

NCIA/ACQ/2021/06451  
20 December 2022

**To:** Bidders List and Distribution List

**Subject:** Invitation For Bid IFB-CO-115754-LTX-R

Leased Transmission Services – Revisited (LTX-R)

**References:** A. AC/4-D/2261(1996 Edition), Procedures for International Competitive Bidding  
B. AC/4-D(2008)0002-REV2, International Competitive Bidding Using Best Value Evaluation Methodology, dated 15 July 2015  
C. NCI Agency NOI NCIA/ACQ/2022/07077, dated 09 August 2022

Dear Prospective Bidders,

1. Your firm is hereby invited to participate in an International Competitive Bid under the bidding procedures set forth in Reference A for the implementation and provision of Leased Transmission Services – Revisited (LTX-R).
2. The NCI Agency intends to place one Contract to cover the entire scope of the project for the following scope. No partial bidding shall be allowed.
3. The scope of the procurement is to implement and deliver resilient Ethernet transport services, in the form of Ethernet Private Lines (EPL), interconnecting approximately 85 Edge Nodes.
4. **The closing time for submission of bids in response to this Invitation For Bid (IFB) is Friday, 14 March 2023, 17:00 Hours Brussels Time.**
5. The reference for the IFB is IFB-CO-115754-LTX-R, and all correspondence concerning this IFB shall reference this number.
6. The scope of the overall project is described in the prospective Contract (Book II), provided with this letter.
7. This Invitation for Bid consists of the Bidding Instructions (Book I) and the Prospective Contract (Book II). The Prospective Contract contains the Schedule of Supplies and Services (Part I), Contract Special Provisions (Part II), Contract General Provisions (Part III), and the Statement of Work (Part IV). The Statement of Work set forth detailed specifications governing the performance requirements of the contract.
8. Bidders are notified that a **Bidders Conference is scheduled to be held at NATO HQ, Brussels (Belgium) on the 6<sup>th</sup> February 2023, 9:00 – 17:00h**, subject to the applicable pandemic restrictions. The Conference will be an opportunity for Bidders to ask questions and receive a briefing from the Agency's project management Team. Additional instructions are provided in Book I, Section 1.5. Further details related to the Bidders Conference will be provided closer to the date of the event.

9. The security classification of the IFB is "NATO UNCLASSIFIED".
10. This IFB remains the property of the NCI Agency and shall be protected in accordance with the applicable national security regulations.
11. Please complete and return the enclosed acknowledgement of receipt (Attachment A) within 14 days of receipt of this IFB, informing this Agency of your intention to bid. Your firm is not bound by its initial decision, and if you decide to reverse your stated intention at a later date, you are requested to advise us by a separate letter.
12. Prospective Bidders are advised that the NCI Agency reserves the right to cancel this IFB at any time in its entirety and bears no liability for bid preparation costs incurred by firms or any other collateral costs if bid cancellation occurs.
13. In accordance with the NATO Management of Non-Classified NATO Information policy (C-M(2002)60), this RFQ is the property of the NCI Agency and shall therefore NOT be published on the internet.
14. The NCI Agency point of contact for all information concerning this IFB is Mr. Ole Hubner, Senior Contracting Officer, who may be reached at [IFBCO115754LTXR@ncia.nato.int](mailto:IFBCO115754LTXR@ncia.nato.int).

For the Chief of Acquisition:

Ole Hubner  
Senior Contracting Officer

**Attachment A:** Acknowledgement of Receipt of IFB-CO-115754-LTX-R

**Attachment B:** Final Bidders List

**Attachment C:** Request for Visit Form

**ATTACHMENT A**  
**ACKNOWLEDGEMENT OF RECEIPT OF INVITATION FOR BID**  
**IFB-CO-115754-LTX-R**

Please complete, sign and return by email (scanned to PDF) within 14 days  
to: [IFBCO115754LTXR@ncia.nato.int](mailto:IFBCO115754LTXR@ncia.nato.int)

We hereby advise that we have received Invitation for Bid IFB-CO-115754-LTX-R on \_\_\_\_\_, together with all enclosures listed in the Table of Contents.

PLEASE CHECK ONE:

- ☐ As of this date and without commitment on our part, we do intend to submit a bid.
- ☐ We do not intend to submit a bid.
- ☐ We are reviewing the requirements of the IFB and will notify you of our decision as soon as possible.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

**ATTACHMENT B  
FINAL BIDDERS LIST**

<b>Country</b>		<b>Nominated Bidders</b>
<b>BELGIUM</b>	1	Vodafone Belgium
	2	BRESCO SERVICES
	3	BT GLOBAL SERVICES BELGIUM
	4	DEUTSCHE TELEKOM GLOBAL BUSINESS SOLUTIONS BELGIUM
	5	FORTINET
	6	ORANGE BUSINESS SERVICES BELGIUM
	7	PROXIMUS
	8	VERIZON BELGIUM LUXEMBURG
<b>BULGARIA</b>	9	KONTRAX AD.
	10	STONE COMPUTERS AD.
	11	Telelink Business Services EAD.
	12	LIREX BG LTD.
<b>FRANCE</b>	13	Orange SA (France)
	14	Thales Six GTS France SAS
<b>GERMANY</b>	15	Airbus Defence and Space GmbH
<b>ITALY</b>	16	Telecom Italia S.p.A
<b>NORWAY</b>	17	Airbus Defence and Space AS
<b>REPUBLIC OF TÜRKİYE</b>	18	STM SAVUNMA TEKNOLOJILERI MUHENDISLIK VE TICARET A.S.
<b>THE UNITED STATES</b>	19	Verizon Business Network Services, Inc.
	20	Ciena Government Solutions, Inc
	21	Globecom Systems, Inc
	22	UltiSat, Inc

**ATTACHMENT C**  
**Request for Visit**  
**RFQ-CO-115754-LTX-R**

No	FULL NAME	NATIONALITY	DATE OF BIRTH	COMPANY NAME*	POSITION OCCUPIED AND LOCATION	ID/PASSPORT NUMBER
1						
2						

\* Subcontractors included

\*\* Bidders Conference is NU.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Security Officer

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Company Stamp

**Distribution List for IFB-CO-115754-LTX-R**  
(in addition to Attachment B)

**NATO Delegation (Attn: Infrastructure Adviser):**

Albania  
Belgium  
Bulgaria  
Canada  
Croatia  
Czech Republic  
Denmark  
Estonia  
France  
Germany  
Greece  
Hungary  
Iceland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Montenegro  
The Netherlands  
North Macedonia  
Norway  
Poland  
Portugal  
Romania  
Slovakia  
Slovenia  
Spain  
Republic of Türkiye  
United Kingdom  
United States

Belgium Ministry of Economic Affairs

**Embassies in Brussels** (Attn: Commercial Attaché):

Albania  
Bulgaria  
Canada  
Croatia  
Czech Republic  
Denmark  
Estonia  
France  
Germany  
Greece

Hungary  
Italy  
Latvia  
Lithuania  
Luxembourg  
Montenegro  
The Netherlands  
North Macedonia  
Norway  
Poland  
Portugal  
Republic of Türkiye  
Romania  
Slovakia  
Slovenia  
Spain  
United Kingdom  
United States



**INVITATION FOR BID**

**IFB-CO-115754-LTX-R**

**Implementation and Provision of Leased Transmission Services - Revisited**



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**INVITATION FOR BID**

**IFB-CO-115754-LTX-R**

# **BOOK I**

## **BIDDING INSTRUCTIONS**

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## SECTION 1 INTRODUCTION

### 1.1. Purpose of the Solicitation

- 1.1.1. The purpose of this solicitation is to invite Bids for the project aimed at enhancing and sustaining the NATO's terrestrial Ethernet Transport Services (LTX-R).
- 1.1.2. The Contract resulting from this Invitation for Bid (IFB) shall replace the existing transmission bearer services that support similar scope. LTX-R shall interconnect approximately 85 Edge Nodes to the three NATO Core Nodes.
- 1.1.3. The NATO Communications and Information Agency (NCI Agency) is the designated Host Nation of this project, hereby referred to as 'the Purchaser'.
- 1.1.4. No deployable nor static infrastructure will be procured under this IFB.
- 1.1.5. The Participating Countries are listed in paragraph 2.1.1.6.
- 1.1.6. The selected Contractor shall provide the services and implement the performance requirements as set forth in the Statement of Work (Book II, Part IV), Service Level Agreement and in the Schedule of Supplies and Services (Book II, Part I) in the manner, and at times and place, stated in the prospective Contract.

### 1.2. Scope of the Project

- 1.2.1. The scope of the procurement is to implement and deliver resilient Ethernet transport services, in the form of Ethernet Private Lines (EPL), interconnecting approximately 85 Edge Nodes.
- 1.2.2. The expected target Not-Later-Than (NLT) date of Contract Award (CAW) is **September 2023**.
- 1.2.3. Delivery of services (with Service Activation) is required for **NLT 01 January 2025**. Bidders are allowed to propose shorter service implementation timelines leading to an earlier acceptance of the services by the Purchaser and earlier service activation, but this will not generate any advantage in the bid evaluation process. The Purchaser reserves the right to award the Contract on the basis of the original schedule under Book II Part I (SSS), regardless of any alternative schedule the Bidder may propose as part of its proposal.
- 1.2.4. It is intended to award the Contract for the provision of services for an initial baseline period of three (3) years, with Options for three (3) yearly Contract extensions (i.e. 3+1+1+1).
- 1.2.5. Given the fact that this IFB is issued prior to NATO funding committees authorisation, the Purchaser reserves the right to make the decision regarding the Contract baseline period any time prior to the Contract award.
- 1.2.6. It is underlined that, subject to the provisions of Article 17 (Invoices and Payments) of the contract Special Provisions, in order to maintain coherence in the project management effort throughout the duration of the Contract, the Basic Contract shall cover for Project Management Deliverables update and

maintenance throughout the entirety of the period of performance to include Optional years for services.

### **1.3. Governing Rules, Eligibility, and Exclusion Provisions**

- 1.3.1. This solicitation is an International Invitation for Bid and is governed by the NATO Financial Rules and Procedures and NATO Budget Committee procurement guidance under document BC-D(2018)0004-FINAL Dated 29 January 2018.
- 1.3.2. Pursuant to these procedures, Bidding is restricted to companies from participating NATO member nations for which a Declaration of Eligibility has been issued by their respective government authorities.
- 1.3.3. The Bidders must be a national public or commercial telecommunication operators incorporated in one of the NATO Member Nations and which complies with the national and EU (where applicable) regulatory framework. The Bidders and their subcontractors (if applicable) must hold all relevant licences and authorizations to operate the services in the required territories.
- 1.3.4. The evaluation method to be used in the selection of the successful Bidder under this solicitation will follow the Best Value Procedures set forth in AC/4-D/2261, Annex X, dated 24 July 2009, and AC/4(2008)0002-REV2-ANNEX 1. Dated 15 July 2015, or deviations to the procedure, as approved by the NATO Investment Committee.
- 1.3.5. The bid evaluation criteria and the detailed evaluation procedures are described in SECTION 4.
- 1.3.6. The Purchaser liabilities at the time of Contract signature shall be limited to the effort relevant to the Basic Contract as defined in the Statement of Work and the Schedule of Supplies and Services. Performance associated with Evaluated Options shall be subject to formal Purchaser request, in accordance with Article 7 (Options) of the Contract Special Provisions, and shall not constitute an obligation on the part of the Purchaser at the time of Contract signature.
- 1.3.7. The solicitation, evaluation and award processes will be conducted in accordance with the terms and conditions contained herein.
- 1.3.8. This IFB will not be the subject of a public bid opening.
- 1.3.9. The Bidder shall refer to the Purchaser all queries for a resolution of possible conflicts found in information contained in this document in accordance with the procedures set forth in paragraph 2.6 "Requests for IFB Clarifications".

### **1.4. Security**

- 1.4.1. The overall security classification of this Invitation for Bid is "NATO UNCLASSIFIED".
- 1.4.2. For the purpose of the performance under the Contract, the Contractor shall be required to handle and store classified material up to the level of "NATO SECRET" and shall therefore possess at the time of Contract award the appropriate facility and personnel clearances. Should a Contractor be unable to perform the Contract due to the fact that the facility clearance has not been provided by their respective national security agency, this lack of clearance

cannot be the basis for a claim of adjustment or an extension of schedule, nor the lack of clearance be considered a mitigating circumstance in the case of an assessment of Liquidated Damages or a determination of Termination for Default by the Purchaser.

- 1.4.3. Contractor personnel working at NATO sites are required to possess a security clearance of “NATO SECRET”, which shall be confirmed by the appropriate national security authority and transmitted to the cognisant NATO security officer at least seven (7) days prior to the site visit.
- 1.4.4. Bidders are advised that Contract signature will not be delayed in order to allow the processing of security clearances for personnel or facilities and, should the otherwise successful Bidder not be in a position to accept the offered Contract within 30 calendar days, due to the fact that its personnel or facilities do not possess the appropriate security clearance(s), the Purchaser may determine the Bidder’s Offer to be non-compliant and offer the Contract to the next ranking Bidder. In such a case, the Bidder who would not sign the Contract shall be liable for forfeiture of the Bid Guarantee.

## 1.5. Bidders’ Conference

- 1.5.1. Prospective Bidders are invited to participate in the Bidders’ Conference that will be held on **06<sup>th</sup> February 2023** in Brussels. The Bidders’ Conference will be chaired by the NCI Agency.
- 1.5.2. Participation to the Bidders’ Conference is limited to a maximum of two (2) persons per company. No exception to this number of attendees will be made. The Bidders are responsible for the costs of travel, lodging and per diem for its representatives during the Bidders’ Conference.
- 1.5.3. The Bidders’ Conference will be held in accordance with the tentative agenda below. Details of the precise venue will be provided to the participating companies in due course via the event portal identified below.
- Introduction
  - IFB package presentation
  - Review of Scope and Schedule
  - Review of Service Requirements and SLA framework
  - Questions and Answers
- 1.5.4. Those Bidders who wish to participate in the Bidders’ Conference shall indicate their intention to attend not later than **10 days prior to the conference date** by submitting the “**Request for Visit**” form, which is enclosed to the cover letter of this IFB, to the Point of Contact under Para. 1.5.12.1 below. All nominated attendees shall also register at the event portal, link to be provided at a date closer to the event.
- 1.5.5. Bidders Conference is NATO UNCLASSIFIED.
- 1.5.6. Prospective Bidders are informed that the participation to the Bidders’ Conference is not mandatory for bidding purposes.

- 1.5.7. Any questions which the potential Bidders would like to be answered at the Bidders' Conference must be submitted in writing not later than three (3) working days prior to the conference to the to the Point of Contact under Para. 1.5.12.1 below.
- 1.5.8. The Purchaser will respond to the previously submitted questions at the Bidders Conference. If any additional questions are asked by the potential Bidders at the Bidders Conference, the Purchaser might attempt to provide answers at that time, but any answer that might appear to amend terms, conditions and/or specifications of the Contract shall be considered to be formally included in the IFB only if a written amendment to the IFB is issued in writing by the Purchaser.
- 1.5.9. Any question that the potential Bidders would like to have answered after the Bidders' Conference must be submitted in writing within one (1) week after the Bidders' Conference, but not later than twenty eight (28) calendar days prior to the Bid closing date, to the IFB Contracting Officer at the address mentioned in Para. 1.5.12.1 below.
- 1.5.10. Answers to all questions will be issued in writing to all Bidders as soon as practicable, whether or not the Bidders have attended the Bidders' Conference. The formal written answers will be the official response of the Purchaser, even if the written answer differs from the verbal response provided at the Bidders' Conference.
- 1.5.11. Irrespective of the written answers provided by the Purchaser after the Bidders' Conference, the terms, conditions and language of the IFB remains unaltered unless a formal IFB amendment is issued by the Purchaser, and is identified as such.
- 1.5.12. The Agency Point of Contact (POC) for the Bidders' Conference is as follows:
- 1.5.12.1. Mr Ole Hubner (NCI Agency Senior Contracting Officer), Email: IFBCO115754LTXR@ncia.nato.int
- 1.5.13. COVID-19 related requirements will be provided closer to the date of the event. The Purchaser reserves the right to cancel the event at any time should the pandemic restrictions prevent holding it. The Purchaser shall not be liable for any event cancellation costs incurred by the Prospective Bidders.

## **1.6. Documentation**

- 1.6.1. All documentation – including the IFB itself, all applicable documents and any reference documents provided by the Purchaser – are solely to be used for the purpose of preparing a response to this IFB. They are to be safeguarded at the appropriate level according to their classification and it is understood that the Purchaser used its best effort to warrant the quality and accuracy of the provided reference documents.
- 1.6.2. Statement of Work Applicable Documents
- 1.6.2.1. Bidders neither require physical access to the documents listed in the "Applicable Documents" section of the SOW in order to make their offers compliant, nor shall the Purchaser make these documents available, as all pertinent information relevant for bidding have been retrieved and made a part of this IFB.





## SECTION 2 GENERAL BIDDING INFORMATION

### 2.1. Definitions

- 2.1.1. In addition to the definitions and acronyms set in the Prospective Contract Special Provisions (Part II), and the definitions and acronyms set in the Clause entitled "Definitions of Terms and Acronyms" of the Prospective Contract General Provisions (Part III), the following terms and acronyms, as used in this Invitation for Bid, shall have the meanings specified below:
- 2.1.1.1. **"Bid" or "Quotation"**: a binding offer to perform the work specified in the Prospective Contract (Book II).
  - 2.1.1.2. **"Bidder" or "Offeror"**: a firm, consortium, or joint venture which submits an offer in response to this solicitation. Bidders are at liberty to constitute themselves into any form of Contractual arrangements or legal entity they desire, bearing in mind that in consortium-type arrangements a single judicial personality shall be established to represent that legal entity. A legal entity, such as an individual, Partnership or Corporation, herein referred to as the "Principal Contractor", shall represent all members of the consortium with the NCI Agency and/or NATO. The "Principal Contractor" shall be vested with full power and authority to act on behalf of all members of the consortium, within the prescribed powers stated in an irrevocable Power of Attorney issued to the "Principal Contractor" by all members associated with the consortium. Evidence of authority to act on behalf of the consortium by the "Principal Contractor" shall be enclosed and sent with the Bid. Failure to furnish proof of authority shall be a reason for the Bid being declared non-compliant.
  - 2.1.1.3. **"Compliance"**: strict conformity to the requirements and standards specified in this IFB and its attachments.
  - 2.1.1.4. **"Contractor"**: the awardee of this solicitation of offers, who shall be responsible for the fulfilment of the requirements established in the Prospective Contract.
  - 2.1.1.5. **"Firm of a Participating Country"**: a firm legally constituted or chartered under the laws of, and geographically located in, or falling under the jurisdiction of a Participating Country.
  - 2.1.1.6. **"IFB"**: Invitation for Bid.
  - 2.1.1.7. **"Participating Country"**: any of the NATO nations contributing to the project, namely, (in alphabetical order): ALBANIA, BELGIUM, BULGARIA, CANADA, CROATIA, CZECH REPUBLIC, DENMARK, ESTONIA, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, MONTENEGRO, NETHERLANDS, NORTH MACEDONIA, NORWAY, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, SPAIN, REPUBLIC OF TÜRKIYE, UNITED KINGDOM, UNITED STATES OF AMERICA.
  - 2.1.1.8. **"Purchaser"**: NATO Communications and Information Agency (NCI Agency) or its legal successor.

