

SCHEDULE Q: INNOVATION

**SCHEDULE Q  
INNOVATION**

1. This Schedule Q (Innovation) describes:
  - 1.1 The Governance and procedure for agreeing and implementing a Part B Innovation Opportunity;
  - 1.2 The rights and obligations of the Parties in effecting the Authority or Contractor Generated Innovation Opportunities; and
  - 1.3 The provisions relating to termination, change and exit in relation to an Approved Innovation Project.
2. **INNOVATION GOVERNANCE COMMITTEE**
  - 2.1 The Innovation Governance Committee is the Authority body that shall meet and consider all Authority Directed Innovation Opportunities and Contractor Generated Innovation Opportunities provided to it through the Authority Delivery Team. The first such meeting of the Innovation Governance Committee will occur no later than six (6) months after the Commencement Date, and every three (3) months thereafter.
  - 2.2 The Aurora EDP Lead shall attend a meeting of the Innovation Governance Committee at the request of the Authority to clarify any part of a Contractor Generated Innovation Opportunity or Authority Directed Innovation Opportunity (as the case may be).
3. **CONTRACTOR GENERATED INNOVATION OPPORTUNITY**
  - 3.1 If the Contractor proposes to the Authority an idea for an innovation, the idea shall be termed a "**Contractor Generated Innovation Opportunity**" or "**CGIO**", which shall be developed in accordance with the process flowchart annexed to this schedule.
  - 3.2 The Authority may, at the request of the Contractor, provide reasonable assistance to the Contractor during such development and thereafter the Authority Delivery Team will decide, based on the merit(s) of the articulated benefit(s), whether the Contractor

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Generated Innovation Opportunity should be referred to the Innovation Governance Committee for acceptance or rejection.

- 3.3 The Contractor shall provide the Authority with an update each Month on its progress in developing any Contractor Generated Innovation Opportunity.

4. **REVIEW OF A CONTRACTOR GENERATED INNOVATION OPPORTUNITY BY THE INNOVATION GOVERNANCE COMMITTEE**

- 4.1 In respect of a Contractor Generated Innovation Opportunity, the purpose of the Innovation Governance Committee meeting is for the Innovation Governance Committee to decide (in its absolute discretion):

4.1.1 whether or not to accept or reject a Contractor Generated Innovation Opportunity; and

4.1.2 if such Contractor Generated Innovation Opportunity is to be delivered pursuant to an Approved Innovation Tasking Order, the type of Delivery Fee that may be agreed for such Approved Innovation Tasking Order.

- 4.2 If the Innovation Governance Committee decides to reject a Contractor Generated Innovation Opportunity, the Authority will have no further liability to the Contractor in respect of such Contractor Generated Innovation Opportunity.

- 4.3 If the Innovation Governance Committee accepts a Contractor Generated Innovation Opportunity a Mature Fee may apply, to be contracted as a Task.

- 4.4 If the Innovation Governance Committee decides that a Contractor Generated Innovation Opportunity is to be delivered as an Approved Innovation Project, the Parties will use reasonable efforts to agree those terms (including the Delivery Fee) as an Approved Innovation Project.

- 4.5 Following such agreement, the Contractor shall deliver a Contractor Generated Innovation Opportunity in accordance with the terms of the applicable Approved Innovation Project.

5. **AUTHORITY DIRECTED INNOVATION OPPORTUNITY**

- 5.1 If the Authority requests that the Contractor develops a proposed innovation of the Authority, the idea shall be termed an "**Authority Directed Innovation Opportunity**" or "**ADIO**".

- 5.2 The Contractor shall in its sole discretion decide which Authority Directed Innovation Opportunities it shall develop and the Contractor shall confirm in writing this decision to the Authority. If the Contractor decides not to progress an Authority Directed Innovation Opportunity, it shall not have any rights in respect of that Authority Directed Innovation Opportunity.

- 5.3 If the Contractor decides to progress an Authority Directed Innovation Opportunity, it shall do so in accordance with the ADIO process flowchart annexed to this schedule. The Authority shall, at the request of the Contractor, provide reasonable assistance to the Contractor during such development and thereafter, the Authority Delivery Team

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shall decide whether the Authority Directed Innovation Opportunity should be referred to the Innovation Governance Committee.

