon Iron Works, Inc. accepts the estimated payments schedule as outlined in RFP No. 105620 as listed below:

Payment Schedule – The Estimated Payment Schedule is based on an assumed flow of funds to TriMet and the City in four federal fiscal years, and the anticipated timing of payments to the TriMet and the City through the federal grant. The timing and amount of all payments shall be subject to Congressional appropriation, grant agreements and granting of funds by the FTA.

ESTIMATED PAYMENT SCHEDULE

Fed FY	Description	Cumulative % of Total Contract Amount
FY 2005-2006	Five (5) percent following issuance of Notice to Proceed	5%
	Five (5) percent following completion of subcontractor and sub supplier contracts	10%
	Fifteen (15) percent following design approval	25%
FY 2006-2007	Five (5) percent following approval of carbody testing	30%
	Ten (10) percent following assembly and painting of carbody	40%
	Ten (10) percent following FAI of key components and systems	50%
FY 2007-2008	Fifteen (15) percent following delivery of car to Portland Maintenance Facility	65%
	Ten (10) percent following successful completion of six months of testing on Portland tracks	75%
FY 2008-2009	Fifteen (15) percent following successful completion of next six months testing.	90%
	Ten (10) percent following final acceptance	100%

The timing and amount of funding available to make payments under the contract will be determined each year by the City, as appropriations and grants are approved by the federal government. Payments for the prototype streetcar under the contract will not exceed 80% of funds appropriated and granted in any given year. The exception is year one of the contract. For federal fiscal year 2005-2006, Congress has appropriated \$990,000. Subject to award of a final grant in this amount from the FTA, TriMet and the City have determined the allocation of funds in the first year for the prototype vehicle will be \$800,000.





As all contract payments are "subject to appropriation", as described above, and spread over four (4) years in uncertain amounts, Proposers shall indicate their willingness to accept the risk and financing responsibility associated with the timing and amount of payments and the uncertainty of the appropriations. IN the event any of the appropriation are not secured by the FTA, if the amount of any appropriation is less than \$1 million, or if the FTA does not award the grant funds to TriMet and the City for any reason, Section 1.14 TERMINATION FOR CONVENIENCE as set forth in ATTACHMENT A GENERAL CONDITIONS shall apply.

For further clarification, we expect payments related to milestones accomplished in 2007 to be made from funding as outlined above from both FY 2005-2006 and FY 2006-2007.