## **2.2. Eligibility and Origin of Equipment and Services**

- 2.2.1. As stated in paragraph 1.3.2 above only firms from a Participating Country are eligible to engage in this competitive Bidding process. In addition, all Contractors, Subcontractors and manufacturers, at any tier, must be from Participating Countries.
- 2.2.2. None of the work, including project design, labour and services shall be performed other than by firms from and within Participating Countries.
- 2.2.3. No materials or items of equipment down to and including identifiable Sub-assemblies shall be manufactured or assembled by a firm other than from and within a Participating Country.
- 2.2.4. Unless otherwise authorised by the terms of the prospective Contract, the Intellectual Property Rights to all design documentation and related system operating software shall reside in Participating Countries, and no license fees or royalty charges shall be paid by the Contractor to firms, individuals or governments other than within the Participating Countries.
- 2.2.5. The Bidders are requested to sign the certifications under Annex B-8, Annex B-9 and Annex B-12 for this purpose.

## **2.3. Bid Delivery and Bid Closing**

- 2.3.1. The closing time for electronic submission of Bids in response to this IFB is **Friday, 14 March 2023, 17:00h Hours Brussels Time.**
- 2.3.2. Bids shall be submitted to the following email address below:
  - 2.3.2.1. [IFBCO115754LTXR@ncia.nato.int](mailto:IFBCO115754LTXR@ncia.nato.int)

## **2.4. Late Bids**

- 2.4.1. Bids received at the NCIA e-mail address after the date and time indicated in paragraph 2.3.1 may not be eligible for award.
  - 2.4.1.1. Bids submitted electronically may be considered late unless the Bidder completes the entire transmission of the bid before the closing date and time for receipt of bids under this solicitation.
- 2.4.2. **Consideration of Late Bid**
  - 2.4.2.1. The Purchaser considers that it is the responsibility of the Bidder to ensure that the bid submission arrives by the specified bid closing time. A late bid will only be considered for award under the following circumstances:
  - 2.4.2.2. A contract has not been already awarded pursuant to the IFB, and;
  - 2.4.2.3. The Bid was sent to the correct email specified in paragraph 2.3.2.1 above, and;
  - 2.4.2.4. The delay was due solely to the fault of the Purchaser

## 2.5. Receipt of an Unreadable Electronic Bid

- 2.5.1. If a Bid sent to the Purchaser is unreadable to the degree that conformance to the essential requirements of the IFB cannot be ascertained, or due to electronic files that are encrypted or which contain passwords (contrary to the instructions in paragraph 3.2.1.5 below), the Point of Contact indicated in paragraph 2.6.1 below shall immediately notify the Bidder that the Bid will be rejected unless the Bidder provides clear and convincing evidence:
- (i) of the content of the Bid as originally submitted; and that the unreadable condition of the Bid was caused by Purchaser software or hardware error, malfunction, or other Purchaser mishandling
- 2.5.2. A bid that fails to conform to the above requirements may be declared noncompliant and may not be evaluated further by the Purchaser.
- 2.5.3. If it is discovered, during either the Administrative, Price or Technical evaluation, that the Bidder has submitted an unreadable electronic bid, the Bidder may be determined to have submitted a non-compliant bid.

## 2.6. Requests for Extension of Bid Closing Date

- 2.6.1. Any requests for extension to the Bid Closing Date shall be submitted by the Bidder in writing to the point of contact indicated in paragraph 2.7.1 below **through its National Delegation to NATO or its Embassy in Belgium**. The Bidder shall submit the request to the National Delegation in sufficient time, so as to allow the Delegation to deliver Bidder's formal request to the Purchaser **no later than fourteen (14) calendar days** prior to the established Bid closing date. The Purchaser is under no obligation to answer requests submitted after this time. Extensions to the bidding date are at the discretion of the Purchaser.

## 2.7. Purchaser's Point of Contact

- 2.7.1. The Purchaser point of contact for all information concerning this Invitation for Bid is:

Mr. Ole Hubner, Senior Contracting Officer  
E-mail: [IFBCO115754LTXR@ncia.nato.int](mailto:IFBCO115754LTXR@ncia.nato.int)

## 2.8. Request for IFB Clarifications

- 2.8.1. Bidders, during the solicitation period, are encouraged to query and seek clarification of any matters of a contractual, administrative and technical nature pertaining to this IFB.
- 2.8.2. All requests for clarification shall be forwarded to the Purchaser using the Clarification Request Forms provided at ANNEX E – CLARIFICATION REQUEST FORM of this Book I.
- 2.8.3. Such requests shall be submitted to the point of contact specified in paragraph 2.7.1 above and shall arrive not later than **twenty eight (28) calendar days prior to the stated "Bid Closing Date"**. The Purchaser is under no obligation to answer requests for clarification submitted after this time. Requests for clarification must address the totality of the concerns of the Bidder, as the Bidder

will not be permitted to revisit areas of the IFB for additional clarification except as noted in paragraph 2.8.4 below.

- 2.8.4. Additional requests for clarification are limited only to the information provided as answers by the Purchaser to Bidder requests for clarification. Such additional requests shall arrive not later than fourteen (14) calendar days before the established Bid Closing Date.
- 2.8.5. The Purchaser may provide for a re-wording of questions and requests for clarification where it considers the original language ambiguous, unclear, subject to different interpretation or revelatory of the Bidder's identity.
- 2.8.6. Bidders are advised that subsequent questions and/or requests for clarification included in a Bid shall neither be answered nor considered for evaluation.
- 2.8.7. Except as provided above, all questions will be answered by the Purchaser and the questions and answers (but not the identity of the questioner) will be issued in writing to all prospective Bidders.
- 2.8.8. It is the responsibility of the Bidders to ensure that all Clarification Requests submitted bear no mark, logo or any other form or sign that may lead to reveal the Bidders' identity in the language constituting the clarification itself. This prescription is not applicable to the mean used for the transmission of the clarification (i.e. email or form by which the clarification is forwarded). The Purchaser declines all responsibilities associated to any and all circumstances regardless of the nature or subject matter arising from the Bidders' failure or inability to abide to this prescription. The Purchaser may provide for the removal of any form of identification in the body of the clarification request in those instances in which such practice is feasible.
- 2.8.9. Where the extent of the changes implied by the response to a clarification request is of such a magnitude that the Purchaser deems necessary to issue revised documentation, the Purchaser will do so by the means of the issuance of a formal IFB amendment in accordance with paragraph 2.8 below.
- 2.8.10. The Purchaser reserves the right to reject questions and clarification requests clearly devised or submitted for the purpose of artificially obtaining an extension of the bidding time (i.e. clarifications re-submitted using different wording where such wording does not change the essence of the clarification being requested).
- 2.8.11. The published responses issued by the Purchaser shall be regarded as the authoritative interpretation of the Invitation for Bid. Any amendment to the language of the IFB included in the answers will be issued as an IFB Amendment and shall be incorporated by the Bidder in its offer.

## **2.9. Requests for Waivers and Deviations**

- 2.9.1. Bidders are informed that requests for alteration to, waivers of or deviations from the terms and conditions of this IFB and attached prospective Contract (Book II) will not be considered after the request for clarification process.
- 2.9.2. Requests for alterations to the other requirements, terms or conditions of the Invitation for Bid or the prospective Contract may only be considered as part of the clarification process set forth in paragraph 2.8 above. Requests for alterations to the specifications, terms and conditions of the Prospective Contract which are

included in a Bid as submitted may be regarded by the Purchaser as a **qualification or condition of the Bid and may be grounds for a determination of non-compliance.**

## **2.10. Amendment of the Invitation for Bid**

- 2.10.1. The Purchaser may revise, amend or correct the IFB at any time prior to the Bid Closing Date set in paragraph 2.3.1. Any and all modifications will be transmitted to all Bidders by an official amendment designated as such and signed by the Purchaser. This process may be part of the clarification procedures set forth in paragraph 2.8 above or may be an independent action on the part of the Purchaser.
- 2.10.2. All such IFB amendments issued by the Purchaser shall be acknowledged by the Bidder in its Bid by completing the "Acknowledgement of Receipt of IFB Amendments" certificate at Annex B-2. Failure to acknowledge receipt of all amendments may be grounds to determine the Bid to be administratively non-compliant.
- 2.10.3. The Purchaser will consider the potential impact of amendments on the ability of prospective Bidders to prepare a Bid within the allotted time. The Purchaser may extend the "Bid Closing Date" at its discretion and such extension will be set forth in the amendment.

## **2.11. Modification and Withdrawal of Bids**

- 2.11.1. Bids, once submitted, may be modified by Bidders, but only to the extent that the modifications are in writing, conform to the requirements of the IFB, and are received by the Purchaser prior to the Bid Closing Date as detailed in paragraph 2.3.1. Such modifications will be considered as an integral part of the submitted Bid.
- 2.11.2. Modifications to Bids which arrive after the Bid Closing Date will be considered as "Late Modifications" and will be processed in accordance with the procedure detailed in paragraph 2.4, except that unlike a "Late Bid", the Purchaser will retain the modification until a selection is made. A modification to a Bid which is determined to be late will not be considered in the evaluation and selection process. If the Bidder submitting the modification is determined to be the successful Bidder on the basis of the unmodified Bid, the modification may then be opened. If the modification makes the terms of the Bid more favourable to the Purchaser, the modified Bid may be used as the basis of Contract award. The Purchaser, however, reserves the right to award a Contract to the apparent successful Bidder on the basis of the Bid submitted and disregard the late modification.
- 2.11.3. A Bidder may withdraw its Bid at any time prior to Bid Opening without penalty. In order to do so, an authorised agent or employee of the Bidder must provide an original statement of the firm's decision to withdraw the Bid and subsequently remove the Bid from the Purchaser's premises.
- 2.11.4. Except as provided in paragraph 2.12.4.2 below, a Bidder may withdraw its Bid after Bid Opening only by forfeiture of the Bid Guarantee.

## **2.12. Bid Validity**

- 2.12.1. Bidders shall be bound by the term of their Bid for a period of twelve (12) months starting from the Bid Closing Date specified in paragraph 2.3.1 above.
- 2.12.2. In order to comply with this requirement, the Bidder shall complete the Certificate of Bid Validity set forth in Annex B-4. Bids offering less than the period of time referred to above for acceptance by the Purchaser may be determined to be non-compliant.
- 2.12.3. The Purchaser will endeavour to complete the evaluation and make an award within the period referred to above. However, should that period of time prove insufficient to render an award, the Purchaser reserves the right to request an extension of the period of validity of all Bids which remain under consideration for award.
- 2.12.4. Upon notification by the Purchaser of such a request for a time extension, the Bidders shall have the right to:
  - 2.12.4.1. Accept this extension of time in which case Bidders shall be bound by the terms of their offer for the extended period of time and the Bid Guarantee and Certificate of Bid Validity extended accordingly; or
  - 2.12.4.2. Refuse this extension of time and withdraw the Bid, in which case the Purchaser will return to the Bidder its Bid Guarantee in the full amount without penalty.
- 2.12.5. Bidders shall not have the right to modify their Bids due to a Purchaser request for extension of the Bid validity unless expressly stated in such request.

## **2.13. Bid Guarantee**

- 2.13.1. The Bid Guarantee shall be submitted by:
  - 2.13.1.1. Email either directly or by a banking institution or from the Bidder to the email address: [NCIABankGuarantee@ncia.nato.int](mailto:NCIABankGuarantee@ncia.nato.int).
  - 2.13.1.2. Mail the original to the address:  
ATTN: Ole Hubner  
IFB-CO115754-LTX-R  
NATO Headquarter  
Boulevard Leopold III  
B-1110 Brussels  
Belgium
- 2.13.2. The Bidder shall furnish with its Bid a Guarantee in an amount equal to Three Hundred Thousand Euro (€ 300,000).
- 2.13.3. The Bid Guarantee shall be substantially similar to ANNEX D as an irrevocable, unqualified and unconditional Standby Letter of Credit (SLC) issued by any of the banks (used interchangeably with "financial institution") listed in ANNEX F or issued by a different financial institution and confirmed by any of the banks listed in ANNEX F. In the latter case, signed original letters from both the issuing institution and the confirming institution must be provided. The confirming bank shall clearly state that it will guarantee the funds, the drawing against can be

made by the NCI Agency. Bid Guarantees shall be made payable to the Treasurer, NCI Agency.

- 2.13.4. "Standby Letter of Credit" or "SLC" as used herein, means a written commitment by a financial institution listed in ANNEX F either on its own behalf or as a confirmation of the Standby Letter of Credit issued by a different bank not listed in ANNEX F to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by the Purchaser of a written demand therefore. Neither the financial institution nor the Contractor can revoke or condition the Standby Letter of Credit.
- 2.13.5. Alternatively, a Bidder may elect to electronically make a cash deposit of the required Guarantee directly to the bank account of the NCI Agency (no cheques). The NCI Agency's bank account details will be provided separately upon request.
- 2.13.6. If the Bid Closing Date is extended after a Bidder's financial institution has issued a Bid Guarantee, it is the obligation of the Bidder to have such Bid Guarantee (and confirmation, as applicable) extended to reflect the revised Bid Validity date occasioned by such extension.
- 2.13.7. Failure to furnish the required Bid Guarantee in the proper amount, and/or in the proper form and/or for the appropriate duration by the Bid Closing Date may be cause for the Bid to be determined non-compliant.
- 2.13.8. The Purchaser will make withdrawals against the amount stipulated in the Bid Guarantee under any of the following conditions:
  - 2.13.8.1. The Bidder has submitted a Bid and, after Bid Closing Date (including extensions thereto) and prior to the selection, the compliant Bidder determined to represent the winning Bid, withdraws its Bid, or states that it does not consider its Bid valid or agree to be bound by its Bid;
  - 2.13.8.2. The Bidder has submitted a successful Bid, but the Bidder declines to sign the Contract offered by the Purchaser, such Contract being consistent with the solicitation documents;
  - 2.13.8.3. The Purchaser has offered the Bidder the Contract for execution but the Bidder has been unable to demonstrate compliance with the security requirements of the Contract within at the date of Contract signature.
  - 2.13.8.4. The Purchaser has entered into the Contract with the Bidder but the Bidder has been unable or unwilling to provide the Performance Guarantee required under the terms of the Contract within the time frame required.
- 2.13.9. Bid Guarantees will be returned to Bidders as follows:
  - 2.13.9.1. to non-compliant Bidders forty-five (45) days after notification by the Purchaser of a non-compliant Bid (except where such determination is challenged by the Bidder; in which case the Bid Guarantee will be returned forty-five (45) days after a final determination of non-compliance);
  - 2.13.9.2. to all other unsuccessful Bidders within thirty (30) days following the award of the Contract to the successful Bidder;



2.13.9.3. to the successful Bidder upon submission of the Performance Guarantee required by the Contract or, if there is no requirement for such a Performance Guarantee, upon Contract execution by both parties.

2.13.9.4. pursuant to paragraph 2.12.4.2 above.

## **2.14. Cancellation of Invitation for Bid**

2.14.1. The Purchaser may cancel, suspend or withdraw for re-issue at a later date this IFB at any time prior to Contract award. No legal liability on the part of the Purchaser for payment of any sort shall arise and in no event will any Bidder have cause for action against the Purchaser for the recovery of costs incurred in connection with preparation and submission of a Bid in response to this IFB.

## **2.15. Electronic Transmission of Information and Data**

2.15.1. The Purchaser will communicate answers to requests for clarification and amendments to this IFB to the prospective Bidders as soon as practicable.

2.15.2. Bidders are advised that the Purchaser will rely exclusively on email communication to manage all correspondence related to this IFB, including IFB amendments and clarifications.

2.15.3. Bidders are cautioned that electronic transmission of documentation which contains classified information is not allowed.

## **2.16. Supplemental Agreements**

2.16.1. Bidders are required, in accordance with the certificate at Annex B-7 of these Instructions to Bidders, to disclose any prospective Supplemental Agreements that are required by national governments to be executed by NATO/ NCI Agency as a condition of Contract performance.

2.16.2. Supplemental Agreements are typically associated with, but not necessarily limited to, national export control regulations, technology transfer restrictions and end user agreements or undertakings.

2.16.3. Bidders are cautioned that failure to provide full disclosure of the anticipated requirements and the terms thereof, to the best of the Bidder's knowledge and experience, may result in the Purchaser withholding award of the Contract or cancelling an executed Contract if it is discovered that the terms of such Supplemental Agreements contradict salient conditions of the Prospective Contract to the extent that either key objectives cannot be accomplished or basic Contract principles and Purchaser rights have been limited.

2.16.4. If supplemental agreements, such as End-User Certificates or Technical Assistance Agreements, are required by national regulations, these must be submitted within the Bid Administrative Package (3.3.6.7). Supplemental agreements submitted after the Bid Closing Date shall not be considered.

2.16.5. The terms of supplemental agreements, if necessary, are the Bidders/Contractors responsibility and shall be totally consistent with the terms of the (Prospective) Contract, and shall not duplicate, negate, or further interpret any provisions of this Contract.

- 2.16.6. Supplemental agreement that contradicts the Terms of the Contract in a cardinal manner may result in a determination that the Bid as not compliant with the terms of the IFB, and in rejection of the Bid.
- 2.16.7. Any supplemental agreements issued in final form by the government(s) resulting in an impossibility to perform the Contract in accordance with its schedule, terms or specifications, the Contract may be terminated by the Purchaser at no cost to either Party.

## **2.17. Notice of Limitations on Use of Intellectual Property Delivered to the Purchaser**

- 2.17.1. Bidders are instructed to review Clause 30 of the Prospective Contract General Provisions set forth under Part III of Book II herein. These Clauses set forth the definitions, terms and conditions regarding the rights of the Parties concerning Intellectual Property developed and/or delivered under the Prospective Contract or used as a basis of development under the Prospective Contract.
- 2.17.2. Bidders are required to disclose, in accordance with Annex B-12, the Intellectual Property proposed to be used by the Bidder that will be delivered with either Background Intellectual Property Rights or Third Party Intellectual Property Rights. Bidders are required to identify such Intellectual Property and the basis on which the claim of Background or Third Party Intellectual Property is made.
- 2.17.3. Bidders are further required to identify any restrictions on Purchaser use of the Intellectual Property that is not in accordance with the definitions and rights set forth in Clause 30 of Prospective Contract General Provisions, or any other provision of the Contract concerning use or dissemination of such Intellectual Property.
- 2.17.4. Bidders are reminded that restrictions on use or dissemination of Intellectual Property conflicting with Clause 30 or with the objectives and purposes of the Purchaser as stated in the Prospective Contract shall result in a determination of non-compliant bid.

