

open for acceptance and the manner in which acceptance is to be indicated. For example: kindly return one signed copy by (date) along with your cheque for (first payment) as our authorization to proceed with the project.

Article 3 - Deliverables

It is important that the deliverable(s) be clearly understood by both signators to a research agreement, particularly in the light of which option in Article 15 - Ownership and Commercial Exploitation of Intellectual Property - is being followed. In most instances the deliverable will be a report but may also be software, a prototype, model or technical drawings, patterns or maps, photographs, etc. Ownership of the deliverable(s) normally is vested in the company but the rights to any invention described therein may remain with the university.

Both parties should be aware that what they are attempting to define implies a legal liability to deliver this at the completion of the project. The definition of the deliverable(s) should be as accurate as possible in order to avoid potential accusations of breach of contract at a later date.

During negotiations for a research project it is not uncommon to have a budget reduced from that originally submitted by a principal investigator. Caution should be made that such a reduction also should be reflected in the scope of work; hence, also in the deliverables.

Article 5 - Basis of Payment

When the Basis of Payment is to be in accordance with a budget, it is useful to provide an estimate of the level of effort of personnel and the unit rate i.e. 5 man-months at \$1200/month; 100 hours at \$27.50/hr. Rates which are firm should be indicated (for example; supervision fees, use of equipment, etc.) as opposed to those which are estimates. The budget should include a statement retaining the right to shift money from item to item (with the exception of firm rates) as long as the total financial liability of Company is not exceeded.

Frequently a Plan of Work and Costs is included as an appendix. This sets out the order of tasks anticipated and the related costs, along with milestones of achievement - often marked by a deliverable.