

4.0 PAYMENT

All payments for the Contract shall be made according to the lump sum annual prices proposed by the Contractor in its O&M Price Proposal and attached to the Operations and Maintenance Contractor-Owner Agreement, in accordance with the procedures specified in OMGR Section 5.0, CONTRACT MODIFICATIONS below, subject to economic price adjustment specified in OMGR Section 4.1, ECONOMIC PRICE ADJUSTMENT and 4.2 REHABILITATION AND REPLACEMENT SEQUENCE ADJUSTMENT below. In addition, any additional compensation as provided by OMGR Section 7.0, REPAIR AND REPLACEMENT OF DAMAGED PARTS, COMPONENTS OR MATERIALS below shall be paid in accordance with that specified in OMGR Sections 7.3, COMPENSATION FOR REPAIR AND REPLACEMENT and 7.5, PAYMENT PROCEDURES below.

4.1 ECONOMIC PRICE ADJUSTMENT

The lump sum annual prices for each year of the Contract shall be adjusted for inflation at the beginning of each year of the Contract and then shall not be further adjusted for inflation throughout each year. The lump sum annual prices shall be adjusted in accordance with the following procedures.

1. Labor Prices - All labor prices quoted on Forms OM- LP of the Contractor's O&M Price Proposal for each year of the Contract Term shall be adjusted according to an index which shall be defined as the ratio of the latest published Consumer Price Index (CPI-U) for the Dallas/Fort Worth Metropolitan Area that is available one month prior to the beginning of each year of the Contract to the prevailing rate as of the date of the Contractor's O&M Price Proposal.
2. Parts and Materials - All Classifications of Forms OM- MP of the Contractor's O&M Price Proposal for each year of the Contract Term shall be adjusted according to the ratio of the following latest published indices that are available one (1) month prior to the beginning of each year beginning, after the first year of the Contract, from the date of the Contractor's O&M Price Proposal.
 - a. OM--MP Classification Items 1 shall be adjusted in accordance with an index which shall be a composite simple average of the Electrical Machinery and Equipment Index (PPI 11-7) and the Metal and Metal Products Index (PPI 10), as published by the U.S. Bureau of Labor Statistics.
 - b. Classification Items 2-5 shall be adjusted in accordance with the Consumer Price Index (CPI-U) for Dallas/Fort Worth, Texas, as published by the U.S. Bureau of Labor Statistics.

Where an index has not yet been published, such as for a date in the future, the index shall be estimated by use of a linear regression analysis of the most recent five (5) years of index values. In the event that one of the above indices ceases to be published, the Owner and the Contractor shall negotiate and agree on another index to be used in place of the discontinued index. Any such new index shall be comparable to the index which it replaces. Foreign (non-U.S.) indices and/or any corrections for trading of currency shall be prohibited.

The cumulative amount of Economic Price Adjustment for the above prices shall not exceed an average of six percent (6%) per year, beginning with the date of the O&M Price Proposal. In the event that such Economic Price Adjustment would exceed this six percent (6%) ceiling, the Owner and the Contractor shall enter into a negotiation to either revise the ceiling, or reduce the Scope of Work, or both, to account for the variance above the ceiling. This six percent (6%) ceiling shall be prorated monthly for any partial year.

4.2 REHABILITATION AND REPLACEMENT SEQUENCE ADJUSTMENT

The lump sum annual prices include all of the rehabilitation and replacement work required to maintain and operate the System in accordance with OMGR Appendix A Section 4 MAINTENANCE REQUIREMENTS. The Contractor shall annually submit an update of the Rehabilitation and Replacement Plan for approval by the Owner. If mutually agreed to by the Owner and Contractor, rehabilitation or replacement activities may be reallocated from year to year. If the number or size of the reallocated rehabilitation or replacement activities is deemed by the Owner to represent a substantial amount of the rehabilitation and replacement work, the Contractor shall proportionally transfer the annual pricing of the rehabilitation and replacement work to the year the work is being performed.

All rehabilitation and replacement work shall be performed during the term of the Contract. If the Owner unilaterally delays the performance of some rehabilitation and replacement work, the Contractor will be absolved from performance penalties that can be associated with such work.

4.3 MONTHLY PAYMENTS

The Contractor shall be paid monthly in accordance with the calculations and conditions specified in OMGR Appendix B, DETERMINATION OF MONTHLY PAYMENTS, except that any payments for work performed as provided under OMGR Section 7.0, REPAIR AND REPLACEMENT OF DAMAGED PARTS, COMPONENTS OR MATERIALS below shall be paid in accordance with the procedures specified in OMGR Sections 7.3, COMPENSATION FOR REPAIR AND REPLACEMENT and 7.5, PAYMENT PROCEDURES below.