## **2.18. Notice to Bidders of Contract Distribution and Disclosure of Information**

- 2.18.1. The resulting Contract is subject to release to the applicable NATO Resource Committee through the NATO Office of Resources (NOR).
- 2.18.2. The resulting Contract may be subject to release to (i) NATO Resource Committees for audit purposes (including audits carried out using third party companies- See Book II, Special Provisions Article entitled, "Notice of Authorized Disclosure of Information for Mandated NATO Third Party Audits by Resource Committees"; and (ii) to the customer holding a Service Level Agreement with the Agency related to this requirement, upon request from that customer.

## SECTION 3 BID PREPARATION INSTRUCTIONS

### 3.1. General

- 3.1.1. Bids shall be prepared in accordance with the instructions set forth herein. Failure to comply with these instructions may result in the Bid being declared non-compliant and eliminated from further consideration.
- 3.1.2. Bidders shall prepare a complete bid which comprehensively addresses all requirements stated herein. The Bid shall demonstrate the Bidder's understanding of the IFB and its ability to provide all the deliverables and services listed in the Schedule of Supplies and Services. Bids, which are not complete, will be declared non-compliant.
- 3.1.3. The Bidder shall not restate the IFB requirements in confirmatory terms only. Bids shall provide the level of detail necessary for the Purchaser to make an objective assessment of what is being offered and whether such an offer meets the requirements of the prospective Contract. Bidders are advised that Bids that fail to provide such a level of detail or that address salient aspects of the IFB in a cursory manner may be declared non-compliant without recourse to further clarification.
- 3.1.4. Although the Purchaser may request clarification of the Bid, it is not required to do so and may make its determination on the content of the Bid as written. Therefore, Bidders shall assume that inconsistencies, omissions, errors, lack of detail and other qualitative deficiencies in the submitted Bid will have a negative impact on the final rating.
- 3.1.5. Bidders shall prepare their bid in 3 parts in the following quantities:

<p><u>(a) Administrative Package (Part 1):</u></p>	<p><u>One (1) Email no larger than 10 MB total and without password protection including:</u></p> <ul style="list-style-type: none"> <li>• Email subject line: <i>IFB-CO-115754-LTXR [Company Name] - Admin</i></li> <li>• One (1) PDF file containing all the documents specified in paragraph 3.3</li> <li>• One (1) electronic PDF file of the Bid Guarantee (paragraph 3.3) submitted to: <a href="mailto:NCIABankGuarantee@ncia.nato.int">NCIABankGuarantee@ncia.nato.int</a></li> </ul> <p>In addition, an Original (Paper) copy of the Bid Guarantee shall be sent. This Original (Paper) shall be received no later than seven (7) business days after the Bid Closing Date (in paragraph 2.3.1). This Original (Paper) copy shall be sent to:</p> <p>ATTN: Ole Hubner IFB-CO115754-LTX-R NATO Headquarters Boulevard Leopold III B-1110 Brussels Belgium</p>
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<u>(b) Price Quotation Package (Part 2):</u>	<u>One (1) Email no larger than 10 MB total and without password protection including:</u> <ul style="list-style-type: none"> <li>• Email subject line: <i>IFB-CO-115754-LTXR [Company Name] - Price</i></li> <li>• One (1) completed MS Excel (native) file of the Bidding Sheet document (Annex A-2).</li> <li>• One (1) PDF copy with physical or electronic signatures of the completed Bidding Sheets as detailed in Section 3.4</li> <li>• One (1) PDF copy of signed Annex A-3</li> </ul>
<u>(c) Technical Proposal Package (Part 3):</u>	<u>One (1) Email no larger than 10 MB total and without password protection including:</u> <ul style="list-style-type: none"> <li>• Email subject line: <i>IFB-CO-115754-LTXR [Company Name] – Technical</i></li> <li>• Quantities and file format as described in named as described in Section 3.5.1</li> </ul>

- 3.1.6. Detailed requirements for the structure and content of each of these parts are contained in the following paragraphs of this Section.
- 3.1.7. If no specific format has been established for electronic versions in the Prospective Contract Statement of Work, Bidders shall deliver their bid in an electronic format which is best suited for review and maintenance by the Purchaser (**MS Project, MS Excel, MS Word, PDF**).
- 3.1.8. Bid documentation text, figures and tables shall be **readable and searchable**.
- 3.1.9. All documentation submitted as part of the Bid shall be classified no higher than "NATO UNCLASSIFIED".
- 3.1.10. Partial Bids and/or Bids containing conditional statements or all-or-nothing bids will be declared non-compliant. Examples of conditional statements include conditioning the NLT Delivery Dates set by Prospective Contract SSS, imposing particular conditions to the pricing listed in the Bidding Sheets, Supplemental Agreements inconsistent with the terms of the Prospective Contract etc.
- 3.1.11. Bidders are advised that the Purchaser reserves the right to incorporate the Bidder's Technical Proposal in whole or in part in the resulting Contract.
- 3.1.12. All notices and communications regarding this IFB shall be written and conducted in English language.
- 3.1.13. All documentation submitted as part of the Bid shall be in the English language.

## 3.2. Bid Package and Marking

- 3.2.1. The complete electronic bid shall consist of three distinct and separated parts described in the following subparagraphs. Detailed requirements for the structure and content of each of these packages are contained in these Bidding Instructions.

- 3.2.1.1. Part 1: Administrative Package (paragraph 3.3)
- 3.2.1.2. Part 2: Price Quotation (paragraph 3.4)
- 3.2.1.3. Part 3: Technical Proposal Package (paragraph 3.5)
- 3.2.1.4. "Times New Roman" fonts size 12 shall be used for normal text, and "Arial Narrow" fonts not smaller than size 10 for the tables and graphics.
- 3.2.1.5. Emails with a Bid attached to it shall be less than 10 MB in size per email.
- 3.2.1.6. The Bid shall be sent to the correct Bid Delivery email address stated in paragraph 2.3.2.1.
- 3.2.1.7. The email shall have the following subject line: IFB-CO-115754-LTXR Bid for {Insert Company Name} – {Part 1/2/3} – {Admin/Price/Technical}.
- 3.2.1.8. "Company Name" in the subject line of the email, and in the names of the individual files, the name of the Bidder shall be abbreviated to no more than 10 characters. For example, if a company's name is "Computer and Technology Research Company", the company name could be shorted to CTRC in the email and file names.
- 3.2.1.9. In the event the Bid must be submitted in multiple emails to stay under the size limit stated in paragraph 3.2.1.5, the Bidder shall add "Email 1 of 2", "Email 2 of 2" as necessary to the subject line of the email.
- 3.2.1.10. The individual files sent by email shall have the naming convention listed in the table below. In the event the documents must be split into more than one file (to ensure the email stays within the limit of 10 MB), the Bidder shall add "Email 1 of 2", "Email 2 of 2" as necessary to the file names.

<b>Part I, Administrative Package</b>	115754-LTXR-Company Name–Part I–Admin
	115754-LTXR-Company Name–Part I–Bid Guarantee
<b>Part II, Price Proposal Package</b>	115754-LTXR-Company Name–Part II–Price
	115754-LTXR-Company Name–Part II–Price Signed
<b>Part III, Technical Proposal Package</b>	<b>General</b>
	115754-LTXR-Company Name–Part III – Table of Contents
	115754-LTXR-Company Name–Part III – Executive Summary
	115754-LTXR-Company Name–Part III – SSS (unpriced)
	115754-LTXR-Company Name–Part III – Compliance Table
	<b>Engineering Proposal</b>
	115754-LTXR-Company Name–Part III – HL Migration Plan
	115754-LTXR-Company Name–Part III – SSD
	115754-LTXR-Company Name–Part III – SSR
	115754-LTXR-Company Name–Part III – STP
	115754-LTXR-Company Name–Part III – CVs
	<b>Management Proposal</b>
	115754-LTXR-Company Name–Part III – PMP
	115754-LTXR-Company Name–Part III – SDPR
	115754-LTXR-Company Name–Part III – CVs
	115754-LTXR-Company Name–Part III – Corporate Experience
	<b>Supportability Proposal</b>
	115754-LTXR-Company Name–Part III – SCP
	115754-LTXR-Company Name–Part III – SSC
	115754-LTXR-Company Name–Part III – CSIP

	115754-LTXR-Company Name-Part III – RMP
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### 3.2.2. Acceptable File Formats

- 3.2.2.1. Unless otherwise directed, files can be submitted in Adobe PDF format.
- 3.2.2.2. The Purchaser does NOT accept hard copies of bids, CDs, thumb drives, or zip files.

## 3.3. Part 1: Bid Administrative Package

- 3.3.1. The Package must include:
- 3.3.2. One (1) PDF file containing all the documents specified in paragraph 3.3.6 and 3.3.7.
- 3.3.3. One (1) electronic PDF file of the Bid Guarantee (paragraph 2.13) submitted to: NCIABankGuarantee@ncia.nato.int
- 3.3.4. In addition, an Original (Paper) of the Bid Guarantee shall be sent. This Original (Paper) shall be received no later than seven (7) business days after the Bid Closing Date (in paragraph 2.3.1). This Original (Paper) copy shall be sent to:  
ATTN: Ole Hubner  
IFB-CO115754-LTX-R  
NATO Headquarters  
Boulevard Leopold III  
B-1110 Brussels  
Belgium
- 3.3.5. No information disclosing or contributing to disclose the Bid Price shall be made part of the Bid Administrative Package. Failure to abide to this prescription shall result in the Bid being declared non-compliant.
- 3.3.6. The Administration Package shall include the certificates set forth in the ANNEX B – PRESCRIBED ADMINISTRATIVE FORMS AND CERTIFICATES to these Bidding Instructions, signed in the original or electronically by an authorised representative of the Bidder. **The text of the certificates must not be altered in any way.** The certificates are as follows:
  - 3.3.6.1. Certificate of Legal Name of Bidder (Annex B-1)
  - 3.3.6.2. Acknowledgement of Receipt of IFB Amendments (Annex B-2)
  - 3.3.6.3. Certificate of Independent Determination (Annex B-3)
  - 3.3.6.4. Certificate of Bid Validity (Annex B-4)
  - 3.3.6.5. Certificate of Exclusion of Taxes, Duties and Charges (Annex B-5)
  - 3.3.6.6. Comprehension and Acceptance of Contract Special and General Provisions (Annex B-6)

- 3.3.6.7. Disclosure of Requirements for NCI Agency Execution of Supplemental Agreements (Annex B-7)
- 3.3.6.8. List of Prospective Subcontractors (Annex B-8)  
Bidders shall identify by name, project role, and country of origin all significant sub-contractors whose estimated **value of the subcontract is expected to equal or exceed EUR 125,000. If there are no sub-contractors involved, the Bidder shall state this separately. The subcontractors listed in this certificate shall be traceable in the Bidding Sheets.**  
Bidders are reminded that as per Prospective Contract General Provisions Clause 9, none of the work shall be performed other than by firms from and within **NATO Participating Countries.**
- 3.3.6.9. Certificate of Origin of Equipment, Services, and Intellectual Property (Annex B-9)  
Bidders are reminded that as per Prospective Contract General Provisions Clause 9, no material or items of equipment down to and including identifiable Sub-Assemblies shall be manufactured or assembled by firms other than from and within **NATO Participating Countries.**
- 3.3.6.10. Certificate of Compliance with AQAP 2110, ISO 9001 or equivalent standards (Annex B-10)  
**The Bidder shall attach to the Certificate a copy of the company's AQAP 2110 or ISO 9001 Certification.**
- 3.3.6.11. List of Key Personnel (including Subcontractor Personnel) (Annex B-11)  
**The list shall be in line with SOW Section 3.9, SD-106, and 4.3, PM-24, requirements.**
- 3.3.6.12. List of Bidder, Subcontractor and Third Party Background IPR (Annex B-12)
- 3.3.6.13. Disclosure of Involvement of Former NCI Agency Employment (Annex B-13)
- 3.3.7. The Administrative Package shall include copies of the following valid Certification of the Bidder:
  - 3.3.7.1. ISO/IEC 20000-1:2018 Information technology - Service management - Part 1: Service management system requirements
  - 3.3.7.2. ISO/IEC 27001 - Information security management systems
  - 3.3.7.3. Information Technology Infrastructure Library (ITIL) v4
  - 3.3.7.4. Metro Ethernet Forum (MEF) 2.0 or 3.0 services and technology

### 3.4. Part 2: Price Quotation Package

- 3.4.1. The Price Proposal Package must include the following:
  - 3.4.1.1. Digitally or hand signed and scanned copy of the Annex A-3 Contractor Pricing Summary;

- 3.4.1.2. The duly completed CLIN Summary Sheet and the Offer Summary Sheet of the Bidding Sheets provided in Annex A-2 of Book I;
- 3.4.1.3. The duly completed Implementation (one-off costs) Sheet and the Service Delivery (O&M costs) Sheet of the Bidding Sheets provided in Annex A-2 of Book I;
- 3.4.1.4. The duly completed Price Breakdown Tabs of the Bidding Sheets under Annex A-2 of Book I, namely Labour, Material, Travel, Other Direct Costs and Rates tabs.
- 3.4.2. The Price Proposal Package shall be prepared and submitted in the form of completed Bidding Sheets in accordance with Section 3.4 and ANNEX A – BIDDING SHEETS of these instructions. No alteration of the form and pre-filled content of the Bidding Sheets is allowed, unless otherwise specified. The prices entered shall reflect the amount of the total items required to meet the contractual requirements.
- 3.4.3. Bidders shall prepare their Price Quotation by completing the yellow highlighted sections of the Bidding Sheets, in accordance with the instructions specified in Annex A-1 and the Bidding Sheets.
- 3.4.4. The structure of the Bidding Sheets shall not be changed, other than as indicated elsewhere, nor should any quantity or item description in the Bidding Sheets. The currency(ies) of each Contract Line Item and sub-item shall be shown. The prices provided shall be intended as the comprehensive total price offered for the fulfilment of all requirements as expressed in the IFB documentation including but not limited to those expressed in the SoW.
- 3.4.5. Bidders shall furnish Firm Fixed Prices for all required items in accordance with the format set forth in the Instructions for preparation of the Bidding Sheets (Annex A-1). This includes Firm Fixed Prices for all optional CLINs. Prices cannot be embedded/included in other prices. Not having provided a price for all items as required per the Bidding Sheets, i.e. to fill out all yellow fields, may render the bid non-compliant.
- 3.4.6. **Bidders are advised that the total price for annual service delivery (CLIN 3, CLIN 6.1.1, 6.1.2 and 6.1.3) shall not exceed the authorized ceiling price of € 8,000,000 per year (six years being three years contract base period and three years being evaluated option, totalling EUR 48,000,000.00). The implementation costs shall not exceed the authorized ceiling price of EUR 5,000,000 (One-Off CLIN 1 and 2). Bids submitted in excess of the stated threshold will be deemed as non-compliant and will be disqualified.**
- 3.4.7. Offered prices shall not be “conditional” in nature. Any comments supplied in the Bidding Sheets which are conditional in nature, relative to the offered prices, may result in a determination that the Bid is non-compliant.
- 3.4.8. Bidders are responsible for the accuracy of their Price Quotations. Price Quotations that have apparent computational errors may have such errors resolved in the Purchaser’s favour or, in the case of gross omissions, inconsistencies or errors, may be determined to be non-compliant. In the case of inconsistencies between the Offer / CLIN Summary Sheets and the Implementation (one-off costs), Service delivery (O&M costs) and the Price Breakdown Sheets, the Offer / CLIN Summary Sheets will be considered by the



Purchaser to have precedence over the Implementation (one-off costs), Service delivery (O&M costs) and the Price Breakdown Sheets.

- 3.4.9. Bidders shall quote in their own national currency or in EURO. Bidders may also submit bids in multiple currencies including other NATO member states' currencies under the following conditions:
- 3.4.9.1. The currency is of a "participating country" in the project, and
  - 3.4.9.2. The Bidder can demonstrate, either through sub-Contract arrangements or in its proposed work methodology, that it will have equivalent expenses in that currency.
- 3.4.10. All major subcontracts and their approximate anticipated value should be listed on a separate sheet and included with the Price Quotation. **Certificate Annex B-8 shall be consistent with Price Quotation Package.**
- 3.4.11. The Purchaser, by virtue of its status under the terms of Article IX and X of the Ottawa Agreement, is exempt from all direct and indirect taxes (incl. VAT) and all customs duties on merchandise imported or exported.
- 3.4.12. Bidders shall therefore exclude from their Price Quotation all taxes, duties and customs charges from which the Purchaser is exempted by international agreement and are required to certify that they have done so through execution of the Certificate at Annex B-5. The Contractor shall be responsible for ensuring that its respective Sub-Contractors are aware that the Purchaser is exempt from taxes and customs duties. The Contractor (and its respective Sub-Contractors) shall be responsible for complying with all applicable national and local legal and administrative procedures to ensure that authorities do not attempt to assess taxes and customs duties on goods and property imported or exported through NATO member nation frontiers under this Contract nor assess direct taxation (VAT) on goods sold to the NCI Agency under this Contract.
- 3.4.13. Unless otherwise specified in the instructions for the preparation of Bidding Sheets in Annex A-1, all prices quoted in the proposal shall be on the basis that all deliverable items shall be delivered to specified destination "Delivery Duty Paid (DDP)", in accordance with the International Chamber of Commerce INCOTERMS ® 2020, and shall also cover all packaging, packing, preservation, insurance and transportation charges. Prices quoted shall include all costs for items supplied and delivered to final destination.
- 3.4.14. The Bidder's attention is directed to the fact that the Price Quotation shall contain no document and/or information other than the priced copies of the Bidding Sheets. Any other document will not be considered for evaluation.
- 3.4.15. When completing the Bidding Sheets, a unit price and total fixed price for each specified element needs to be supplied on each CLIN line item. Bidders are required to insert price information in all cells marked in yellow in the Bidding Sheets. Prices should not be grouped. The prices and quantities entered on the document shall reflect the total items required to meet the contractual requirements. The total price shall be indicated in the appropriate columns and in the currency quoted. If the price of a line item is expressed in different currencies, these shall be identified, and there shall be as many totals on that line item as there are currencies. In preparing the Price Quotation, Bidders shall ensure that the prices of the Sub-items total the price of the major item of which

they constitute a part. The accuracy of the inputs of the Bidding Sheets is the responsibility of the Bidder. The Purchaser in its favour may resolve ambiguous computation of prices.

- 3.4.16. Any adjustment or discount to prices should be clearly traceable to the lowest level of break down in the bidding sheets and should not be aggregated or summed. Any lack of clarity or traceability may render the Bid non-compliant.
- 3.4.17. The Bidder understands that there is no obligation under this Contract for the Purchaser to exercise any of the optional line items, and that the Purchaser bears no liability should it decide not to exercise such options (totally or partially). Further, the NCI Agency reserves the right to order another Contractor to perform the tasks described in the optional line items of the current Contract through a new Contract with other conditions.

