

ANNUAL REPORT FOR DEFENCE

UNSOLICITED INNOVATIVE PROPOSALS SCHEME

01 JUL 2007 to 30 JUN 2008

BACKGROUND

1. Defence has established the Defence Unsolicited Innovative Proposals Scheme (UIP) to provide a mechanism for companies and individuals to submit their innovative solutions and ideas to Defence for assessment. The UIP Scheme operates within the Capability and Technology Demonstrator Program Office within the Defence Science and Technology Organisation (DSTO).
2. All Proposals received under the Scheme are given due consideration. Defence may not undertake a full evaluation of Proposals that do not conform to the requirements of the Scheme. Proposers will be advised of a new point of contact within Defence if their Proposal is considered suitable for referral to other schemes or programs within Defence. Such programs could include the Capability and Technology Demonstrator (CTD) Program under which Defence actively solicits technology demonstrator proposals from industry on an annual basis.

OVERVIEW OF THE UIP SCHEME

3. To be considered under the UIP Scheme, a proposal must present an innovative solution that has the potential to enhance Defence capability, business process or utilisation of resources or assets. Proposals are not accepted where the solution is already covered by existing procurement or research activities being undertaken by Defence.
4. The UIP Scheme provides a formalised evaluation process for those proposals that are deemed to be new and innovative. There are a number of criteria that proposals must meet to be accepted under the scheme and there are 3 evaluation stages that are associated with the UIPs.
 - a. Preliminary Evaluation conducted by the Manager UIPs;
 - b. Intermediate Evaluation conducted primarily by Capability Development staff or by relevant Defence staff as necessary; and
 - c. Final Evaluation conducted by a nominated Subject Matter Expert.
5. Proposals cannot be considered if they are formed from subject-matter that has been developed or otherwise brought into existence during the course of employment or contract with the Commonwealth, unless that contract expressly grants to the Proposer the right to deal with the subject-matter in this way.

6. Proposals which fall within the scope of the Scheme are forwarded by DSTO to the appropriate area within Defence for consideration. Proposals, where eligible, may also be considered under other Defence schemes, such as the CTD Program. Proposers are advised accordingly in every case.
7. In accordance with policy, Defence maintains a central record of all UIPs received.

STATISTICS

8. A toll free number 1800 647 946 has been established for queries relating to the UIP Scheme.
9. Thirty-nine unsolicited innovative proposals were received by the Manager (UIPs) during the reporting period. Of the 39 proposals received:
 - a. 8 were deemed to be Unsolicited Promotional Product Offers (UPPO);
 - b. 6 were deemed as Ad hoc queries;
 - c. 4 were returned to the proposers, deemed to have insufficient technical information to make a proper assessment; and
 - d. 3 are waiting for correct documentation from the proposers before an assessment can occur.
10. All 39 UIPs received were processed in accordance with the guidelines and forwarded to relevant Defence areas for consideration. Approximately 64% of the total number of unsolicited innovative proposals received were acknowledged within a 10-day timeframe. There were slight delays due to the lack of staff resources during certain time periods to enable the receipting and acknowledgement of these proposals.
11. Of the 39 proposals received during this reporting period, 25 (64%) have been fully evaluated. There are currently 14 UIPs undergoing evaluation at various stages of the process.
12. Below are percentages for proposals that passed the 3 evaluation stages associated with UIPs:
 - a. Preliminary Evaluation – 18 proposals passed – (46%)
 - b. Intermediate Evaluation – 18 proposals passed – (46%)
 - c. Final Evaluation – 3 proposal passed – (8%)
13. Although 3 UIPs were successful at the Final Evaluation stage, however none, to our knowledge, have as yet eventuated into a contractual arrangement.
14. The timeframe for the evaluation of UIPs is 3 months. Below are statistics for the 25 fully completed proposals meeting the designated evaluation timeframes.

| Total Number of Proposals | Within 3 Months | Within 6 Months |
|---------------------------|-----------------|-----------------|
| | 19 (76%) | 6 (24%) |

15. Slight delays in UIP evaluations resulted from key personnel changes within CDG.
16. UIPs originate from a variety of entities, as indicated below:
 - a. Australian based companies – 61%
 - b. Overseas individuals – 8%
 - c. Individuals – 31%
17. There was an 8% increase in UIPs received in FY 2007/2008 over the previous financial year.

SUMMARY

18. In summary, 39 proposals were received and evaluated in 2007/2008 financial year with 76% fully evaluated and 8% successfully passing all 3 evaluation levels. To our knowledge none of the successful UIPs have transitioned into Service.