

**Attachment D**  
**MILESTONE PAYMENT SCHEDULE**

**[Insert proposal title]**  
**[Insert proposer name]**

Payments shall be made upon acceptance of NYSERDA’s Project Manager of the following Milestones:

Phase	Task	Description	Milestone / Deliverable	Schedule (months from project inception)	Milestone Payment
	1	Project Management	meetings	As required	\$ 0
	2	Reporting	Phase 1 Completion Phase 2 Completion Phase 3 Quarterly Final Report	As required	
	<b>Total: Tasks 1&amp;2</b>				\$ 0
<b>1</b>	3	Characterization & Assessment	<ul style="list-style-type: none"> <li>• Facility Needs Assessment</li> <li>• Economic Development Program Summary</li> <li>• Summary of Candidate Sites</li> </ul>	[insert # months] (maximum 3)	
	4	Financial Plan	• Updated Financial Plan		
	5	Site Selection and Control	<ul style="list-style-type: none"> <li>• Description of Selected Site</li> <li>• Evidence of Site Control, Such as an Executed Lease or Purchase Agreement</li> </ul>		
	<b>Total: Phase 1 Incentive</b>				<b>Maximum 5% of total</b>
<b>2</b>	6	Facility Design and Engineering	<ul style="list-style-type: none"> <li>• Summary Description or Diagrams of Plant and Site Layout</li> <li>• List of Major Pieces of Equipment</li> </ul>	[insert # months]	<b>\$xxxx</b>
	7	Permits and Approvals	• Evidence of Permits and Regulatory Approvals	[insert # months]	<b>\$xxxx</b>
<b>All environmental and site permits must be in place before any NYSERDA payments for design, engineering or equipment procurement will be made.</b>					

Phase	Task	Description and Milestone / Deliverable	Schedule	Milestone Payment	
2	8	Facility Construction and Commissioning	<ul style="list-style-type: none"> <li>• Evidence of Equipment Delivery</li> <li>• Confirmation of Project Completion and Commercial Operation</li> <li>• Results of Factory Commissioning Tests and Inspection</li> <li>• Copy of the Certificate of Occupancy</li> <li>• Certificate of Insurance</li> </ul>	[insert # months]	\$xxxx
		<b>Total: Phase 2 Incentive</b>			<b>Phase 1 plus Phase 2 must be less than 25% of total</b>
3	9	<p>Task 9 shall be an production incentive-based payment plan. NYSEDA shall pay [insert percentage; maximum is 25%] of the total New York State value added (“NYSEVA”) per product produced or sold as evidenced by purchase orders or bills of sale during the reporting period. NYSEVA shall be calculated using the following formula:</p> <p>NYSEVA= [New York State-attributable labor cost per unit] + [New York State-attributable overhead] + [cost of New York State-produced raw materials] + [cost of New York State-produced components]</p> <p>For each reporting period***, the Contractor shall provide evidence** of these New York State-attributed costs. New York State overhead does not include costs of financing, depreciation or income tax. Quarterly incentive payments shall be available for 60 months from contract execution or until the maximum of [insert Phase 3 NYSEDA funding amount] is reached.</p>	Quarterly payments for 20 quarters (5 years) or until the total incentive payment has been made, commencing with commercial production****		
		<b>Total: Phase 3 Incentive</b>			<b>Minimum 75% of total</b>
					<b>Max \$xxxx</b>

\* Documentation shall include evidence of production including certified test results of conversion efficiency, verifiable documentation of production line output rates, and product samples.

\*\* Evidence must be presented that shows clearly the method for calculating each component of the formula. Individual costs, such as production labor, can be aggregated over the course of the

reporting period.

\*\*\* As described in Subtask 2.3, the Contractor shall submit quarterly reports throughout Phase 3. These reports shall include the calculation of NYSVA for the period as well as a cumulative summary of all incentive payments to date. The Contractor shall also include documentation to substantiate product sales and NYSVA.

\*\*\*\* Commercial operation is defined as that time when the plant is manufacturing products for sale to markets

## **COST SHARING**

It is understood and agreed that NYSERDA and the Contractor are sharing the costs for the project work to be performed and that the cost share identified in the Contractor's proposal and budget shall be readily available as described therein. NYSERDA reserves the right to reduce the amount of any milestone payment to an amount commensurate to the documented cost share incurred.

## **REPAYMENT IF MANUFACTURING OPERATIONS ARE MOVED OUT OF STATE**

It is understood and agreed that the Contractor plans on continuing full manufacturing operations in New York State for a period of at least five years. If the Contractor moves the manufacturing operations installed under this Agreement to a location outside of New York State before the end of the five-year manufacturing period, the Contractor must return a portion of NYSERDA's payment to NYSERDA based on the following pro-rated formula:

$$\text{Amount Returned} = \frac{[60 \text{ months} - \text{months in operation}]}{[60 \text{ months}]} \times [\text{Phase 2} + \text{Phase 3 payments}]$$

If the Contractor maintains full manufacturing operations in New York State there shall be no repayment to NYSERDA required.