### **3.5. Part 3: Technical Proposal Package**

- 3.5.1. The Bidder shall prepare and submit, in one bound package, a Technical Proposal, composed of the three volumes as specified below:
- 3.5.1.1. General
- One PDF for the Table of Contents
  - One PDF for the Executive Summary
  - One PDF for the unpriced Schedule of Supplies and Services
  - One PDF for the Cross Reference/Compliance Table
- 3.5.1.2. Section 1: Engineering Proposal
- One PDF for the draft High Level Migration plan from existing Services to LTX-R
  - One PDF for the draft Service Design Description (SDD)
  - One PDF for the Site Survey Reports (SSR) templates
  - One PDF for the draft Service Testing Plan (STP)
  - One PDF for the Curriculum Vitae of proposed key personnel including associated documents
- 3.5.1.3. Section 2: Management Proposal
- One PDF for the Project Management Plan (PMP) draft
  - One PDF for the Service Delivery Performance Reports (SDPR) draft template
  - One PDF for the Curriculum Vitae of proposed key personnel including associated documents
  - One PDF for the description of relevant corporate experience
- 3.5.1.4. Section 3: Supportability Proposal
- One PDF for the Service Continuity Plan (SCP) draft
  - One PDF for the Service Support Concept (SSC) draft
  - One PDF for the Continual Service Improvement Plan (CSIP) draft
  - One PDF for the Risk Management Plan (RMP) draft
- 3.5.2. No information disclosing or contributing to disclose the Bid Price shall be made part of the Technical Proposal Package. Failure to abide to this prescription shall result in the Bid being declared non-compliant.

- 3.5.3. It is of utmost importance that the Bidder responds to all of the technical requirements contained in the IFB Statement of Work (including all Appendices) and all the Bidding Instructions, not only with an affirmation of compliance but also with an explanation of how each requirement will be met. A simple copy / paste of the requirements from the IFB into a proposal will not constitute sufficient grounds of compliance and may lead to determination of non-compliance.
- 3.5.4. The Technical Proposal shall include the following:
- 3.5.4.1. Table of Contents. The Bidder shall compile a detailed Table of Contents which lists not only section headings but also major sub-sections, and topic headings required set forth in these Instructions or implicit in the organization of the Technical Proposal.
  - 3.5.4.2. Executive Summary: Bidders shall provide an overview of the salient features of their technical proposal in the form of an executive summary. An executive summary is not mandatory and will not be evaluated. This summary (if included) shall not exceed 3 pages.
  - 3.5.4.3. Unpriced Schedule of Supplies and Services. The Bidder shall include in the Technical Proposal Package an **UNPRICED** version of the Schedule of Supplies and Services (SSS), in Electronic format. Such unpriced version of the SSS shall not include price breakdown information, as its purpose is to enable the Purchaser to accurately evaluate the Bidder's Technical Proposal — outside the price evaluation process — in terms of the proposed schedule. The unpriced SSS table shall show the Bidder's proposed implementation schedule as indicated on the Bidding Sheets, if different from the one envisaged by the Purchaser (see Para. 1.2.3).
  - 3.5.4.4. Cross-Reference/Compliance Table. The Bidder shall include the completed Technical Proposal Cross-Reference Matrix Table (ANNEX C – TECHNICAL PROPOSAL CROSS REFERENCE MATRIX TABLE of these instructions). The Bidder shall complete the column marked "QUOTATION REFERENCE" of the Table, citing the appropriate section of the Technical Proposal that corresponds to each paragraph of these Instructions for the preparation of the Technical Proposal. The completed table serves as an index for the Purchaser's Technical Evaluation Panel and also as an aide memoire to the Bidder to ensure that all the required information has been provided in the Technical Proposal.
- 3.5.5. **Section 1: Engineering Proposal**
- 3.5.5.1. The Bidder shall submit a **draft High Level Migration Plan** in accordance with the requirements of Section 2 of the SOW. The draft High Level Migration Plan shall:
    - a. Demonstrate that the Bidder has good understanding of the scope and requirements for the Service Implementation
    - b. Clearly describe how the seamless and uninterrupted transition from the existing Services to the Services provided under this Contract will be ensured in compliance with the contractual requirements
    - c. Describe realistic and achievable milestones from Contract Award to Full Service Acceptance by detailing the underlying activities and their associated resources for each milestone
    - d. Demonstrate the Bidders methodology to identify and mitigate risks during the implementation

- 3.5.5.2. The Bidder shall submit a **draft Service Design Description (SDD)** addressing the requirements of section 2.3 of the SOW. The draft SDD shall provide:
- A comprehensive technical overview of the proposed solution
  - A draft High Level Design describing the architecture and composition of the proposed solution
  - Compliance checks of the draft SDD with the Service requirements of the SOW
  - Single Point of Failures checks methodology
- 3.5.5.3. The Bidder shall submit a **draft Site Survey Report (SSR) template** addressing the requirements of Section 2.2 of the SOW, to demonstrate the Bidders approach towards the site surveys. The templates shall:
- Demonstrate the Bidders methodological approach to capture and analyse the information retrieved from the site survey
  - Be sufficiently detailed and complete to capture the information required to enable the successful delivery of the operational requirements
- 3.5.5.4. The Bidder shall submit a **draft Service Testing Plan (STP)** in accordance with Section 2.5 of the SOW. The draft STP shall:
- Demonstrate the Bidders capability to meet testing requirements and conduct related activities under the Contract
  - Describe the timelines in accordance with the Contract and specify the roles and responsibilities of testing personnel
  - Describe the test scope, test methodology, expected results and success criteria
- 3.5.5.5. The Bidder shall provide a **curriculum Vitae for the Key Personnel** proposed in accordance with Section 4.3 of the SOW and submitted by the Bidder through Annex B-11 of Book I. The Bidder shall provide a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals and security clearance information. This subsection shall also describe the authority and responsibility (and the limits) of the Project Manager within the overall corporate organisation, including the circumstances at which the Project Manager must refer decision making authority the next level of Corporate management.
- 3.5.6. **Section 2: Management Proposal**
- 3.5.6.1. The Management Proposal shall include a **draft Project Management Plan (PMP)** in accordance with the requirements of Section 4.2 of the SOW. The draft PMP shall describe how the Bidder intends to manage this project from contract signature through Final System Acceptance and throughout the warranty periods. The draft PMP shall consider all aspects of project management and control and demonstrate how all the critical dates will be met. The Bidder shall describe in particular the following aspects:
- Proposed Project Management Organisation with clear description of the roles and responsibilities
  - Project Governance Model
  - Project Scope, Timelines, Deliverables/Outputs
  - Project Plan Summary
  - Draft Work Package Breakdown Structure describing the activities to a level that exposes all project risk factors and allows estimate of each work item's duration, resource requirements, assumptions, constraints, dependencies and requirements for Purchaser support

- 3.5.6.2. In relation to 3.7.3 of the SOW, the Bidder shall submit a **draft Service Delivery Performance Review (SDPR) template**, addressing the requirements listed under SD-85.
- 3.5.6.3. The Bidder shall provide a **curriculum Vitae for the Key Personnel** proposed in accordance with Section 3.9 of the SOW and submitted by the Bidder through Annex B-11 of Book I. The Bidder shall provide a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals and security clearance information. This subsection shall also describe the authority and responsibility (and the limits) of the Project Manager within the overall corporate organisation, including the circumstances at which the Project Manager must refer decision making authority the next level of Corporate management.
- 3.5.6.4. The Bidder shall describe and demonstrate the relevant **corporate experience** in at least one (1) recent contract within the last five (5) years for which the Bidder has delivered the same or substantially similar services. The Bidder shall provide the following information:
- Key requirements and to what extent they have been met by the solution implemented, preferably documented with a customer evaluation report
  - Brief description of the financial and technical scope of the project; including parameters, such as availability, capacity, and performance criteria
  - Purchaser of the services
  - Start and end date of the Contract
  - A valid point of Contact for verification purposes
- 3.5.7. **Section 3: Supportability**
- 3.5.7.1. The Bidder shall submit a **draft Service Continuity Plan (SCP)**, addressing Section 3.7.1 of the SOW (where applicable) covering at least the following points:
- Supplier Management Procedures
  - Mitigating actions to support Service Continuity in case of major risk materialisation
  - Roles and responsibilities of key personnel
- 3.5.7.2. The Bidder shall submit a **draft Service Support Concept (SSC)**, addressing each point under SD-69 and SD-70, Section 3.7.1 of the SOW. The Bidder shall include in the draft SSC a description of the proposed support organisation and its procedures. The roles and responsibilities of key personnel shall be described and the qualification of suggested key personnel shall be supported by a description of their experience and proof of qualification. Furthermore, the draft SSC should address the following points:
- Proposed measures to comply with response times in relation to the KPIs on the SOW
  - Description of Event Management process
  - Description of Major Incident Management process
  - Description of Problem Management process
  - Planned/emergency maintenance and engineering works procedure draft
  - Description of Service Change and Configuration Management process
- 3.5.7.3. The Bidder shall submit a **draft Continual Service Improvement Plan (CSIP)** in accordance with the requirements of SD-74, section 3.7.1 of the SOW, including a draft Service Improvement Plan addressing the complete contract

lifecycle management towards improvements such as problem statements, descriptions, priority, measures taken, success criteria, timelines, costs, risks, expected outcomes, expected improvements, residual activities.

- 3.5.7.4. The Bidder shall submit a **draft Risk Management Plan (RMP)** in accordance with the requirements of SD-71 to SD-74, Section 3.7.1 of the SOW, including a description of the Risk Management Process. The draft RMP should address the following points:
- a. Risk Identification
  - b. Risk Evaluation criteria
  - c. Response Planning
  - d. Monitoring and Control Measures
  - e. Communication Methods
  - f. Categorization of Risks
  - g. Roles and responsibilities of the Contractor's personnel in the Risk Management and Mitigation Process
  - h. Draft templates for the Risk and Issue Register or Log

## **SECTION 4 BID EVALUATION**

### **4.1. General**

- 4.1.1. The evaluation of Bids will be made by the Purchaser solely on the basis of the requirements specified in this IFB. Failure to satisfy any of the bidding requirements may result in a determination of non-compliance for the entire Bid.
- 4.1.2. The evaluation of Bids will be based only on that information furnished by the Bidder and contained in its Bid. The Purchaser shall not be responsible for locating or securing any information that is not identified in the Bid or included only by reference.
- 4.1.3. The Bidder shall furnish with its Bid all information requested by the Purchaser in Book I, Section 3, Bid Preparation Instructions. Significant omissions and/or cursory submissions may result in a determination of non-compliance without recourse to further clarification. The information provided by the Bidder in its proposal shall be to a level of detail necessary for the Purchaser to determine exactly what the Bidder proposes to furnish and whether the offer meets the technical, administrative and contractual requirements of this IFB.
- 4.1.4. During the evaluation, the Purchaser may request clarification of the Bid from the Bidder and the Bidder shall provide sufficient detailed information in connection with such requests as to permit the Purchaser to make a final assessment of the Bid based upon the facts. The purpose of such clarifications will be to resolve ambiguities in the Bid and to permit the Bidder to state its intentions regarding certain statements contained therein. The purpose of the clarification stage is not to elicit additional information from the Bidder that was not contained in the original submission or to allow the Bidder to supplement cursory answers or omitted aspects of the Bid. The Bidder is not permitted any cardinal alteration of the Bid regarding technical matters and shall not make any change to the price quotation at any time.
- 4.1.5. The Bidder's prompt response to the Purchaser's clarification requests is important and therefore failure to provide the requested clarifications within the time-limits set forth in the specific Clarification Requests (minimum 24 hours next working day) may cause the bid to be deemed non-compliant
- 4.1.6. The Purchaser reserves the right, during the evaluation and selection process, to verify any statements made concerning experience, facilities, or existing designs or materials by making a physical inspection of the Bidder's facilities and capital assets and by interviewing proposed Key Personnel. This includes the right to validate, by physical inspection, the facilities and assets of proposed Subcontractors. The Bidder shall be responsible for providing access to its own or Subcontractor's and personnel.
- 4.1.7. The evaluation will be conducted in accordance with NATO Infrastructure Bidding Procedures as set forth in the document, and the Best Value evaluation procedures set forth in AC/4-D(2008)0002-Rev2, "Procedures and Practices for Conducting NSIP International Competitive Bidding Using Best Value Methodology". The bid evaluation methodology to be followed, including the top-level evaluation criteria and their weighting factors, were agreed by the Host Nation.

## 4.2. Best Value Approach and Bid Evaluation Factors

- 4.2.1. The Contract resulting from this IFB will be awarded to the Bidder whose conforming offer provides the Best Value to NATO, as evaluated by the Purchaser in compliance with the requirements of this IFB and according to the evaluation method specified in this section.
- 4.2.2. The Top Level Criteria are 50% Technical and 50% Price.
- 4.2.3. **Technical Scoring:**
- 4.2.4. The 2<sup>nd</sup> level criteria for the technical evaluation are:
- 4.2.4.1. **Engineering (E):** 40% weight, based on the criteria listed in order of descending importance (that is, most important listed first) in paragraph 4.5.5.
  - 4.2.4.2. **Management (M):** 40% weight, based on the criteria listed in order of descending importance in paragraph 4.5.7.
  - 4.2.4.3. **Supportability (S):** 20% weight, based on the criteria listed in order of descending importance in paragraph 4.5.8.
  - 4.2.4.4. The Technical Score will be calculated using the following formula:
  - 4.2.4.5. 
$$TS = (40 * \text{Engineering Score}) + (40\% * \text{Management Score}) + (20\% * \text{Supportability Score})$$
- 4.2.5. **Price Score**
- 4.2.5.1. The Price Score (PS) will be calculated using the following formula:
  - 4.2.5.2. 
$$PS = 100 * (1 - (\text{Bid Price} / (2 * \text{Average Bid Price})))$$
  - 4.2.5.3. The “Bid Price” and the “Average Bid Price” will be calculated based on the sum of the proposed prices as defined in paragraph 4.6.3.2.
  - 4.2.5.4. Only those bids evaluated as compliant in both the Administrative and Technical evaluations will be used in the calculation of the Price Score. Therefore, the price scores cannot be calculated until after the technical evaluations are complete.
  - 4.2.5.5. Bidders shall note that any bid in excess of the stated ceiling price set forth in paragraph 3.4.6 may not be scored as the bid may be determined to be non-compliant.
- 4.2.6. **Best Value Final Scoring**
- 4.2.6.1. The Best Value final score (FS) will be the sum of the weighted Technical Score (TS) and weighted Price Score (PS), according to the following formula:  
$$FS = (TS * 50\%) + (PS * 50\%)$$
  - 4.2.6.2. The maximum possible Best Value Score is 100. The bid with the highest Best Value Score will be recommended to be the Apparent Successful Bidder.



- 4.2.6.3. A weighting scheme for sub-criteria values has been developed by Purchaser staff not associated with the Technical Evaluation. This weighting scheme has been sealed and is not known to any of the Purchaser staff beyond the originator and the Chairman of the Contracts Award Board, who are not evaluators within the framework of this IFB or in any manner or form are made privy of evaluation information throughout the course of the evaluation process. The weighting scheme remains sealed until Step 4 of the evaluation process described in paragraph 4.7.

### **4.3. Evaluation Procedure**

- 4.3.1. The evaluation will be done in a four-step process, as described below:

4.3.1.1. **Step 1: Administrative Compliance**

- 4.3.1.2. Bids received will be reviewed for compliance with the mandatory administrative requirements specified in paragraph 4.4. Bids not meeting all of the mandatory administrative requirements may be determined to be non-compliant and not considered for further evaluation.

4.3.1.3. **Step 2: Technical Evaluation**

- 4.3.1.4. The Technical volumes will be evaluated against predetermined top-level criteria and identified sub-criteria (see paragraph 4.2.3 above), and scored accordingly. This evaluation will result in “raw” or unweighted technical scores against the criteria.

- 4.3.1.5. Bidders are advised that any bid whose Technical Proposal receives a score of less than 20% of the total unweighted raw score possible in any of the sub-criteria listed in paragraph 4.5 of this document may be determined by the Purchaser to be non-compliant and not considered for further evaluation.

4.3.1.6. **Step 3: Price Evaluation**

- 4.3.1.7. The Price volumes will be opened and evaluated in accordance with paragraph 4.6.

4.3.1.8. **Step 4: Determination of Apparent Successful Bidder**

- 4.3.1.9. Upon completion of the Technical and Price evaluations, the scores of the bids considered to be technically compliant will be calculated. The Apparent Successful Bid will be determined in accordance with paragraph 4.7.

### **4.4. Evaluation Step 1: Administrative Compliance**

- 4.4.1. Bids will be reviewed for compliance with the formal requirements for bid submission as stated in this IFB and the content of the Bid Administration Volume. The evaluation of the Bid Administration Volume will be made on its completeness, conformity and compliance to the requested information. This evaluation will not be scored in accordance with Best Value procedures but is made to determine if a bid complies with the requirements of the Bidding Instructions and Prospective Contract. Specifically, the following requirements shall be verified:

- 4.4.1.1. The bid was received by the Bid Closing Date and Time stated in paragraph

2.3.1;

- 4.4.1.2. The bid is packaged and marked properly as stated in paragraph 3.2;
- 4.4.1.3. The Bid Administration Volume contains the documentation listed in paragraph 3.3 and complies with the formal requirements established in paragraph 3.2;
- 4.4.1.4. The Bidder has not taken exception to the Terms and Conditions of the Prospective Contract or has not qualified or otherwise conditioned his offer on a modification or alteration of the Terms and Conditions or the language of the Statement of Work.
- 4.4.2. **Receipt of an unreadable electronic bid.** If a bid received by email is unreadable to the degree that conformance to the essential requirements of the solicitation cannot be ascertained, the Point of Contract in paragraph 2.7 shall immediately notify the Bidder that the bid will be rejected unless the Bidder provides clear and convincing evidence:
  - 4.4.2.1. Of the content of the bid as originally submitted; and,
  - 4.4.2.2. That the unreadable condition of the bid was caused by Purchaser software or hardware error, malfunction, or other Purchaser mishandling.
- 4.4.3. A bid that fails to conform to the above requirements may be declared non-compliant and may not be evaluated further by the Purchaser.
- 4.4.4. Bids that are determined to be administratively compliant will proceed to Step 2, Technical Evaluation.
- 4.4.5. Notwithstanding paragraph 4.4.3 if it is later discovered in the evaluation of the Bid Administration Volume, Technical Volume or the Price Volume that the Bidder has taken exception to the Terms and Conditions of the Prospective Contract, or has qualified and/or otherwise conditioned his offer on a modification or alteration of the Terms and Conditions or the language of the Statement of Work, the Bidder may be determined to have submitted a non-compliant bid at the point in time of discovery.

## 4.5. Evaluation Step 2: Technical Evaluation

- 4.5.1. The Technical Proposal will be evaluated against the criteria set forth in this section. For some sub-criteria, there may be additional supporting factors at the next lower level. These lower level factors are not published in this IFB but are predetermined and included in the Technical Evaluation Weighting Scheme sealed before Bid Opening. The following paragraphs identify the aspects to be examined in the Technical Proposal evaluation and rating.
- 4.5.2. The Bidder shall have provided a Technical Proposal in accordance with 3.5 which includes all information required in Sections 3.5.1 to 3.5.6.
- 4.5.3. Table of Contents: The Bidder shall have compiled a detailed Table of Contents which lists not only section headings but also major sub-sections, and topic headings required set forth in these Instructions or implicit in the organization of the Technical Proposal.