4.4 INVOICES

Commencing with the last day of the first calendar month after NTP, the Contractor shall submit to the Owner, within fifteen (15) working days of the last day of each calendar month, an invoice for the services performed under this Contract by the Contractor during that calendar month. The form of the invoice shall be as prescribed by the Owner. Partial releases from all suppliers and subcontractors shall be furnished with all but the first invoice. A monthly System Assurance Monitoring report must be included with the invoice. The report shall cover the same month as the invoice.

Within thirty (30) calendar days after the Owner certifies the correctness of each invoice, the Owner will pay to the Contractor by check or wire transfer, the amount so certified. Payments due and unpaid under the Contract shall not bear interest. No certificate or payment shall, at any time, preclude the Owner from showing that such certificate or payment was incorrect, or from recovering any money paid in excess of that lawfully due hereunder.

The Owner may withhold from payments the following items from any invoice:

1. The cost of replacing defective parts or work paid to other parties.
 2. An amount to cover claims filed by the Owner or other parties against the Contractor.
 3. The cost of licenses, fees or permits the Contractor has failed to obtain and or pay for.
 4. The cost to repair damages to first or third party work that the Contractor has failed to repair.
 5. An amount for any violation of or failure to comply with these Contract provisions.
 6. Unpaid amounts owed to the Owner for use of Owner's facilities or services.
 7. Errors due to any cause that may be discovered in any previous payment.
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8. Written request from contractor's surety to withhold payment(s).

Execution of this Contract by the Contractor shall constitute a waiver by the Contractor to claim any right of payment of interest upon any such above retained funds.

Upon payment by the Board, Contractor shall pay each subcontractor the appropriate share of the payment no later than the seventh (7th) calendar day after the day on which the Contractor receives payment from the Board.

Unless otherwise directed, invoices shall be submitted by mail, fax or email to:

Dallas/Fort Worth International Airport Board
Procurement and Materials Management Department
Attn: Contract Accounts Payable
P. O. Box 619428
Dallas/Fort Worth Airport, Texas 75261-9428
Fax: 972-973-5601
Email: imaging@dfwairport.com

USE ONLY ONE METHOD OF INVOICE DELIVERY

4.5 FINAL CONTRACT PAYMENT

Conditions regarding Final Payment are provided in OMGC Section 52.0, FINAL CONTRACT PAYMENT. As the Final Payment, the payments for the last month of the Contract term, optional training of Owner-designated personnel, if said option has been exercised by the Owner, and any other monies due the Contractor from the Owner shall be paid to the Contractor upon Contractor's satisfactory completion of the following:

1. The inventory of all Skylink System's equipment and property has been audited by the Owner to be correct.
 2. The inventory of consumables, parts, and spare equipment are shown to be replenished to the level specified in the System Contract, Section TP 14.5, SPARE PARTS, EXPENDABLES, AND CONSUMABLES or to the level as amended by any Contract Modifications.
 3. The inventory of furniture, fixtures, and maintenance tools and equipment provided under the System Contract and as amended in the previous O&M Contract is shown to be replenished and in a working and serviceable condition.
 4. All repairs, scheduled maintenance and scheduled overhauls due prior to the end of the Contract term or which are required to meet the specified level of maintenance and operational readiness have been completed.
 5. The System Operations Plan, Maintenance Plan, O&M Management Plan, Operations Manuals, Maintenance Manuals, Rule Book and any other plans and manuals used in the operation and maintenance of the Skylink System have been updated as specified herein and the specified number of copies of these documents are supplied.
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6. All Contract Operations and Maintenance records have been provided to the Owner and the automated Maintenance Management Information System (MMIS) is current.
7. All documentation of the Skylink System's design is current and configuration used for its operation and maintenance are provided to the Owner.
8. Deliver to Owner a certificate that all claims for labor arising under this Contract have been satisfied and that all bills for any materials, equipment, or services have been paid.
9. Furnish the Owner a complete release of all liens which might arise out of the Contract, for which the Contractor has been reimbursed by the Owner, or receipts in full in lieu thereof, and a certificate that such releases and receipts include all labor and materials for which a lien could be filed.
10. Agreement and Release of Any and All Claims.

Said Final Payment shall not be the Owner's exclusive means to cover the costs of the aforesaid conditions. The Owner shall retain all rights and remedies provided by the Operation and Maintenance Performance Bond and as provided by these Operations and Maintenance General Requirements and law to cover deficiencies in the above.