- 5.4 In respect of the payment of a Mature Fee to be paid for the development of the Authority Directed Innovation Opportunity an Approved Innovation Project shall be raised and agreed between the Parties.
- 5.5 The Contractor shall provide the Authority with an update each Month on its progress in developing any Authority Directed Innovation Opportunity.
- 6. REVIEW OF AN AUTHORITY DIRECTED INNOVATION OPPORTUNITY BY THE INNOVATION GOVERNANCE COMMITTEE**
- 6.1 In respect of an Authority Directed Innovation Opportunity, the purpose of the Innovation Governance Committee meeting is for the Innovation Governance Committee to:
- 6.1.1 evaluate whether or not the Authority Directed Innovation Opportunity has been sufficiently developed so that it can be delivered; and
- 6.1.2 decide (in its sole discretion) and taking into account the obligations of the Authority under Applicable Laws, whether or not any Authority Directed Innovation Opportunity shall be delivered:
- (A) by the Authority;
- (B) through an Authority Related Party;
- (C) through an provider appointed by the Authority using a competitive procurement process;
- (D) through the Contractor pursuant to an Approved Innovation Tasking Order; or
- (E) through any combination of the options set out in this Paragraph 6.1.2.
- 6.2 If the Innovation Governance Committee determines that an Authority Directed Innovation Opportunity shall be delivered as an Approved Innovation Project, the Parties shall use reasonable efforts to agree the terms (including a Delivery Fee).
- 6.3 Following such agreement, the Contractor shall deliver the Authority Directed Innovation Opportunity in accordance with the terms of the applicable Approved Innovation Project.
- 7. FEES FOR APPROVED INNOVATION OPPORTUNITIES AND PROJECTS**

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7.1 Innovation Fees payable for the performance by the Contractor of the Services set out in Part B (Innovation) of Schedule A (Requirements) shall be payable in accordance with this Paragraph 6 (Part B Innovation Fees).

7.2 **Mature Fee**

7.2.1 A "Mature Fee" means a fee payable by the Authority to the Contractor as consideration for the maturing and development of an Authority Directed Innovation Opportunity or a Contractor Generated Innovation Opportunity

7.2.2 The Contractor may be entitled to seek payment from the Authority of a Mature Fee, in respect of a Contractor Generated Innovation Opportunity, if:

(A) the Innovation Governance Committee approves such Contractor Generated Innovation Opportunity; and

(B) an EDP Part B Tasking Order is completed by the Authority Delivery Team pursuant to Paragraph 3 (Review of a Contractor Generated Innovation Opportunity by the Innovation Governance Committee) of the Part B Tasking Process.

7.2.3 The Contractor shall be entitled to seek payment from the Authority of a Mature Fee in respect of an Authority Directed Innovation Opportunity:

(A) where an Approved Tasking Order has been received, following a meeting of the Innovation Governance Committee held to evaluate and approve such Authority Directed Innovation Opportunity;

(B) upon receipt of notice from the Authority that it requires the Contractor to stop developing such Authority Directed Innovation Opportunity; or

(C) on the date falling six (6) Months after the date upon which the Contractor confirmed in writing that it would develop such Authority Directed Innovation.

7.3 **Delivery Fee**

7.3.1 A "Delivery Fee" means a fee payable to the Contractor for the delivery of an Approved Tasking Order for Innovation, to be agreed by the Parties in the relevant Part B Task, that reflects the risk to be taken by the Contractor in delivering such Approved Tasking Order for Innovation and may include one or more (or a blend of) the following options:

(A) Allowable Costs plus a Contract Profit Rate;

(B) a firm price;

(C) payments for reaching a Milestone;

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- (D) discounted fees;
- (E) success fees;
- (F) a gainshare fee; or
- (G) target cost incentive fee.