- 4.5.4. Executive Summary: The Bidder shall have provided an overview of the salient features of their technical proposal in the form of an executive summary. An executive summary is not mandatory and will not be evaluated. This summary (if included) shall not exceed 3 pages.
- 4.5.5. Unpriced Schedule of Supplies and Services: The Bidder shall have provided an unpriced Schedule of Supplies and Services in electronic format in the Technical Proposal Package. The unpriced version of the SSS shall not include price breakdown information, as its purpose is to enable the Purchaser to accurately evaluate the Bidder's Technical Proposal — outside the price evaluation process — in terms of the proposed schedule. The unpriced SSS table shall show the Bidder's proposed implementation schedule as indicated on the Bidding Sheets, if different from the one envisaged by the Purchaser (see Para. 1.2.3).
- 4.5.6. The Bidder shall have included the completed Technical Proposal Cross-Reference Matrix Table (ANNEX C – TECHNICAL PROPOSAL CROSS REFERENCE MATRIX TABLE of these instructions). The Bidder shall have completed the column marked "QUOTATION REFERENCE" of the Table, citing the appropriate section of the Technical Proposal that corresponds to each paragraph of these Instructions for the preparation of the Technical Proposal.
- 4.5.7. The criteria used to evaluate the Technical Proposal are listed in descending order of importance (Part 1 to Part 3).
- 4.5.8. Within those criteria, all of the sub-criteria are also listed in order of descending importance.
- 4.5.9. The criteria of high importance will have higher weighting factors than the criteria of lower importance.
- 4.5.10. **Part 1: Engineering Proposal**
- 4.5.10.1. The Bidder shall have submitted a **draft High Level Migration Plan** in accordance with the requirements of Section 2 of the SOW. The draft High Level Migration Plan shall:
- Demonstrate that the Bidder has good understanding of the scope and requirements for the Service Implementation
  - Clearly describe how the seamless and uninterrupted transition from the existing Services to the Services provided under this Contract will be ensured in compliance with the contractual requirements
  - Describe realistic and achievable milestones from Contract Award to Full Service Acceptance by detailing the underlying activities and their associated resources for each milestone
  - Demonstrate the Bidders methodology to identify and mitigate risks during the implementation
- 4.5.10.2. The Bidder shall have submitted a **draft Service Design Description (SDD)** addressing the requirements of section 2.3 of the SOW. The draft SDD shall provide:
- A comprehensive technical overview of the proposed solution
  - A draft High Level Design describing the architecture and composition of the proposed solution
  - Compliance checks of the draft SDD with the Service requirements of the SOW
  - Single Point of Failures checks methodology

- 4.5.10.3. The Bidder shall have submitted a **draft Site Survey Report (SSR) template** addressing the requirements of Section 2.2 of the SOW, to demonstrate the Bidders approach towards the site surveys. The template shall:
- Demonstrate the Bidders methodological approach to capture and analyse the information retrieved from the site survey
  - Be sufficiently detailed and complete to capture the information required to enable the successful delivery of the operational requirements
- 4.5.10.4. The Bidder shall have submitted a **draft Service Testing Plan (STP)** in accordance with Section 2.5 of the SOW demonstrating the Bidders capability to meet testing requirements and conduct related activities under the Contract. The draft STP shall:
- Demonstrate the Bidders capability to meet testing requirements and conduct related activities under the Contract
  - Describe the timelines in accordance with the Contract and specify the roles and responsibilities of testing personnel
  - Describe the test scope, test methodology, expected results and success criteria
- 4.5.10.5. The Bidder shall have provided a **curriculum Vitae for the Key Personnel** proposed in accordance with Section 4.3 of the SOW and submitted by the Bidder through Annex B-11 of Book I. The Bidder shall have provided a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals and security clearance information. This subsection shall also describe the authority and responsibility (and the limits) of the Project Manager within the overall corporate organisation, including the circumstances at which the Project Manager must refer decision making authority the next level of Corporate management.
- 4.5.11. **Part 2: Management Proposal**
- 4.5.11.1. The Management Proposal shall include a **draft Project Management Plan (PMP)** in accordance with the requirements of Section 4.2 of the SOW. The draft PMP shall describe how the Bidder intends to manage this project from contract signature through Final System Acceptance and throughout the warranty periods. The draft PMP shall consider all aspects of project management and control and demonstrate how all the critical dates will be met. The Bidder shall describe in particular the following aspects:
- Proposed Project Management Organisation with clear description of the roles and responsibilities
  - Project Governance Model
  - Project Scope, Timelines, Deliverables/Outputs
  - Project Plan Summary
  - Draft Work Package Breakdown Structure describing the activities to a level that exposes all project risk factors and allows estimate of each work item's duration, resource requirements, assumptions, constraints, dependencies and requirements for Purchaser support
- 4.5.11.2. In relation to 3.7.3 of the SOW, the Bidder shall have submitted a **draft Service Delivery Performance Review (SDPR) template**, addressing the requirements listed under SD-85.
- 4.5.11.3. The Bidder shall have provided a **curriculum Vitae for the Key Personnel** proposed in accordance with Section 3.9 of the SOW and submitted by the

Bidder through Annex B-11 of Book I. The Bidder shall provide a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals and security clearance information. This subsection shall also describe the authority and responsibility (and the limits) of the Project Manager within the overall corporate organisation, including the circumstances at which the Project Manager must refer decision making authority the next level of Corporate management.

- 4.5.11.4. The Bidder shall have described and demonstrated the relevant corporate experience in at least one (1) recent contract within the last five (5) years for which the Bidder has delivered the same or substantially similar services. The Bidder shall provide the following information:
- a. Key requirements and to what extent they have been met by the solution implemented, preferably documented with a customer evaluation report
  - b. Brief description of the financial and technical scope of the project; including parameters, such as availability, capacity, and performance parameters
  - c. Purchaser of the services
  - d. Start and end date of the Contract
  - e. A valid point of Contact for verification purposes

#### 4.5.12. **Part 3: Supportability**

- 4.5.12.1. The Bidder shall have submitted a **draft Service Continuity Plan (SCP)**, addressing Section 3.7.1 of the SOW (where applicable) covering at least the following points:
- a. Supplier Management Procedures
  - b. Mitigating actions to support Service Continuity in case of major risk materialisation
  - c. Roles and responsibilities of key personnel
- 4.5.12.2. The Bidder shall have submitted a **draft Service Support Concept (SSC)**, addressing each point under SD-69 and SD-70, Section 3.7.1 of the SOW. The Bidder shall include in the draft SSC a description of the proposed support organisation and its procedures. The roles and responsibilities of key personnel shall be described and the qualification of suggested key personnel shall be supported by a description of their experience and proof of qualification. Furthermore, the draft SSC should address the following points:
- a. Proposed measures to comply with response times in relation to the KPIs on the SOW
  - b. Description of Event Management process
  - c. Description of Major Incident Management process
  - d. Description of Problem Management process
  - e. Planned/emergency maintenance and engineering works procedure draft
  - f. Description of Service Change and Configuration Management process
- 4.5.12.3. The Bidder shall have submitted a **draft Continual Service Improvement Plan (CSIP)** in accordance with the requirements of SD-76, section 3.7.1 of the SOW, including a draft Service Improvement Plan addressing the complete contract lifecycle management towards improvements such as problem statements, descriptions, priority, measures taken, success criteria, timelines, costs, risks, expected outcomes, expected improvements, residual activities.

- 4.5.12.4. The Bidder shall have submitted a **draft Risk Management Plan (RMP)** in accordance with the requirements of SD-71 to SD-74, Section 3.7.1 of the SOW, including a description of the Risk Management Process. The draft RMP should address the following points:
- a. Risk Identification
  - b. Risk Evaluation criteria
  - c. Response Planning
  - d. Monitoring and Control Measures
  - e. Communication Methods
  - f. Categorization of Risks
  - g. Roles and responsibilities of the Contractor's personnel in the Risk Management and Mitigation Process
  - h. Draft templates for the Risk and Issue Register or Log

#### **4.6. Evaluation Step 3: Price Evaluation**

- 4.6.1. The Bidder's price bid will be assessed for compliance against the following standards:
- 4.6.1.1. The total amount of the bid for the annual service delivery (CLIN 3, CLIN 6.1.1, CLIN 6.1.2 and CLIN 6.1.3) and the total amount of the bid for the implementation (CLIN 1 and CLIN 2) shall not exceed the ceiling in paragraph 3.4.6.
  - 4.6.1.2. The price bid meets the requirements for preparation and submission of the Price Quotation set forth in the Bid Preparation Section 3.4 and the Instructions for Preparation of the Bidding Sheets in ANNEX A, in particular:
    - a. The Bidder provided a digitally or hand signed and scanned copy of the Annex A-3 Contractor Pricing Summary.
    - b. The Bidder has furnished Firm Fixed Prices for all items listed. Prices cannot be embedded/ included in other prices. Not having provided a price for all items as required per the Bidding Sheets, i.e. to fill out all yellow fields, may render the bid non-compliant.
    - c. All pricing data, i.e., quantities, unit prices, has been provided as reflected in the Bidding Sheets.
    - d. Bid prices include all costs for items supplied, delivered, and supported.
    - e. All prices have been accurately entered into appropriate columns, and accurately summed up.
    - f. The Bidder has provided accurate unit price, and total price for each line item and sub-item (if any). The prices of the sub-items (if any) total the price of the major item of which they constitute a part.
    - g. The totals per CLIN and the bid grand total are accurate.
    - h. The currency of all line items has been clearly indicated. Line items with multiple currencies contain as many totals on that line item as there are identified currencies.
    - i. The Bidder has quoted in its own national currency or in the Host Nation currency, Euros. Where multiple currencies including other NATO member states' currencies

are quoted, the conditions of par. 3.4.9 are met.

j. The Bidder has indicated that in accordance with the treaties governing the terms of business with NATO, it excluded from its prices all taxes, duties and customs charges from which the Purchaser has been exempted.

k. Price quotes for each individual item(s) and totalled prices are accurate, realistic (based on historic data, and/or market and competitive trends in the specified industrial sector(s)), adequate and traceable.

4.6.1.3. Price Quotation does not contain any document and/or information other than the priced copies of the Bidding Sheets. Any other document of a contractual or technical nature will not be considered for evaluation and may be cause for a determination of non-compliance by the Purchaser.

4.6.1.4. Detailed pricing information has been provided and is current, adequate, accurate, traceable, and complete.

4.6.1.5. The price bid meets requirements for price realism and balance as described below in paragraph 4.6.4.

4.6.2. A bid which fails to meet the compliance standards defined in this section may be declared non-compliant and may not be evaluated further by the Purchaser.

#### 4.6.3. **Basis of Price Comparison**

4.6.3.1. The Purchaser will convert all prices quoted into EURO for purposes of comparison and computation of price scores. The exchange rate to be utilised by the Purchaser will be the average of the official buying and selling rates of the European Central Bank at close of business on the last working day preceding the Bid Closing Date.

4.6.3.2. The evaluated bid price to be inserted into the formula specified at paragraph 4.2.5 will be derived as follows:

4.6.3.3. The sum of the Firm Fixed Prices proposed for CLINs 1-7 as detailed below:

CLIN Number	CLIN Name
<b>Base Contract</b>	
1	Project Management
2	Service Implementation (Bidding Sheets Table A0+B0)
3	Service Delivery for 3 Year Period (Bidding Sheets Table A1+B1+B2)
<b>Options-Evaluated</b>	
4	Optional Service Implementation (Bidding Sheets Table C0)
5	Optional Service Delivery for Optional Sites 3 years period (Bidding Sheets Table C1)
6	Optional Service Delivery (Table A1 EXTENSION + B1 EXTENSION + B2 EXTENSION + C1 EXTENSION)
7	Upgrade from 0.1 to 1 Gb (Table D0 + A1 UPGRADE + C1 UPGRADE)

#### 4.6.4. **Price Balance and Realism**

- 4.6.4.1. In those cases in which the prices quoted in relation with this IFB appear to be unreasonably low in relation to the performance required under the prospective Contract and/or the level of effort associated with the tasks, the Purchaser will reserve the right to request the Bidder clarifications aimed to demonstrate the rationale for such circumstances.
- 4.6.4.2. Indicators of an unrealistically low bid may be the following, amongst others:
- 4.6.4.3. Labour Costs that, when amortised over the expected or proposed direct labour hours, indicate average labour rates far below those prevailing in the Bidder's locality for the types of labour proposed.
- 4.6.4.4. Direct Material costs that are considered to be too low for the amounts and types of material proposed, based on prevailing market prices for such material.
- 4.6.4.5. Numerous Line Item prices for supplies and services that are provided at no cost or at nominal prices.
- 4.6.4.6. If the Purchaser has reason to suspect that a Bidder has artificially debased its prices in order to secure Contract award, the Purchaser will request clarification of the bid in this regard and the Bidder shall provide explanation on one of the following bases:
- 4.6.4.7. An error was made in the preparation of the price quotation. In such a case, the Bidder must document the nature of the error and show background documentation concerning the preparation of the price quotation that makes a convincing case that a mistake was made by the Bidder. In such a case, the Bidder shall petition the Purchaser to either remain in the competition or accept the Contract at the offered price, or to withdraw from the competition.
- 4.6.4.8. The Bidder has a competitive advantage due to prior experience or industrial/technological processes that demonstrably reduce the costs of Bidder performance and therefore the price offered is realistic. Such an argument must support the technical proposal offered and convincingly and objectively describe the competitive advantage and the net savings achieved by this advantage over standard market practices and technology.
- 4.6.4.9. The Bidder recognises that the submitted price quotation is unrealistically low compared to its cost of performance and, for business reasons, the Bidder is willing to absorb such a loss. Such a statement can only be made by the head of the business unit submitting the bid and will normally be made at the level of Chief Operating Officer or Chief Executive Officer. In such a case, the Bidder shall estimate the potential loss and show that the financial resources of the Bidder are adequate to withstand such reduction in revenue.
- 4.6.4.10. If a Bidder fails to submit a comprehensive and compelling response on one of the bases above, the Purchaser may determine the bid submitted as non-compliant. If the Bidder responds on the basis of paragraph 4.6.4.7 above and requests to withdraw from the competition, the Purchaser may, depending on the nature and gravity of the mistake, allow the Bidder to withdraw.
- 4.6.4.11. If the Purchaser accepts the Bidder's explanation of mistake in paragraph 4.6.4.7 and allows the Bidder to accept the Contract at the offered price, or the Purchaser accepts the Bidder's explanation pursuant to paragraph 4.6.4.9 above, the Bidder shall agree that the supporting pricing data submitted with its



bid will be incorporated by reference in the resultant Contract. The Bidder shall agree as a condition of Contract signature, that the pricing data will be the basis of determining fair and reasonable pricing for all subsequent negotiations for modifications of or additions to the Contract and that no revisions of proposed prices will be made.

- 4.6.4.12. If the Bidder presents a convincing rationale pursuant to paragraph 4.6.4.8 above, no additional action will be warranted. The Purchaser, however, reserves its right to reject such an argument if the rationale is not compelling or capable of objective analysis. In such a case the bid may be determined to be non-compliant.
- 4.6.4.13. The Agency reserves the right to request prime contractors or the subcontractors to separately identify each of the direct/indirect costs, advise why each is required, and provide supporting documentation to substantiate each charge, such as: 1) catalogue price lists and any applicable discounts, 2) copies of the Subcontractor's orders from others for the same or similar items, including explanations for cost variations, 3) Subcontractor's internal cost estimate, or documentation of whatever means the Subcontractor used to arrive at the charge.
- 4.6.4.14. Once the offered prices as described in paragraph 4.6.3.3 have been calculated and checked, the formula set forth in paragraph 4.2.5.2 will be applied to derive the Price Score of each bid.

#### **4.7. Evaluation Step 4: Calculation of Best Value Scores**

- 4.7.1. Upon conclusion and approval of the Technical Evaluation and Price Evaluation results, the pre-determined weighting scheme for the Technical Evaluation will be unsealed and the scores for the Engineering, Management and Supportability factors will be calculated for each compliant bid. Then all partial scores will be fed into the formula stated in paragraph 4.2.6 in order to obtain the Best Value Score of each bid.
- 4.7.2. The highest scored bid will be recommended as the Apparent Successful Bid.
- 4.7.3. A statistical tie is deemed to exist when the final scores of the highest scoring bids are within one point (1.0) of each other. (For example, final scores of 67.30 and 68.30 are within one point of each other and would therefore be considered a statistical tie. Final scores of 67.30 and 68.31 are more than one point apart and would not be considered a tie.) The Purchaser will then resolve the statistical tie by awarding the contract to the bid with the highest weighed technical score.
- 4.7.4. Prior to confirmation of award, the Purchaser shall invite the Bidder with the Apparent Successful Offer to one or more rounds of pre-award discussions. These discussions shall aim at clarifying and confirming, within the boundaries of the IFB documents, any remaining topics and results in the preparation of the final contract documents.
- 4.7.5. Upon the successful completion of these pre-award discussions, to the Purchaser's full satisfaction, confirmation of final bid compliance will be noted.
- 4.7.6. The Purchaser will deliver the final set of contract documents to the Bidder for their signature. Upon the Purchaser's countersignature of those contract

documents, the contract shall be considered to be in effect.

## **ANNEX A – BIDDING SHEETS**

Annex A-1: Instructions for the Preparation of the Bidding Sheets

Annex A-2: Bidding Sheets

Annex A-3: Contractor Pricing Summary

**Annex A-1. Instructions for the Preparation of the Bidding Sheets****1. INTRODUCTION**

Bid pricing requirements as addressed in this Annex are mandatory. Failure to abide to the prescriptions of Bid submission referred in this section may lead to the Bid being declared non-compliant and not being taken into consideration for award.

No alteration of the Bidding Sheets including but not limited to quantity indications, descriptions or titles are allowed with the sole exception of those explicitly indicated as allowed in this document. Additional price columns may be added if multiple currencies are Bid, including extra provisions for all totals.

**2. GENERAL REQUIREMENTS**

Bidders are required, in preparing their Price Quotation to utilise the Bidding Sheets following the instructions detailed in SECTION 3 – Bid Preparation Instructions, Paragraph 3.4 Price Quotation Package and comply with the price criteria detailed in par. 4.6 Evaluation Step 3: Price Evaluation. Detailed instructions on how to fill-in the Bidding Sheets are available in the Bidding Sheets excel file, in the tab called “Instructions”. Note: any information found within GREEN boxes throughout the entire document is provided as an instruction and/or example only.

The prices and quantities entered on the document shall reflect the total items required to meet the Contractual requirements. The total price shall be indicated in the appropriate columns and in the currency quoted.

In preparing the Bidding Sheets, Bidders shall ensure that the prices of the Sub-items total the price of the major item of which they constitute a part.

Bidders are advised that formulae are designed to ease evaluation of the Bidders proposal have been inserted in the electronic copies of the Bidding Sheets. Notwithstanding this the Bidder remains responsible for ensuring that their figures are correctly calculated and should not rely on the accuracy of the formulae used in the electronic copies of the Bidding Sheets.

If the Bidder identifies an error in the spreadsheet, it should notify the Purchaser who will make a correction and notify all the Bidders of the update.

Prices shall not include any provision for taxes or duties for which the Purchaser is exempt.