New York State Energy Research and Development Authority			Solicitation/Contract No.	Page	
Contractor:			Name of Proposed Project:		
Address:					
Location (where work is to be performed):			NYSERDA funding:		
			Total Project Cost:		
Cost Element			Total Project Cost	Funding & Co-funding via NYSERDA	Cost-sharing & Other Co-funding
1. Direct Materials					
a. Purchased Parts					
b. Other					
Total Direct Materials					
2. Materials Overhead	Rate:				
3. Direct Labor (specify names/titles)	Hours	Rate/hr			
Total Direct Labor					
4. Labor Overhead	Rate %	\$ Base			
Total Labor Overhead					
5. Outside Special Testing					
6. Equipment					
7. Travel					
8. Other Direct Costs					
9. Subcontractors/Consultants					
Total Subcontractors/Consultants					
10. General & Administrative Expense	Rate %	Element(s)			
11. Fee or Profit (If allowable) Rate:					
12. Total Estimated Project Cost					
This proposal reflects our best estimates as of this date, in accordance with the instructions to proposers.					
Typed Name and Title:			Signature:		Date:
Has any executive agency of the U.S. government performed any review of your records in connection with any prime contract or subcontract within the past twelve months?      ___ Yes      ___ No					
If yes, identify:					



## INSTRUCTIONS FOR PREPARATION OF COST ESTIMATE

Your cost proposal may be the basis of contract negotiation; it should be specific and complete in every detail. Supporting schedules (as described in Section B) providing the basis for your estimates must be provided.

### A. GENERAL

The schedule must be submitted on NYSERDA's Contract Pricing Proposal Form.

### B. INSTRUCTIONS AND DESCRIPTION OF REQUIRED SUPPORT DETAIL

(Title each supporting schedule and cross-reference it to the item number on the Contract Pricing Proposal Form)

#### 1a. DIRECT MATERIALS - PURCHASED PARTS

Provide the following information for each proposed item with an estimated unit cost in excess of \$15,000.

- o Description of item
- o Proposed vendor
- o Quantity needed
- o Unit cost
- o Basis for cost (i.e., catalog, prior purchase, quote, etc.)
- o Total cost
- o Evidence of a competitive selection process in accordance with the requirements of the Subcontract Procedures section of the attached Sample Agreement.

#### 1b. OTHER DIRECT MATERIALS

In accordance with the requirements of the Subcontract Procedures section of the attached Sample Agreement, for all items in excess of \$5,000, provide whatever information would be necessary to understand what is being obtained, how it is being obtained, what it will cost and how the estimated cost was determined with justification for all items.

#### 2. MATERIALS OVERHEAD (also applicable to other Indirect Rate categories: 4. LABOR OVERHEAD and 10. G&A EXPENSE)

- o If Government-approved indirect rates are proposed, then supply a copy of an appropriate Government document verifying those rates.
- o If Government-approved rates are not proposed, supply the following, unless previously provided, for the years comprising the proposed period of contract performance.
  - o A description (chart or other) of the organization of the indirect cost center.
  - o The budget of indirect costs, by account, for each proposed indirect expense rate.
  - o The budget for the base, for each proposed rate, (direct labor dollars, hours, costs, etc.) itemized as to contract hours or costs, research and development hours of costs, and any other direct base effort.
  - o Actual incurred rates for the prior three years, including actual base and pool amounts.

#### 3. DIRECT LABOR

##### a. Commercial Enterprises

- (1) Attach supporting schedules showing:
  - o Each category or type of labor being estimated
  - o Applicable labor rates per hour (straight-time)
- (2) Explain the method used for computing the rates (i.e., actual of an individual, actual average of a category or other grouping, etc.) Also identify any proposed labor escalation and the bases for it.

##### b. Educational Institutions

Provide the following for each calendar year of the contract:

- (1) For individuals not on an "actual hours worked" basis:
  - o individual's name
  - o annual salary and the period for which the salary is applicable (preferably in weeks)
  - o the proportionate time to be charged to this effort.
- (2) For individuals who maintain time records as the basis for charging costs, supply the detail as requested in Instructions 3(a)(1)

4. LABOR OVERHEAD (Same as Instructions for 2. MATERIALS OVERHEAD)
5. OUTSIDE SPECIAL TESTING
  - a. Describe the effort.
  - b. Provide the units of time (hours, days, weeks), cost rates, and the vendor.
  - c. In accordance with the requirements of the Subcontract Procedures section of the attached Sample Agreement, provide the basis for selection of the vendor. Identify M/WBE vendors contacted for quotes and if none, explain why. Explain and justify the basis for any non-competitive selection.
6. EQUIPMENT

Capability to perform the work with existing facilities and equipment is assumed. It is NYSERDA's policy not to compensate for general purpose facilities or equipment. If some special purpose items are needed solely for this contract and are not available by other means (contractor assets, lease, etc.), then provide the following information for each item of required equipment.

  - o vendor
  - o model number
  - o quantity
  - o competitive selection process
  - o unit cost and source of cost/price (i.e., quote, catalog, purchase history)
  - o description of the use or application (NYSERDA dedicated, contract dedicated, other)
7. TRAVEL
  - a. NYSERDA will accept as a direct charge only that travel required to perform the statement of work.
  - b. Attach a schedule indicating the need for the proposed travel, the estimated number of person-trips required, destinations, mode and cost of transportation, and number of days subsistence per trip for each destination.
  - c. Identify and support any other special transportation costs required in the performance of this project.
8. OTHER DIRECT COSTS
  - a. Identify the type of cost (i.e. postage, telephone, publications, graphics, etc.)
  - b. Provide cost details for the amounts estimated (hours or units, rates, etc.)
  - c. If any internal service center rates are applied, provide details similar to that required in Instruction #B.
  - d. For computer costs identify the make, model and type of computer, hours of service and appropriate rates, and whether the machine is company owned or leased.
9. SUBCONTRACTORS/CONSULTANTS
  - a. Explain the specific technical area in which such service is to be used and identify the contemplated consultants.
  - b. State the number of days and the hours per day of such service estimated to be required and the consultant's quoted rate per day. Document when/where the consultant has received the proposed rate in performing similar services for others.
10. GENERAL & ADMINISTRATIVE (G&A) EXPENSE (Same as instructions for 2. MATERIALS OVERHEAD)
11. FEE OR PROFIT

List the rate proposed for profit. No fee or profit is allowed under product development, demonstration or other certain cost-sharing projects.