

Implementation Work of the AI/IoT Demonstration Platform Project Outsourcing Specification Sheet

1. Proposal Content

(1) Proposer

The proposer for the AI/IoT Demonstration Platform Project "Hiroshima Sandbox" (hereinafter, "this project") comprises a consortium (organization), consisting of local public entities, private enterprises, universities, research agencies, NPO corporations, individual proprietors, and the like participating in the Hiroshima Sandbox Council (established May 17, 2018, hereinafter, "the Council"), and uses said consortium as a unit for application. Furthermore, within the said consortium, a single party shall be set as the representative agency or representative that signs the outsourcing contract with Hiroshima Prefecture (hereinafter, "project representative").

(2) Proposal theme

The theme for implementing this project is to be selected from the following, based on the four policy fields named in the "Hiroshima Future Challenge Vision (formulated by Hiroshima Prefecture in October, 2015)" and placing priority on solving issues unique to Hiroshima. Multiple items may be selected.

- A: Human resources development: Countermeasures for dropping birthrates, success in the workplace for women, workstyle reforms, gathering and retention of people, education, and social participation by diverse entities
- B: New economic growth: Industrial innovation, agriculture, forestry, and fisheries, tourism, and exchange/collaboration platform
- C: Creating a safe and secure living environment: Medicine/caregiving, health, welfare, environment, disaster prevention/disaster reduction, consumer life, and public order
- D: Building a richer community: Attractive regional environment, Setouchi, hilly and mountainous areas, and contributions to peace
- E: Other: Items that will lead to the creation of new added value or productivity improvement

(3) Plan

The proposal theme must be clearly stated and the demonstration project plan proposed must utilize digital technology, such as AI/IoT, to solve the issue. The plan for the proposed demonstration project should cover until March 31, 2021, at the longest. When doing so, clearly describe an estimate of the cost per fiscal year necessary for the demonstration project

2. Participation Eligibility

To participate in the open recruitment proposals for this project, the consortium must meet each of the following criteria.

(1) Project representative

The project representative must fulfill the participation eligibility described in "2. Open Recruitment Proposal Participation Eligibility" in the announcement for this project.

(2) No. of comprising members

This consortium must contain 4 parties or more, consisting of local public entities (excluding Hiroshima Prefecture), private enterprises, universities, research agencies, NPO corporations, individual proprietors, and the like participating in the Council. Also, at least 1 party therein must have their headquarters or principal office within Hiroshima Prefecture.

(3) Location of demonstration experiments

The major location for implementing the proposed demonstration experiments must be within Hiroshima Prefecture.

(4) Parties subject to the exclusion of criminal gangs

The comprising members of the consortium must not correspond to any of the following items.

- A: The directors or the like of a comprising member of the consortium (if the contractor is an individual, this refers to that individual, and if the contractor is a corporation, this refers to the director of that corporation, or the representative of the branch office or sales office (refers to an office signing an outsourcing contract for full-time work), the same hereinafter) is deemed to be a party involved (hereinafter, "criminal gang member") in an organization that may collectively or habitually perform violent illegal acts (hereinafter, "criminal gang").
- B: The directors or the like are deemed to use criminal gangs, criminal gang members, corporations or unions, etc., which are deemed to have criminal gang members substantially contributing to management or administration, or corporations or unions, etc., which are deemed to have a reprehensible relationship with criminal gangs or criminal gang members.
- C: The directors or the like are deemed to actively cooperate or contribute to the maintenance and administration of criminal gangs, such as by providing funding or extending facilities to criminal gangs, criminal gang members, or corporations or unions, etc., which are deemed to have criminal gang members substantially contributing to management or administration.
- D: Other than the above 3 items, the directors or the like are deemed to have a socially reprehensible relationship with criminal gangs or criminal gang members.

3. Outsourcing Fees

(1) Handling of outsourcing fees

Outsourcing fees must not be used for purposes outside the application determined in the contract for the outsourcing contract.

Furthermore, the written budget plan involved in the adopted proposal may be revised upon consultation between the implementing agency and Hiroshima Prefecture as necessary until the contract is signed. Hiroshima Prefecture's approval shall be required in cases where a significant change to the budget plan is required during the project. Once the contractor's achievement report has been submitted after the outsourced project is completed and the amount of the outsourcing fee has been finalized, the outsourcing fee shall be swiftly paid by billing payment. However, payment by rough estimate during the project may also be permitted only in cases deemed necessary by Hiroshima Prefecture.

(2) Content of outsourcing fees

The following lists the costs to be covered by the outsourcing fees.

A: Costs for equipment and fixtures

Costs required for procuring, via lease or rental, the goods directly necessary to implement the outsourced project (usage fees for experiment devices, measuring instruments, and other equipment or fixtures owned by the contractor or a third party that are directly necessary for the outsourced project)

* Costs required to purchase goods that could be considered assets (price of acquisition of 100,000 JPY or higher) are, in principle, not permitted.

B: Costs for consumables

Manufacturing cost or purchasing costs involved in the manufacture or purchase of goods directly necessary to implement the outsourced project (items with a price of acquisition less than 100,000

JPY or which can be used for less than 1 year)

C: Labor costs

Labor costs for demonstration staff affiliated with the implementing entity of the consortium, registered in the implementation plan.