**3. INSTRUCTIONS FOR COMPLETION OF BIDDING SHEETS**

Please refer to the first tab "Instructions" in the Bidding Sheets.

**Annex A-2.            Bidding Sheets**

The Bidding Sheets are contained in the electronic file "CO-115754-LTX-R\_Book 1 Annex A Bidding Sheets"

**Annex A-3. Contractor Pricing Summary**

On behalf of the firm stated below I hereby offer the Purchaser the services and deliverables (collectively referred as "ITEMS") set forth in the attached schedules<sup>1</sup>, at the specified prices, and subject to the terms and conditions stated in IFB-CO-115754-LTXR.

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Date

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Signature of Authorised Representative

---

Printed Name

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Title

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Company

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<sup>1</sup> Bidders must fill out, print, and attach to this cover page a hardcopy of the worksheets contained in the file "IFB-CO-115754-LTXR\_Bidding-Sheets.xls" that was submitted to them as part of the IFB package.

## **ANNEX B – PRESCRIBED ADMINISTRATIVE FORMS AND CERTIFICATES**

Annex B-1 Certificate of Legal Name of Bidder

Annex B-2 Acknowledgement of Receipt of IFB Amendments

Annex B-3 Certificate of Independent Determination

Annex B-4 Certificate of Bid Validity

Annex B-5 Certificate of Exclusion of Taxes, Duties and Charges

Annex B-6 Comprehension and Acceptance of Contract Special and General Provisions

Annex B-7 Disclosure of Requirements for NCI Agency Execution of Supplemental  
Agreements

Annex B-8 List of Prospective Subcontractors

Annex B-9 Certificate of Origin of Equipment, Services, and Intellectual Property

Annex B-10 Certificate of Compliance with AQAP 2110, ISO 9001 or equivalent standards

Annex B-11 List of Key Personnel (including Subcontractor Personnel)

Annex B-12 List of Bidder, Subcontractor and Third Party Background IPR

Annex B-13 Disclosure of Involvement of Former NCI Agency Employment



**Annex B****Annex B-1. Certificate of Legal Name of Bidder**

This Bid is prepared and submitted on behalf of the legal corporate entity specified below:

FULL NAME OF CORPORATION: \_\_\_\_\_

DIVISION (IF APPLICABLE): \_\_\_\_\_

SUB DIVISION (IF APPLICABLE): \_\_\_\_\_

OFFICIAL MAILING ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_  
BOA N° (IF AVAILABLE): \_\_\_\_\_

POINT OF CONTACT REGARDING THIS BID:

NAME: \_\_\_\_\_  
POSITION: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_  
E-MAIL ADDRESS: \_\_\_\_\_

ALTERNATIVE POINT OF CONTACT:

NAME: \_\_\_\_\_  
POSITION: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_  
E-MAIL ADDRESS: \_\_\_\_\_

I hereby declare that the Bidder is a ..... *[please state whether National Public or Commercial]* telecommunication operator incorporated in one of the NATO Member Nations and which complies with the national and EU (where applicable) regulatory framework. The Bidder holds the relevant licences and authorisations to operate the services in the required territories.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

**Annex B-2.****Acknowledgement of Receipt of IFB Amendments**

I confirm that the following amendments to Invitation for Bid IFB-CO-115754-LTXR have been received and the Bid, as submitted, reflects the content of such amendments.

Amendment no.	Date of Issue by the Purchaser	Date of Receipt by the Bidder

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Date

---

Signature of Authorised Representative

---

Printed Name

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Title

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Company

**Annex B-3.****Certificate of Independent Determination**

It is hereby stated that:

- a. We have read and fully understand all documentation issued as part of Invitation for Bid IFB-CO-115754-LTXR. Our Bid submitted in response to the referred solicitation is fully compliant with the provisions of the IFB and the prospective Contract. I also certify to the best of my expert knowledge that this Bid is within the "state of art" boundaries as they exist at the time of bidding for this project.
- b. Our Bid has been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, with any other Bidder or with any competitor;
- c. The contents of our Bid have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to award, directly or indirectly to any other Bidder or to any competitor\*; and
- d. No attempt has been made, or will be made by the Bidder to induce any other person or firm to submit, or not to submit, a Bid for the purpose of restricting competition.

Each person signing this Bid shall also certify that:

- (1) (S)he is the person in the Bidder's organisation responsible within that organisation for the decision as to the Bid and that (s)he has not participated and will not participate in any action contrary to b. through d. above, or
- (2) (i) (S)he is not the person in the Bidder's organisation responsible within that organisation for the Bid but that (s)he has been authorised in writing to act as agent for the persons responsible for such a decision in certifying that such persons have not participated, and will not participate in any action contrary to b. through d. above, and as their agent does hereby so certify, and  
(ii) (S)he has not participated and will not participate in any action contrary to b. through d. above.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\* If the Bidder deletes or modifies subparagraph (c) of this Annex, the Bidder must furnish with its Offer a signed statement setting forth in detail the circumstances of the disclosure.

**Annex B-4.****Certificate of Bid Validity**

I, the undersigned, as an authorised representative of the firm submitting this Bid, do hereby certify that the pricing and all other aspects of our Bid will remain valid for a period of twelve (12) months from the Bid Closing Date of this Invitation for Bid.

---

Date

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Signature of Authorised Representative

---

Printed Name

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Title

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Company

**Annex B-5.****Certificate of Exclusion of Taxes, Duties and Charges**

I hereby certify that the prices offered in the price quotation of this Bid exclude all taxes (including VAT), duties and customs charges from which the Purchaser has been exempted by international agreement.

The Bidder hereby provides its confirmation that it fully comprehends the rights, obligations and responsibilities of the Contractor as set forth in the Clause 26 'Taxes and Duties' of the Prospective Contract General Provisions.

---

Date

---

Signature of Authorised Representative

---

Printed Name

---

Title

---

Company

**Annex B-6.****Comprehension and Acceptance of Contract Special and General Provisions**

The Bidder hereby certifies that it has reviewed the Contract Special Provisions and the NCI Agency Contract General Provisions set forth in the Prospective Contract, Book II of this Invitation for Bid. The Bidder hereby provides its confirmation that it fully comprehends the rights, obligations and responsibilities of the Contractor as set forth in the Articles and Clauses of the Prospective Contract. The Bidder additionally certifies that the offer submitted by the Bidder is without prejudice, qualification or exception to any of the Terms and Conditions, and that it will accept and abide by the stated Contract Special Provisions and Contract General Provisions if awarded the Contract as a result of this Invitation for Bid.

We understand that partial bids and/or bids containing conditional statements<sup>2</sup>, or all-or-nothing bids will be declared by the Purchaser as non-compliant.

---

Date

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Signature of Authorised Representative

---

Printed Name

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Title

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Company

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<sup>2</sup> Examples of conditional statements include conditioning the NLT Delivery Dates set by Prospective Contract SSS, imposing particular conditions to the pricing listed in the Bidding Sheets, Supplemental Agreements inconsistent with the terms of the Prospective Contract etc.

**ANNEX B-7.****Disclosure of Requirements for NCI Agency Execution of Supplemental Agreements**

I, the undersigned, as an authorised representative of \_\_\_\_\_, certify the following statement:

All supplemental agreements, defined as agreements, documents and/or permissions outside the body of the Contract but are expected to be required by my Government, and the governments of my Subcontractors, to be executed by the NCI Agency or its legal successor as a condition of my firm's performance of the Contract, have been identified, as part of the Bid.

These supplemental agreements are listed as follows:

*(insert list of supplemental agreements or specify "none")*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Examples of the terms and conditions of these agreements have been provided in our Offer. The anticipated restrictions to be imposed on NATO, if any, have been identified in our offer along with any potential conflicts with the terms, conditions and specifications of the Prospective Contract, see \_\_\_\_\_.

These anticipated restrictions and potential conflicts are based on our knowledge of and prior experience with such agreements and their implementing regulations. We do not certify that the language or the terms of these agreements will be exactly as we have anticipated.

The processing time for these agreements has been calculated into our delivery and performance plans and contingency plans made in the case that there is delay in processing on the part of the issuing government(s), see \_\_\_\_\_.

We recognise that additional supplemental agreements, documents and permissions presented as a condition of Contract performance or MOU signature after our firm would be selected as the successful Bidder may be cause for the NCI Agency to determine the submitted Bid to be non-compliant with the requirements of the IFB.

We accept that should the resultant supplemental agreements issued in final form by the government(s) result in an impossibility to perform the Contract in accordance with its schedule, terms or specifications, the Contract may be terminated by the Purchaser at no cost to either Party.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

**Annex B-8.****List of Prospective Subcontractors**

Name and Address of Sub-Contractor <sup>3</sup>	Sub-Contractor's Country of origin/registration	Primary Location of Work	Items/Services to be Provided (reference to SSS CLIN n°)	Estimated Value of Sub-Contract <sup>4</sup>

If no sub-Contractors are involved, state this here:

---



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The Bidder hereby certifies that, if awarded the Contract pursuant to this solicitation, none of the work, including project design, labour and services, shall be performed other than by firms from and within an eligible **NATO Participating Country**, as required by the Prospective Contract General Provisions Clause 9.

---

Date

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Signature of Authorised Representative

---

Printed Name

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Title

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Company

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<sup>3</sup> Definition of Sub-Contractor is provided under Prospective Contract General Provisions Paragraphs 2.35 and 2.36.

<sup>4</sup> As per Book I Para. 3.3.2.8, the estimated value shall be traceable in the Bidding Sheets of the Bid.



**Annex B-9.****Certificate of Origin of Equipment, Services, and Intellectual Property**

The Bidder hereby certifies that, if awarded the Contract pursuant to this solicitation, it will perform the Contract subject to the following conditions:

(a) none of the work, including project design, labour and services, shall be performed other than by firms from and within an eligible NATO Participating Countries;

(b) no material or items of equipment down to and including identifiable sub-assemblies shall be manufactured or assembled by a firm other than from and within an eligible NATO Participating Country. (A sub-assembly is defined as a portion of an assembly consisting of two or more parts that can be provisioned and replaced as an entity)\*; and

(c) The intellectual property rights to all design documentation and related system operating software shall reside in NATO member countries, and no license fees or royalty charges shall be paid by the Bidder to firms, individuals or Governments other than within the eligible NATO Participating Countries.

\* This definition purposely excludes Components and/or Parts (as defined in AcodP-1) that are not subject to this certification.

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Date

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Signature of Authorised Representative

---

Printed Name

---

Title

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Company

**Annex B-10.****Certificate of Compliance with AQAP 2110, ISO 9001 or equivalent standards**

I hereby certify that .....(*Company Name*) possesses and applies Quality Assurance Procedures / Plans that are compliant with AQAP 2110, ISO 9001 or other equivalent standards, as evidenced through the attached documentation.

**A copy of the quality certification is attached herewith.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

**Annex B-11.****List of Key Personnel (including Subcontractor Personnel)**

*Although NATO, as an international organization, is not subject to GDPR and national data protection law, it is committed to protecting the personal data that it processes. All processing of personal data will be done in accordance with applicable NATO policies and regulations.*

Role	SOW Reference	Labour Category / Position within Organisation	Name	Designation Period*	Subcontractor Name**
<b>Service Implementation</b>					
Project Manager					
Deputy Project Manager					
Technical Lead/Designer					
Service Implementation Manager					
Site Installation Team Leaders					
Test Director					
Quality Assurance Manager					
For Bidder to propose any other Key Personnel					

\* For example, EDC until Contract expiration date

\*\* In case the proposed personnel is not directly employed by the Bidder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

Role	SOW Reference	Labour Category / Position within Organisation	Name	Designation Period*	Subcontractor Name**
<b>Service Delivery</b>					
Service Delivery Manager					
Technical Lead					
Service Operations Manager					
Business/Client Director					
Quality Assurance Manager					
For Bidder to propose any other Key Personnel					

\* For example, EDC until Contract expiration date

\*\* In case the proposed personnel is not directly employed by the Bidder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

**Annex B-12. List of Bidder, Subcontractor and Third Party Background IPR**

I, the undersigned, as an authorised representative of Bidder \_\_\_\_\_, warrant, represent, and undertake that:

- a) The Contractor, Subcontractor<sup>5</sup> and Third Party Background IPR<sup>6</sup> specified in the table below will be used for the purpose of carrying out work pursuant to the Prospective Contract<sup>7</sup>.

ITEM	IPR DESCRIPTION	SUBCONTRACTOR / THIRD PARTY NAME AND COUNTRY OF REGISTRATION*	PURPOSE OF USE <sup>8</sup>
1			
2			
3			
...			

\* If applicable

- b) The stated Bidder has and will continue to have, for the duration of the Prospective Contract, all necessary rights in and to the Background IPR specified above necessary to perform the Contractor's obligations under the Contract.
- c) The Background IPR stated above complies with the terms specified in Clauses 29 and 30 of NCI Agency Contract General Provisions.
- d) The intellectual property rights to all design documentation and related system operating software resides in NATO Participating Countries, and no license fees or royalty charges will be paid by the Bidder to firms, individuals or Governments other than within the eligible **NATO Participating Countries**.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

<sup>5</sup> The definition of Subcontractor as per Prospective Contract General Provisions Clause 2.36: 'Any person or legal entity directly or indirectly under Sub-Contract to the Contractor in performance of this Contract'.

<sup>6</sup> The definitions of IPR, Contractor Background IPR and Third Party IPR are provided under Prospective Contract General Provisions Clauses 2.8, 2.20 and 2.37.

<sup>7</sup> Indicate solely items the provision of which is necessary for the purpose of installing, maintaining and regularly operating the system (i.e. development environment, testing environment etc. items shall not be included).

<sup>8</sup> Provide the relevant deliverable or service by specifying the CLIN or SOW requirement.

**Annex B-13.****Disclosure of Involvement of Former NCI Agency  
Employment**

The Bidder hereby certifies that, in preparing its Bid, the Bidder did not have access to solicitation information prior to such information been authorized for release to Bidders (e.g., draft statement of work and requirement documentation).

The Bidder hereby acknowledges the post-employment measures applicable to former NCI Agency Personnel as per the NCI Agency Code of Conduct.

The Bidder hereby certifies that its personnel working as part of the company's team, at any tier, preparing the Bid:

- ☐ Have not held employment with NCI Agency within the last two years.
- ☐ Has obtained a signed statement from the former NCI Agency personnel below, who departed the NCI Agency within the last two years, that they were not previously involved in the project under competition (as defined in the extract of the NCI Agency Code of Conduct provided provided below):

Employee Name	Former NCIA Position	Current Company Position

The Bidder also hereby certifies that it does not employ and/or receive services from former NCI Agency Personnel at grades A5 and above or ranks OF-5 and above, who departed the NCI Agency within the last 12 months. This prohibitions covers negotiations, representational communications and/or advisory activities.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorised Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

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## ANNEX C – TECHNICAL PROPOSAL CROSS REFERENCE MATRIX TABLE

Bidders shall complete the column “Bid Ref” with Bid references that locate the technical proposal documentation required by the IFB, e.g. section, paragraph, table (if applicable), page number etc. One copy each of the duly completed Cross Reference/ Compliance Table is to be included in the Bid Technical Proposal Package. The Cross Reference/Compliance

Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
3.5.4.1		The Bidder shall have compiled a detailed <b>Table of Contents</b> which lists not only section headings but also major sub-sections, and topic headings required set forth in these Instructions or implicit in the organization of the Technical Proposal.	4.5.3	
3.5.4.3		The Bidder shall have provided an <b>unpriced Schedule of Supplies and Services</b> in electronic format in the Technical Proposal Package. The unpriced version of the SSS shall not include price breakdown information, as its purpose is to enable the Purchaser to accurately evaluate the Bidder's Technical Proposal — outside the price evaluation process — in terms of the proposed schedule. The unpriced SSS table shall show the Bidder's proposed implementation schedule as indicated on the Bidding Sheets, if different from the one envisaged by the Purchaser (see Para. 1.2.3).	4.5.5.	
3.5.4.4		The Bidder shall have included the completed Technical Proposal <b>Cross-Reference Matrix</b> Table (ANNEX C – TECHNICAL PROPOSAL CROSS REFERENCE MATRIX	4.5.6.	



Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
		TABLE of these instructions). The Bidder shall have completed the column marked "QUOTATION REFERENCE" of the Table, citing the appropriate section of the Technical Proposal that corresponds to each paragraph of these Instructions for the preparation of the Technical Proposal.		
<b>3.5.5</b>		<b>Part 1: Engineering Proposal</b>	<b>4.5.10.</b>	
3.5.5.1.	Section 2	<p>The Bidder shall have submitted a <b>draft High Level Migration Plan</b> in accordance with the requirements of Section 2 of the SOW. The draft High Level Migration Plan shall:</p> <ol style="list-style-type: none"> <li>Demonstrate that the Bidder has good understanding of the scope and requirements for the Service Implementation</li> <li>Clearly describe how the seamless and uninterrupted transition from the existing Services to the Services provided under this Contract will be ensured in compliance with the contractual requirements</li> <li>Describe realistic and achievable milestones from Contract Award to Full Service Acceptance by detailing the underlying activities and their associated resources for each milestone</li> <li>Demonstrate the Bidders methodology to identify and mitigate risks during the implementation</li> </ol>	4.5.10.1	
3.5.5.2.	Section 2.3	<p>The Bidder shall have submitted a <b>draft Service Design Description (SDD)</b> addressing the requirements of section 2.3 of the SOW. The draft SDD shall provide:</p> <ul style="list-style-type: none"> <li>• Technical overview of the proposed solution</li> </ul> <ol style="list-style-type: none"> <li>A comprehensive technical overview of the proposed solution</li> </ol>	4.5.10.2.	

Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
		<ul style="list-style-type: none"> <li>b. A draft High Level Design describing the architecture and composition of the proposed solution</li> <li>c. Compliance checks of the draft SDD with the Service requirements of the SOW</li> <li>d. Single Point of Failures checks methodology</li> </ul>		
3.5.5.3.	Section 2.2	<p>The Bidder shall have submitted a <b>draft Site Survey Report (SSR) template</b> addressing the requirements of Section 2.2 of the SOW, to demonstrate the Bidders approach towards the site surveys. The templates shall:</p> <ul style="list-style-type: none"> <li>a. Demonstrate the Bidders methodological approach to capture and analyse the information retrieved from the site survey</li> <li>b. Be sufficiently detailed and complete to capture the information required to enable the successful delivery of the operational requirements</li> </ul>	4.5.10.3.	
3.5.5.4.	Section 2.5	<p>The Bidder shall submit a <b>draft Service Testing Plan (STP)</b> in accordance with Section 2.5 of the SOW. The draft STP shall:</p> <ul style="list-style-type: none"> <li>a. Demonstrate the Bidders capability to meet testing requirements and conduct related activities under the Contract</li> <li>b. Describe the timelines in accordance with the Contract and specify the roles and responsibilities of testing personnel</li> <li>c. Describe the test scope, test methodology, expected results and success criteria</li> </ul>	4.5.10.4.	

Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
3.5.5.5.	Section 4.3	The Bidder shall have provided a <b>curriculum Vitae for the Key Personnel</b> proposed in accordance with Section 4.3 of the SOW and submitted by the Bidder through Annex B-11 of Book I. The Bidder shall have provided a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals and security clearance information. This subsection shall also describe the authority and responsibility (and the limits) of the Project Manager within the overall corporate organisation, including the circumstances at which the Project Manager must refer decision making authority the next level of Corporate management.	4.5.10.5.	
3.5.6.		<b>Part 2: Management Proposal</b>	4.5.11	
3.5.6.1.	Section 4.2	The Management Proposal shall include a <b>draft Project Management Plan (PMP)</b> in accordance with the requirements of Section 4.2 of the SOW. The draft PMP shall describe how the Bidder intends to manage this project from contract signature through Final System Acceptance and throughout the warranty periods. The draft PMP shall consider all aspects of project management and control and demonstrate how all the critical dates will be met. The Bidder shall describe in particular the following aspects: <ul style="list-style-type: none"> <li>a. Proposed Project Management Organisation with clear description of the roles and responsibilities</li> <li>b. Project Governance Model</li> <li>c. Project Scope, Timelines, Deliverables/Outputs</li> <li>d. Project Plan Summary</li> <li>e. Draft Work Package Breakdown Structure describing the activities to a level that exposes all project risk</li> </ul>	4.5.11.1.	

Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
		factors and allows estimate of each work item's duration, resource requirements, assumptions, constraints, dependencies and requirements for Purchaser support		
3.5.6.2.	Section 3.7.3	In relation to Section 3.7.3 of the SOW, the Bidder shall have submitted a <b>draft Service Delivery Performance Review (SDPR)</b> template, addressing the requirements listed under SD-85.	4.5.11.2	
3.5.6.3.	Section 3.9	The Bidder shall have provided a <b>curriculum Vitae for the Key Personnel</b> proposed in accordance with Section 3.9 of the SOW and submitted by the Bidder through Annex B-11 of Book I. The Bidder shall provide a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals and security clearance information. This subsection shall also describe the authority and responsibility (and the limits) of the Project Manager within the overall corporate organisation, including the circumstances at which the Project Manager must refer decision making authority the next level of Corporate management.	4.5.11.3.	
3.5.6.4		The Bidder shall have described and demonstrated the relevant <b>corporate experience</b> in at least one (1) recent contract within the last five (5) years for which the Bidder has delivered the same or substantially similar services. The Bidder shall provide the following information: a. Key requirements and to what extent they have been met by the solution implemented, preferably documented with a customer evaluation report	4.5.11.4.	

Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
		<ul style="list-style-type: none"> <li>b. Brief description of the financial and technical scope of the project; including parameters, such as availability, capacity, and performance criteria</li> <li>c. Purchaser of the services</li> <li>d. Start and end date of the Contract</li> <li>e. A valid point of Contact for verification purposes</li> </ul>		
3.5.7		<b>Part 3: Supportability</b>	4.2.12	
3.5.7.1.	Section 3.7.1	<p>The Bidder shall have submitted a <b>draft Service Continuity Plan (SCP)</b>, addressing Section 3.7.1 of the SOW (where applicable) covering at least the following points:</p> <ul style="list-style-type: none"> <li>a. Supplier Management Procedures</li> <li>b. Mitigating actions to support Service Continuity in case of major risk materialisation</li> <li>c. Roles and responsibilities of key personnel</li> </ul>	4.5.12.1.	
3.5.7.2	Section 3.7.1 (SD-69 and SD-70)	<p>The Bidder shall have submitted a <b>draft Service Support Concept (SSC)</b>, addressing each point under SD-69 and SD-70, Section 3.7.1 of the SOW. The Bidder shall include in the draft SSC a description of the proposed support organisation and its procedures. The roles and responsibilities of key personnel shall be described and the qualification of suggested key personnel shall be supported by a description of their experience and proof of qualification. Furthermore, the draft SSC should address the following points:</p> <ul style="list-style-type: none"> <li>a. Proposed measures to comply with response times in relation to the KPIs on the SOW</li> <li>b. Description of Event Management process</li> <li>c. Description of Major Incident Management process</li> <li>d. Description of Problem Management process</li> </ul>	4.5.12.2.	

Bidding Instructions Requirement Ref	SOW Requirement Reference	Requirement Description	Evaluation Criterion Reference	Bid Ref (Bidder to Complete)
		<ul style="list-style-type: none"> <li>e. Planned/emergency maintenance and engineering works procedure draft</li> <li>f. Description of Service Change and Configuration Management process</li> </ul>		
3.5.7.3.	section 3.7.1 (SD-74)	The Bidder shall have submitted a <b>draft Continual Service Improvement Plan (CSIP)</b> in accordance with the requirements of SD-74, section 3.7.1 of the SOW, including a draft Service Improvement Plan addressing the complete contract lifecycle management towards improvements such as problem statements, descriptions, priority, measures taken, success criteria, timelines, costs, risks, expected outcomes, expected improvements, residual activities.	4.5.12.3.	
3.5.7.4.	Section 3.7.1 (SD-71 to SD-74)	<p>The Bidder shall have submitted a <b>draft Risk Management Plan (RMP)</b> in accordance with the requirements of SD-73 to SD-76, Section 3.7.1 of the SOW, including a description of the Risk Management Process. The draft RMP should address the following points:</p> <ul style="list-style-type: none"> <li>a. Risk Identification</li> <li>b. Risk Evaluation criteria</li> <li>c. Response Planning</li> <li>d. Monitoring and Control Measures</li> <li>e. Communication Methods</li> <li>f. Categorization of Risks</li> <li>g. Roles and responsibilities of the Contractor's personnel in the Risk Management and Mitigation Process</li> <li>h. Draft templates for the Risk and Issue Register or Log</li> </ul>	4.5.12.4.	

## ANNEX D – BID GUARANTEE – STANDBY LETTER OF CREDIT

Standby Letter of Credit Number:

Issue Date: \_\_\_\_\_

Beneficiary: NCI Agency,  
Finance - Treasury,  
Boulevard Léopold III,  
B-1110 Brussels,  
Belgium

Expiry Date: \_\_\_\_\_

1. We, (issuing bank) hereby establish in your favour our irrevocable standby letter of credit number {number} by order and for the account of (NAME AND ADDRESS OF BIDDER) in the original amount of (INSERT AMOUNT AS PER BOOK I PARA. 2.11.1). We are advised this Guarantee fulfils a requirement under Invitation for Bid IFB-CO-115754-LTXR dated \_\_\_\_\_.

2. Funds under this standby letter of credit are available to you upon first demand and without question or delay against presentation of a certificate from the NATO CI Agency Contracting Officer that:

a) (NAME OF BIDDER) has submitted a Bid and, after Bid Closing Date (including extensions thereto) and prior to the selection of the lowest priced, technically compliant Bid, has withdrawn its Bid, or stated that it does not consider its Bid valid or agree to be bound by its Bid, or

b) (NAME OF BIDDER) has submitted a Bid determined by the NATO CI Agency to be the lowest priced, technically compliant Bid, but (NAME OF BIDDER) has declined to execute the Contract offered by the NATO CI Agency, such Contract being consistent with the terms of the Invitation for Bid, or

c) The NATO CI Agency has offered (NAME OF BIDDER) the Contract for execution but (NAME OF BIDDER) has been unable to demonstrate compliance with the security requirements of the Contract within a reasonable time, or

d) The NATO CI Agency has entered into the Contract with (NAME OF BIDDER) but (NAME OF BIDDER) has been unable or unwilling to provide the Performance Guarantee required under the terms of the Contract within the time frame required.

3. This Letter of Credit is effective the date hereof and shall expire at our office located at (Bank Address) on \_\_\_\_\_. All demands for payment must be made prior to the expiry date.

4. It is a condition of this letter of credit that the expiry date will be automatically extended without amendment for a period of sixty (60) calendar days from the current or any successive expiry date unless at least thirty (30) calendar days prior to the then current expiry date the

NATO CI Agency Contracting Officer notifies us that the Letter of Credit is not required to be extended or is required to be extended for a shorter duration.

5. We may terminate this letter of credit at any time upon sixty (60) calendar days notice furnished to both (NAME OF BIDDER) and the NATO CI Agency by registered mail.

6. In the event we (the issuing bank) notify you that we elect not to extend the expiry date in accordance with paragraph 4 above, or, at any time, to terminate the letter of credit, funds under this credit will be available to you without question or delay against presentation of a certificate signed by the NATO CI Agency Contracting Officer which states

“The NATO CI Agency has been notified by {issuing bank} of its election not to automatically extend the expiry date of letter of credit number {number} dated {date} pursuant to the automatic renewal clause (or to terminate the letter of credit). As of the date of this certificate, no suitable replacement letter of credit, or equivalent financial guarantee has been received by the NATO CI Agency from, or on behalf of (NAME OF BIDDER), and the NATO CI Agency, as beneficiary, hereby draws on the standby letter of credit number \_\_\_\_\_ in the amount of € (Amount up to the maximum available under the LOC), such funds to be transferred to the account of the Beneficiary number \_\_\_\_\_ (to be identified when certificate is presented).”

Such certificate shall be accompanied by the original of this letter of credit and a copy of the letter from the issuing bank that it elects not to automatically extend the standby letter of credit, or terminating the letter of credit.

7. The Beneficiary may not present the certificate described in paragraph 6 above until 20 (twenty) calendar days prior to a) the date of expiration of the letter of credit should {issuing bank} elect not to automatically extend the expiration date of the letter of credit, b) the date of termination of the letter of credit if {issuing bank} notifies the Beneficiary that the letter of credit is to be terminated in accordance with paragraph 6 above.

8. Multiple drawings are allowed.

9. Drafts drawn hereunder must be marked, “Drawn under {issuing bank} Letter of Credit No. {number}” and indicate the date hereof.

10. This letter of credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended, or amplified by reference to any document, instrument, or agreement referred to herein (except the International Standby Practices (ISP 98) hereinafter defined) or in which this letter of credit is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument, or agreement.

11. We hereby engage with you that drafts drawn under and in compliance with the terms of this letter of credit will be duly honoured upon presentation of documents to us on or before the expiration date of this letter of credit.

12. This Letter of Credit is subject to The International Standby Practices-ISP98 (1998 Publication) International Chamber of Commerce Publication No.590.



## **ANNEX E – CLARIFICATION REQUEST FORM**

**INVITATION FOR BID  
IFB-CO-115754-LTXR**

**CLARIFICATION REQUEST FORM**

INSERT COMPANY NAME HERE  
INSERT SUBMISSION DATE HERE

ADMINISTRATIVE CLARIFICATION REQUEST				
Serial No.	IFB Ref.	BIDDER'S QUESTION	NCI AGENCY ANSWER	Amendment to IFB <sup>9</sup>
A.1				
A.2				
A.3				
A.4				
A.5				

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<sup>9</sup> To be completed by the Purchaser: Specify 'YES' if the Amendment to IFB will be required as a direct result of the Clarification Request

INSERT COMPANY NAME HERE  
INSERT SUBMISSION DATE HERE

PRICE CLARIFICATION REQUEST				
Serial No.	IFB Ref.	BIDDER'S QUESTION	NCI AGENCY ANSWER	Amendment to IFB <sup>10</sup>
P.1				
P.2				
P.3				
P.4				
P.5				

---

<sup>10</sup> To be completed by the Purchaser: Specify 'YES' if the Amendment to IFB will be required as a direct result of the Clarification Request

INSERT COMPANY NAME HERE  
INSERT SUBMISSION DATE HERE

TECHNICAL CLARIFICATION REQUEST				
Serial No.	IFB Ref.	BIDDER'S QUESTION	NCI AGENCY ANSWER	Amendment to IFB <sup>11</sup>
T.1				
T.2				
T.3				
T.4				
T.5				

---

<sup>11</sup> To be completed by the Purchaser: Specify 'YES' if the Amendment to IFB will be required as a direct result of the Clarification Request

## ANNEX F

### LIST OF ACCEPTABLE BANKS TO ISSUE BID GUARANTEES

PER PARAGRAPHS 2.13.3 and 2.13.4

#	*Bank
1	KBC Group
2	Bank of Montreal (BMO)
3	Royal Bank of Canada
4	Scotiabank
5	Danske Bank
6	Citibank Europe
7	BNP Paribas
8	Credit Agricole Group
9	Societe Generale
10	Commerzbank AG
11	Deutsche Bank
12	Intesa
13	UniCredit S.p.A.
14	ING Group
15	Rabobank Group
16	Banco Santander
17	BBVA
18	Barclays PLC
19	HSBC Holdings
20	Standard Chartered Plc
21	Bank of America
22	Wells Fargo

*\*These Banks are in NATO-member countries.*



**Implementation and Provision of  
Leased Transmission Services - Revisited (LTX-R)**

**RFQ-CO-115754-LTX-R**

**BOOK II**

**THE PROSPECTIVE CONTRACT**

## **GENERAL INDEX**

### **BOOK II - THE PROSPECTIVE CONTRACT**

Signature Sheet

Part I Schedule of Supplies and Services

Part II Contract Special Provisions

Part III General Provisions

Part IV Statement of Work

**SIGNATURE SHEET**

<b>NCI Agency PURCHASE ORDER</b>	
<b>1. Original Number __ of</b>	<b>2. PO Number :</b>
<b>3. Contract Number: CO-115754-LTX-R</b>	<b>4. Effective date (EDC): SEE BLOCK 17</b>
<b>5. Contractor: TBD</b>	<b>6. Purchaser:</b> The General Manager NATO Communications and Information Agency Boulevard Leopold III B-1110 Bruxelles Tel: +32(0) 6544 6103
<b>7. CONTRACT SCOPE:</b> This is a Firm Fixed Price contract for the implementation and provision of Leased Transmission Services – Revisited (LTX-R). The Contractor shall deliver the items specified in the Schedule of Supplies and Services in the manner and at the time and location specified in the terms of this Contract and the Statement of Work.	
<b>8. TOTAL AMOUNT OF CONTRACT:</b>  Firm Fixed Price: [Currency] _____ Delivered Duty Paid (DDP) (Incoterms 2020)	
<b>9. PERIOD OF PERFORMANCE</b> As stated in Schedule of Supplies and Services and Special Provisions	<b>10. DELIVERY SITE</b> As stated in Schedule of Supplies and Services and Special Provisions INCOTERMS 2020
<b>11. CONTRACT</b> The Contractor agrees to furnish all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration states herein. The rights and obligations of the parties to this Contract shall be subject to and governed by the General Provisions and Special Contract Conditions attached to this Purchase Order.	
<b>12. Signature of Contractor</b>	<b>13. Signature of Purchaser</b>
<b>14. Name and Title of Signer</b>	<b>15. Name and Title of Signer</b>
<b>16. Date signed by the Contractor</b>	<b>17. Date signed by the Purchaser</b>



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## **Implementation and Provision of Leased Transmission Services - Revisited (LTX-R)**

**RFQ-CO-115754-LTX-R**

### **PART I**

## **SCHEDULE OF SUPPLIES AND SERVICES**

IFB-CO-115754-LTX-R Schedule of Supplies and Services [COMMERCIAL]										
BASE CONTRACT (INITIAL 3 YEARS PERIOD)										
Description	SOW Reference	Required Completion Date (EDC NLT 01 Oct 2023)	Delivery Destination	Delivery Form	Unit of measure	Quantity	Unit Price	Total Firm Fixed Price	NCI Agency Notes	Optional Comments (Mandatory for zero costs lines)
Declare Currency =>										
CLIN 1 (BASE-EVALUATED) - Project Management (ONE-OFF)										
Project Management Plan (PMP)	4.2	NLT EDC + 4 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-		
Project Management	4	EDC until FSA	Multiple sites, cf Implementation (one-off costs) tab	Activity	Lot	1	-	-		
CLIN 1								-		
CLIN 2 (BASE-EVALUATED) - Service Implementation (Table A0+B0) (ONE-OFF)										
Service Requirements Review (SRR) - Kick-off Meeting	2.1	NLT EDC + 2 weeks	Belgium, Mons/Brain l'Alleud	Meeting	Lot	1	-	-	Important remark: The total value of CLIN 2.1 shall be equal to the total value of table A0 (cell K85) "Implementation 'one-off costs" tab.	
Service Requirements Review (SRR) Report	2.1	NLT EDC + 4 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.2 shall be equal to the total value of table A0 (cell L85) "Implementation 'one-off costs" tab.	
Service Implementation Review Meetings (SIRM)	2.7	NLT EDC + 2 weeks, then montly until FSA	Belgium, Mons/Brain l'Alleud	Meeting	Set	1	-	-	Important remark: The total value of CLIN 2.3 shall be equal to the total value of table A0 (cell M85) "Implementation 'one-off costs" tab.	
Service Implementation Progress Reports (SIPR)	2.7	NLT EDC + 2 weeks, then montly until FSA	Belgium, Mons/Brain l'Alleud	Electronic Copy	Set	1	-	-	Important remark: The total value of CLIN 2.4 shall be equal to the total value of table A0 (cell N85) "Implementation 'one-off costs" tab.	
Site Surveys	2.2	NLT EDC + 16 weeks	Multiple sites, cf Implementation (one-off costs) tab	Site Survey	Sites	85	-	-	Important remark: The total value of CLIN 2.5 shall be equal to the total value of table A0 (cell O85) and a proportion of table B0 total (cell K92) in "Implementation 'one-off costs" tab. The proportion of table B0 total (cell K92) for CLIN 2.5 and CLIN 2.10 shall be equal, combined, to the TOTAL of table B0 (cell K92).	
Site Survey Reports (SSR)	2.2	NLT EDC + 18 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Set	1	-	-	Important remark: The total value of CLIN 2.6 shall be equal to the total value of table A0 (cell P85) "Implementation 'one-off costs" tab.	
Service Design Description (SDD) - Draft	2.3	NLT EDC + 18 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.7 shall be equal to the total value of table A0 (cell Q85) "Implementation 'one-off costs" tab.	
Service Testing Plan (STP) - Draft	2.5	NLT EDC + 18 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.8 shall be equal to the total value of table A0 (cell R85) "Implementation 'one-off costs" tab.	
Service Implementation Package (SIP) - Final	2.7.1	NLT EDC + 18 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.9 shall be equal to the total value of table A0 (cell S85) "Implementation 'one-off costs" tab.	
Site Installation	2.4	NLT EDC + 42 weeks	Multiple sites, cf Implementation (one-off costs) tab	Installation	Sites	85	-	-	Important remark: The total value of CLIN 2.10 shall be equal to the total value of table A0 (cell T85) and a proportion of table B0 total (cell K92) in "Implementation 'one-off costs" tab. The proportion of table B0 total (cell K92) for CLIN 2.5 and CLIN 2.10 shall be equal, combined, to the TOTAL of table B0 (cell K92).	
Physical link separation on dual-home nodes including the last miles	2.4, Annex B par. 4	NLT EDC + 42 weeks	Multiple sites, cf Implementation (one-off costs) tab	Installation	Sites	24	-	-	Important remark: The total value of CLIN 2.11 shall be equal to the total value of table A0 (cell U85) "Implementation 'one-off costs" tab.	
Service Level Agreement (SLA) - Final	3.2, Annex B	NLT EDC + 42 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.12 shall be equal to the total value of table A0 (cell V85) "Implementation 'one-off costs" tab.	
Site Installation Readiness Teting (SIRT)	2.5.1	NLT EDC + 50 weeks	Belgium, Mons/Brain l'Alleud	Tests	Set	1	-	-	Important remark: The total value of CLIN 2.13 shall be equal to the total value of table A0 (cell W85) "Implementation 'one-off costs" tab.	
Site Installation Readiness Teting (SIRT) Report	2.5.1	NLT EDC + 50 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.14 shall be equal to the total value of table A0 (cell X85) "Implementation 'one-off costs" tab.	
Site Installation Acceptance (SIA)	.4, 2.5.1, 2.5.2, 2.6, 2.	NLT EDC + 52 weeks	Belgium, Mons/Brain l'Alleud	Meeting	Lot	1	-	-	Important remark: The total value of CLIN 2.15 shall be equal to the total value of table A0 (cell Y85) "Implementation 'one-off costs" tab.	
Provisional Site Acceptance Testing (PSAT)	2.5.2	NLT EDC + 56 weeks	Belgium, Mons/Brain l'Alleud	Tests	Set	1	-	-	Important remark: The total value of CLIN 2.16 shall be equal to the total value of table A0 (cell Z85) "Implementation 'one-off costs" tab.	
Provisional Site Acceptance Testing (PSAT) Report	2.5.2	NLT EDC + 56 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.17 shall be equal to the total value of table A0 (cell AA85) "Implementation 'one-off costs" tab.	
Provisional Site Acceptance (PSA)	2.6	NLT EDC + 58 weeks	Belgium, Mons/Brain l'Alleud	Meeting	Lot	1	-	-	Important remark: The total value of CLIN 2.18 shall be equal to the total value of table A0 (cell AB85) "Implementation 'one-off costs" tab.	
Service Delivery Package (SDP) - Final	1.4, 2.5.1, 3.7	NLT EDC + 60 weeks	Belgium, Mons/Brain l'Alleud	Electronic Copy	Document	1	-	-	Important remark: The total value of CLIN 2.19 shall be equal to the total value of table A0 (cell AC85) "Implementation 'one-off costs" tab.	
Service Activation (SA) period end	2.6	NLT EDC + 74 weeks	Multiple sites, cf Implementation (one-off costs) tab	Service	Lot	1	-	-	Important remark: The total value of CLIN 2.20 shall be equal to the total value of table A0 (cell AD85) "Implementation 'one-off costs" tab.	
Final Service Acceptance (FSA)	2.6, 3.7.1, 3.7.2	NLT EDC + 76 weeks	Belgium, Mons/Brain l'Alleud	Meeting	Lot	1	-	-	Important remark: The total value of CLIN 2.21 shall be equal to the total value of table A0 (cell AE85) "Implementation 'one-off costs" tab.	
CLIN 2								-	Important remark: The total value of CLIN 2 shall be equal to the total value of table A0 (cell AF85) and the total of table B0 (cell K92) in "Implementation 'one-off costs" tab.	
CLIN 3 (BASE-EVALUATED) - Service Delivery (Table A1+B1+B2) 3 YEARS PERIOD										
Total Recurring Costs	3	Until Service Cessation	Multiple sites, cf Service Delivery (O&M costs) tab	Service	Lot	36	-	-		
Service Performance Review Meetings and Reporting (SPRM)	3.7.3	Monthly (In Service delivery phase)	Belgium, Mons/Brain l'Alleud	Meeting	Lot	36	-	-		
Service Desk Services	3.1.5, 3.7.1	Monthly (In Service delivery phase)	Belgium, Mons/Brain l'Alleud	Service	Lot	36	-	-		
Expedited Procedures for Price Quotations (average of 3 per year)	3.2	One-off (In Service delivery phase)	Belgium, Mons/Brain l'Alleud	Service	Lot	1	-	-		