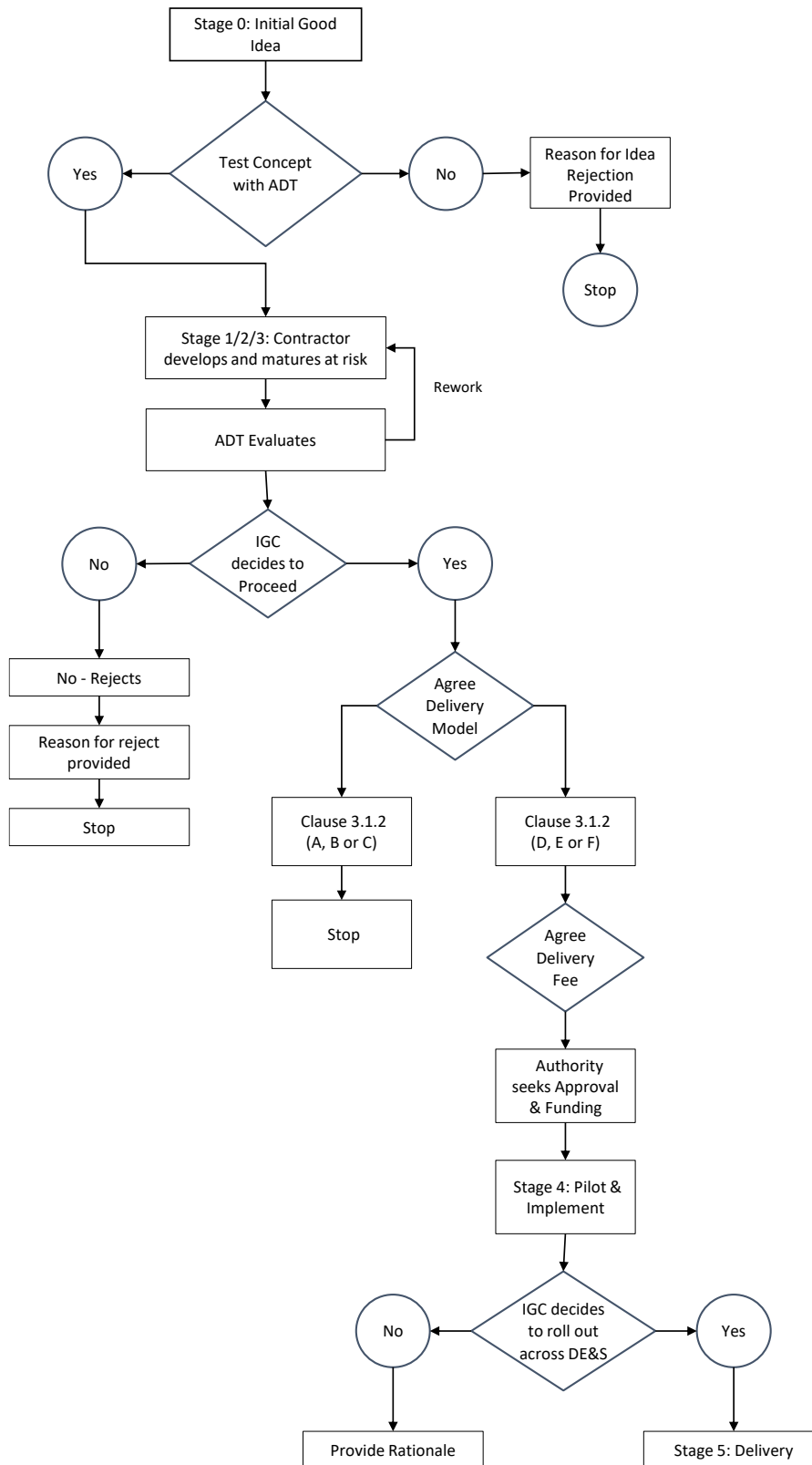
**8. AMENDMENT OF APPROVED INNOVATION PROJECTS**

- 8.1 Amendments to any Approved Innovation Projects may be identified at any point during the delivery of an Approved Innovation Tasking Order by the Authority Delivery Team or the Contractor Delivery Team. The relevant amendment shall be considered by the Innovation Governance Committee.
- 8.2 If the Innovation Governance Committee directs an amendment, the Authority and the Contractor shall endeavour to agree to a Change to the Approved Innovation Project in accordance with Clause 20 (Formal Amendments to the Agreement) .

**9. EARLY TERMINATION OF APPROVED INNOVATION PROJECTS**

- 9.1 The Authority shall be entitled to terminate for convenience any Approved Innovation Tasking Order in accordance with the terms as set out in Clause 61.4 of the Agreement or in accordance with the applicable DEFCON 656, dependent on the value of the Approved Innovation Project, if no period is agreed.

SCHEDULE Q: INNOVATION  
ANNEX A: CGIO PROCESS FLOWCHART



SCHEDULE Q: INNOVATION  
ANNEX B: ADIO PROCESS FLOWCHART