D: Honorariums

Honorariums for Committee members (including external lecturers requested to give a lecture) necessary for holding or administrating committees or the like (including symposiums, seminars, and workshops) established to exchange or examine the knowledge, information, opinions, or the like necessary to implement the outsourced project. Or, honorariums to individual providers of services.

E: Travel costs

Travel costs (transportation costs, daily allowances, lodging costs) for demonstration staff on business trips, etc., directly necessary to implement the outsourced project, calculated according to the travel cost regulations of the contractor.

F: Committee member travel costs

Committee member travel costs (transportation costs, daily allowances, lodging costs) necessary for holding or administrating committees or the like (including symposiums, seminars, and working groups) established to exchange or examine the knowledge, information, opinions, or the like directly necessary to implement the outsourced project, calculated according to the Committee member travel cost regulations determined by the Committee. Also, any travel costs (transportation costs, daily allowances, lodging costs), academic conference participation fees, or other Committee member survey fees directly necessary for Committee member to investigate for the implementation of outsourced project, calculated according to the Committee member travel cost regulations determined by the Committee.

G: Other

(A) Subcontracting costs, maintenance costs, modification and repair costs

Costs involved in subcontracting, such as device maintenance or data analysis, directly necessary for the outsourced project (work contracting costs (including software subcontracting costs), maintenance costs, and modification and repair costs).

(B) Printing/binding costs

Costs necessary for printing/binding materials, result reports, and the like directly necessary to implement the outsourced project.

(C) Meeting costs

Meeting costs, venue rental fees, consumable goods costs, costs for creating materials, and other costs necessary for holding or administrating Committees or the like (including symposiums, seminars, and working groups) established to exchange or examine the knowledge, information, opinions, or the like directly necessary to implement the outsourced project.

(D) Communication/transport costs

Goods transport, data transmission/receipt and other communication/telephone costs, and other shipping costs for machines/devices directly necessary to implement the outsourced project.

(E) Utilities

Costs for electricity, gas, water, and the like necessary to operate equipment and the like directly used to implement the outsourced project.

(F) Other (Overhead costs)

Costs required to use the equipment and facilities directly necessary to implement the outsourced project. Also, other costs deemed particularly necessary that do not correspond to any of the other items but are directly necessary to implement the outsourced project.

H: General administrative costs

A value within 10% of the sum of the costs listed from A to G above.

4. Reports and Evaluations

(1) Interim report

The contractor must submit to Hiroshima Prefecture an interim report describing the progress of the outsourced project, as well as respond to hearings organized by the Prefecture. The interim report may be published on the Hiroshima Prefecture website or elsewhere. Instructions regarding details such as the submission deadline for the interim report shall be given separately.

(2) Result report

The contractor must submit to Hiroshima Prefecture a result report describing the result of the outsourced project, as well as respond to hearings organized by the Prefecture. Also, Hiroshima Prefecture will perform final evaluation based on this result report. For this evaluation, we may request that additional materials be submitted. Also, we plan to publish the result reports on the Hiroshima Prefecture website and elsewhere.

The submission deadline for the result report is planned for February, but instructions will be given separately for details. An original copy (1 copy) and an electronic copy (CD-R, DVD-R, or USB memory) must be submitted.

Hiroshima Prefecture will determine whether the project will be continued for the following fiscal year and thereafter based on the content of the result report.

(3) Other

In addition to the above reports, the contractor must give progress reports when requested by Hiroshima Prefecture and also cooperate in the Prefecture's promotion project.

Also, API data collaboration must be enabled so that Hiroshima Prefecture can make use of the data acquired in the demonstration project. Furthermore, details shall be discussed separately with the Prefecture.

5. Schedule

We generally expect the following for the implementation schedule of the outsourced project. However, this is subject to change due to various circumstances.

Early August, 2018: Selection Committee held, outsourcing candidates determined

Mid-August, 2018: Contract conditions adjusted and outsourcing contracts signed

Around end of November, 2018: Interim reports submitted

Around February, 2019: Result reports submitted and evaluation committee held

Around end of March, 2019: Achievement reports submitted *See 7(2).

6. Handling of Intellectual Properties

(1) Attribution of rights

Should intellectual property rights be generated during the demonstration period, the said intellectual property rights can be attributed to the contractor, under certain conditions and through the prescribed procedure, in accordance with the Industrial Technology Enhancement Act (Act No. 44 of 2000).

(2) Handling of intellectual property rights within a consortium

It is recommended that a consortium decide in advance matters such as the patent holder, sharing ratios, and the bearing of costs in the event that there are several inventors of an intellectual property.

7. Contract Conditions

In addition to the listing of the work outsourcing contract provisions and personal information handling notes, the following content must be observed.

(1) Performance of work

The contractor must periodically contact and coordinate with Hiroshima Prefecture to smoothly implement the work.

If there are any questions, accidents, changes to the plan, or the like, the contractor must promptly report to and consult with the Prefecture to appropriately handle the situation.

(2) Completion inspection and billing for outsourcing fees

The contractor must submit an achievement report (work implementation report and a set of accounting documents) within 10 days of the day on which the work is complete or the end of the work period. Outsourcing fees are to be billed, finalizing the actual amount calculated based on the accounting documents within the range of the outsourcing fees upper limit.