

SCHEDULE B: CONTRACTOR GOVERNANCE AND MANAGEMENT
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This Schedule B sets out the high level obligations of the Contractor and the Aurora Partner Sub-Contractors (see 1.2 below) for EDP governance.

1. CONTRACTOR GOVERNANCE

1.1 Contractor

The Contractor for the EDP Agreement is QinetiQ Ltd. The EDP Agreement is between the Authority and QinetiQ, with sub-contracts placed by QinetiQ with Atkins Ltd and BMT Defence and Security UK Ltd - 'the Aurora Partner Sub-contracts'.

1.2 Aurora Engineering Partnership

The Aurora Engineering Partnership is QinetiQ Ltd, Atkins Ltd and BMT Defence and Security UK Ltd - the 'Aurora Partners'.

The Aurora Partners have signed a binding Aurora Consortium Agreement. The Aurora Consortium Agreement does not alter or conflict with the Contractor's responsibility as the contracting entity accountable to the Authority for the EDP Agreement.

1.3 Ways of Working

The Aurora Consortium Agreement sets out how the Aurora Partners shall work collaboratively, to deliver and transform engineering services through the EDP Agreement.

The Aurora Consortium Agreement includes, amongst other things, agreed procedures and processes through which the Aurora Partners shall determine how new work is allocated, how KPI payments are shared, appointments to their senior leadership team and procedures for conflict avoidance/resolution.

1.4 Quality Control & Performance Monitoring

The Authority requirements for quality control and performance monitoring flow directly from the EDP Agreement into the Aurora Partner Sub-contracts. The detailed procedures and processes for managing these aspects are set out in the EDP Operating Manual, Annex F: Performance and Controls and referenced in the Aurora Consortium Agreement.

1.5 Dispute Resolution

Unsatisfactory performance by any of the Aurora Partners is handled through robust performance review and governance mechanisms included in the Aurora Partner Sub-contracts and Aurora Consortium Agreement. The Aurora Partners operate a 'conflict avoidance' approach and there is an escalation route to Board level for disputes that cannot be resolved at source.

1.6 Changes in the Structure of the Aurora Engineering Partnership

Under the EDP Agreement, the Contractor is required to notify Authority of any changes to the structure of the Aurora Engineering Partnership in accordance with Clause 10 of this Agreement. These requirements are mirrored in the sub-contracts placed by the Contractor with the Aurora Partner Sub-contractors.

Further, the Aurora Consortium Agreement includes mechanisms underpinned by internal governance for expediting proposed removals from, or additions to the Aurora Engineering Partnership.

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1.7 **Innovation Projects**

Innovation Projects recommended for approval are overseen by a Joint Innovation Governance Committee and progressed through staged approval processes.

The Contractor shall allocate suitability qualified personnel from any member of the Aurora Engineering Partnership and Sub Contractors to undertake an Approved Innovation Task Orders.

The governance processes seek to ensure that Innovation Projects contain appropriate incentive mechanisms (including gain share) to maximise the prospects of delivering successful outcomes for Defence, to be determined on a task-by-task basis.