CLIN 3	-	Important remark: The total value of CLIN 3 shall be equal to the total value of table A1 INITIAL 3 YEARS (cell N88), table B1 INITIAL 3 YEARS (cell N96) and table B2 INITIAL 3 YEARS (cell N104) in tab "Service Delivery (O&M costs)" tab.	
ed Price- Base Contract	-		

EVALUATED OPTION 1 - Individually Selectable Scope Increase (Table C0 and C1 INITIAL 3Y)										
Description	SOW Reference	Required Completion Date (EDC NLT 01 Oct 2023)	Delivery Destination	Delivery Form	Unit of measure	Quantity	Unit Price	Total Firm Fixed Price		Optional Comments (Mandatory for zero costs lines)
Declare Currency =>										
CLIN 4 (OPTION-EVALUATED) - Optional Service Implementation (Table C0) - C0 elements are individually selectable (ONE-OFF)										
Same scope as CLIN 2 for the following sites:										
C0.1	2	NLT EDC + 76 weeks	Paris, Versailles, FRA	Installation	Sites	1	-	-		
C0.2	2	NLT EDC + 76 weeks	Papa, HUN	Installation	Sites	1	-	-		
C0.3	2	NLT EDC + 76 weeks	Taranto, ITA	Installation	Sites	1	-	-		
C0.4	2	NLT EDC + 76 weeks	Adazi, LVA	Installation	Sites	1	-	-		
C0.5	2	NLT EDC + 76 weeks	Costa di Caparica, PRT	Installation	Sites	1	-	-		
C0.6	2	NLT EDC + 76 weeks	Sibiu, ROU	Installation	Sites	1	-	-		
C0.7	2	NLT EDC + 76 weeks	Istanbul, TUR	Installation	Sites	1	-	-		
C0.8	2	NLT EDC + 76 weeks	Eggemoen, NOR	Installation	Sites	1	-	-		
C0.9	2	NLT EDC + 76 weeks	Washington, USA	Installation	Sites	1	-	-		

CLIN 4										-	Important remark: The total value of CLIN 4 shall be equal to the total value of table C0 (cell K105) in "Implementation one-off costs" tab.		
CLIN 5 (OPTION-EVALUATED) - Optional Service Delivery (Table C1) 3 YEARS PERIOD - C1 elements are individually selectable													
Same scope as CLIN 3 for the following sites:													
C1.1 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Paris, Versailles, FRA	Service	Month	36	-	-					
C1.2 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Papa, HUN	Service	Month	36	-	-					
C1.3 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Taranto, ITA	Service	Month	36	-	-					
C1.4 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Adazi, LVA	Service	Month	36	-	-					
C1.5 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Costa di Caparica, PRT	Service	Month	36	-	-					
C1.6 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Sibiu, ROU	Service	Month	36	-	-					
C1.7 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Istanbul, TUR	Service	Month	36	-	-					
C1.8 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Eggemoen, NOR	Service	Month	36	-	-					
C1.9 - INITIAL 3Y	3	Monthly (In Service delivery phase)	Washington, USA	Service	Month	36	-	-					

CLIN 5	-	Important remark: The total value of CLIN 5 shall be equal to the total value of table C1 INITIAL 3 YEARS (cell N118) in "Service Delivery (O&M costs)" tab.	
ed Price- Evaluated Option 1	-		

EVALUATED OPTION 2 - (Optional Years 1+1+1 EXTENSION)										
Description	SOW Reference	Required Completion Date	Delivery Destination	Delivery Form	Unit of measure	Quantity	Unit Price	Total Firm Fixed Price		Optional Comments (Mandatory for zero costs lines)
Declare Currency =>										
CLIN 6 (OPTION EVALUATED) - Optional Service Delivery (Table A1 EXTENSION + B1 EXTENSION + B2 EXTENSION + C1 EXTENSION) - C1 elements are individually selectable										
Total Recurring Costs per optional year	3									
A1 EXTENSION	3	Monthly (In Service delivery phase)	Multiple sites, cf Service Delivery (O&M costs) tab	Service	Month	12	-	-		
B1 EXTENSION	3	Monthly (In Service delivery phase)	Multiple sites, cf Service Delivery (O&M costs) tab	Service	Month	12	-	-		
B2 EXTENSION	3	Monthly (In Service delivery phase)	Multiple sites, cf Service Delivery (O&M costs) tab	Service	Month	12	-	-		
C1.1 EXTENSION	3	Monthly (In Service delivery phase)	Paris, Versailles, FRA	Service	Month	12	-	-		
C1.2 EXTENSION	3	Monthly (In Service delivery phase)	Papa, HUN	Service	Month	12	-	-		
C1.3 EXTENSION	3	Monthly (In Service delivery phase)	Taranto, ITA	Service	Month	12	-	-		
C1.4 EXTENSION	3	Monthly (In Service delivery phase)	Adazi, LVA	Service	Month	12	-	-		
C1.5 EXTENSION	3	Monthly (In Service delivery phase)	Costa di Caparica, PRT	Service	Month	12	-	-		
C1.6 EXTENSION	3	Monthly (In Service delivery phase)	Sibiu, ROU	Service	Month	12	-	-		
C1.7 EXTENSION	3	Monthly (In Service delivery phase)	Istanbul, TUR	Service	Month	12	-	-		
C1.8 EXTENSION	3	Monthly (In Service delivery phase)	Eggemoen, NOR	Service	Month	12	-	-		
C1.9 EXTENSION	3	Monthly (In Service delivery phase)	Washington, USA	Service	Month	12	-	-		

CLIN 6 PER OPTIONAL YEAR	1	Year	-	Important remark: The total value of CLIN 6 shall be equal to the total value of table A1 EXTENSION (cell N206), table B1 EXTENSION (cell N213), table B2 EXTENSION (cell N220) and table C1 EXTENSION (cell N233) in tab "Service Delivery (O&M costs)"	
ed Price- Evaluated Option 2 for ALL OPTIONAL YEARS (1+1+1)	(1+1+1) =	3	Years	-	

EVALUATED OPTION 3 - (Upgrade 0.1 to 1 Gb)										
Description	SOW Reference	Required Completion Date (EDC NLT 01 Oct 2023)	Delivery Destination	Delivery Form	Unit of measure	Quantity	Unit Price	Total Firm Fixed Price		Optional Comments (Mandatory for zero costs lines)
Declare Currency =>										
CLIN 7 (OPTION EVALUATED) - Upgrade from 0.1 to 1 Gb (Table D0 + A1 UPGRADE + C1 UPGRADE)										
Upgrade of 0.1 Gb sites to 1 Gb - Project Management (One-off costs)	Appendix B, para B4	NLT EDC + 64 weeks	Multiple sites, cf Implementation (one-off costs) tab	Service	Lot	1	-	-	Important remark: The total value of CLIN 7.1 shall be equal to the value of D0.1 in table D0 (cell K109) in tab "Implementation (one-off costs)".	
Upgrade of 0.1 Gb sites to 1 Gb - Service implementation (One-off costs)	Appendix B, para B4	NLT EDC + 64 weeks	Multiple sites, cf Implementation (one-off costs) tab	Service	Lot	1	-	-	Important remark: The total value of CLIN 7.2 shall be equal to the value of D0.2 in table D0 (cell K110) in tab "Implementation (one-off costs)".	
Upgrade of 0.1 Gb sites to 1 Gb - Service delivery costs (O&M costs)	Appendix B, para B4	Until Service Cessation	Multiple sites, cf Service Delivery (O&M costs) tab	Service	Lot	1	-	-	Important remark: The total value of CLIN 7.3 shall be equal to the total value of table A1 UPGRADE (cell N286) and table C1 UPGRADE (cell N297) in "Service Delivery (O&M costs)" tab.	

CLIN 7 PER OPTIONAL YEAR	-		
ed Price - Evaluated Option 3	-		

MAIN TABLE A0: LAYER2 SERVICES INSTALLATION COSTS PER LTX-R SITE									Declare Currency =>		
REF	CLIN	Country	Site A,Country	Entity	Physical access interfaces (Gb/s)	Guaranteed Capacity (Gb/s)	Node Type	Node Service Availability (Reachability) %	Z-end	TOTAL Implementation Cost (one-off)	
1	A0.1	ALB	Tirana, ALB	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
2	A0.2	BEL	Breine l'Alleud	NCI Agency	10	1	Tier 2	99.99%	Mons, Evere	-	
3	A0.3	BEL	Brussels/EU, BEL	NPLT EU	1	0.1	Tier 3	99.70%	Evere	-	
4	A0.4	BEL	Mons, BEL	SACEUR Residence	1	0.1	Tier 3	99.70%	Mons	-	
5	A0.5	BEL	Kester, BEL	SGS F01	10	2	Tier 1	99.99%	Mons, Evere	-	
6	A0.6	BGR	Gorna Malina, BGR	2 NSB DCM-F	10	1	Tier 3	99.70%	Mons	-	
7	A0.7	BGR	Sofia, BGR	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
8	A0.8	BIH	Butmir, BIH	NATO HQ Sarajevo	10	1	Tier 2	99.99%	Evere, Lago	-	
9	A0.9	CAN	Ottawa, CAN	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-	
10	A0.10	CZE	Lipnik nad Becvou, CZE	3 NSB DCM-B	10	1	Tier 3	99.70%	Lago	-	
11	A0.11	CZE	Prague, CZE	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-	
12	A0.12	DEU	Wesel, DEU	1NSB, M&S Coy, DCM-A, DCM-B, DCM-C	10	1	Tier 2	99.99%	Mons, Evere	-	
13	A0.13	DEU	Uedem, DEU	CAOC-U	10	2	Tier 1	99.99%	Mons, Evere	-	
14	A0.14	DEU	Ramstein, DEU	HQ AIRCOM	10	2	Tier 1	99.99%	Mons, Evere	-	
15	A0.15	DEU	Geilenkirchen, DEU	NAEW E-3A Command	10	1	Tier 2	99.99%	Mons, Evere	-	
16	A0.16	DEU	Castlegate,DEU	NATO PoP	10	1	Tier 2	99.99%	Evere, Lago	-	
17	A0.17	DEU	Wiesbaden, DEU	NATO PoP (USA in DEU)	1	0.1	Tier 3	99.70%	Mons	-	
18	A0.18	DEU	Oberammergau, DEU	NATO School	1	0.1	Tier 3	99.70%	Lago	-	
19	A0.19	DEU	Ulm, DEU	SJLSG, DEU	10	2	Tier 1	99.99%	Mons, Evere	-	
20	A0.20	DEU	Grafenwoehr, DEU	USAREUR	10	1	Tier 3	99.70%	Evere	-	
21	A0.21	DNK	Haderslev DCM, DNK	DCM-B, DCM-C	10	1	Tier 3	99.70%	Mons	-	
22	A0.22	DNK	Karup, DNK	NATO PoP	1	0.1	Tier 3	99.70%	Lago	-	
23	A0.23	ESP	Torrejon, ESP	CAOC-T	10	2	Tier 1	99.99%	Mons, Lago	-	
24	A0.24	ESP	Madrid, ESP	NATO PoP	1	0.1	Tier 3	99.70%	Lago	-	
25	A0.25	EST	Tallinn, EST	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
26	A0.26	FIN	TBD, FIN	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
27	A0.27	FIN	TBD, FIN	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-	
28	A0.28	FRA	Strasbourg, FRA	Eurocorps	1	0.1	Tier 3	99.70%	Mons	-	
29	A0.29	FRA	Maisons Laffitte, FRA	FRA 2 <sup>nd</sup> NATO PoP	1	0.1	Tier 3	99.70%	Evere	-	
30	A0.30	FRA	Lyon, FRA	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-	
31	A0.31	FRA	Paris, Neuilly sur Sein, FRA	NSTO (CSO/RTO)	1	0.1	Tier 3	99.70%	Mons	-	
32	A0.32	GBR	Blandford, GBR	1 NSB DCM-D	10	1	Tier 3	99.70%	Mons	-	
33	A0.33	GBR	Yeovilton, GBR	JEWCS	1	0.1	Tier 3	99.70%	Mons	-	
34	A0.34	GBR	Northwood, GBR	MARCOM	10	2	Tier 1	99.99%	Mons, Evere	-	
35	A0.35	GBR	Molesworth, GBR	RAF Molesworth	1	0.1	Tier 3	99.70%	Evere	-	
36	A0.36	GBR	Whitehall, GBR	MARCOM	1	0.1	Tier 3	99.70%	Evere	-	
37	A0.37	GRC	Thessaloniki KFOR,GRC	KFOR CMZ	1	0.1	Tier 3	99.70%	Mons	-	
38	A0.38	GRC	Aktion, GRC	NAEW FOB	1	0.1	Tier 3	99.70%	Mons	-	
39	A0.39	GRC	Athens, GRC	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
40	A0.40	GRC	Atalanti GRC	SGS F11	1	0.1	Tier 3	99.70%	Lago	-	
41	A0.41	HRV	Pleso, HRV	1 NSB DCM F	10	1	Tier 3	99.70%	Mons	-	
42	A0.42	HRV	Zagreb, HRV	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
43	A0.43	HUN	Szekesfehervar, HUN	3 NSB DCM-E	10	1	Tier 3	99.70%	Evere	-	
44	A0.44	HUN	Budapest, HUN	NATO PoP	1	0.1	Tier 3	99.70%	Lago	-	
45	A0.45	ISL	Keflavik, ISL	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-	
46	A0.46	ITA	Grazzanise, ITA	2 NSB HQ, M&S Coy, 2 NSB DCM-A, DCM-B, DCM-C, DCM-D	10	1	Tier 3	99.70%	Lago	-	
47	A0.47	ITA	Sigonella, ITA	AGS	10	1	Tier 2	99.99%	Mons, Lago	-	
48	A0.48	ITA	Poggio Renatico, ITA	DCAOC	10	1	Tier 2	99.99%	Mons, Lago	-	
49	A0.49	ITA	Trapani, ITA	NAEW FOB	1	0.1	Tier 3	99.70%	Lago	-	
50	A0.50	ITA	LaSpezia, ITA	NSTO-CMRE	10	1	Tier 3	99.70%	Lago	-	
51	A0.51	ITA	Lughezzano, ITA	SGS F14	10	2	Tier 1	99.99%	Lago, Mons	-	
52	A0.52	ITA	Rome, ITA	NADEFCOL	1	0.1	Tier 3	99.70%	Lago	-	

53	A0.53	KFOR	Pristina	KFOR HQ	10	1	Tier 2	99.99%	Evere, Lago	-
54	A0.54	LTU	Vilnius DCM, LTU	3NSB, DCM-D	10	1	Tier 3	99.70%	Evere	-
55	A0.55	LTU	Vilnius, LTU	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-
56	A0.56	LUX	Senningen, LUX	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-
57	A0.57	LUX	Capellen, LUX	NSPA	10	1	Tier 2	99.99%	Mons, Evere	-
58	A0.58	LVA	Riga, LVA	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-
59	A0.59	LVA	Riga NFIU, LVA	NFIU Riga	1	0.1	Tier 3	99.70%	Mons	-
60	A0.60	MKD	Skopje, MKD	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-
61	A0.61	MNE	Podgorica, MNE	NATO PoP	1	0.1	Tier 3	99.70%	Lago	-
62	A0.62	NLD	Brunssum, NLD	JFC HQ	10	2	Tier 1	99.99%	Mons, Evere	-
63	A0.63	NLD	The Hague, NLD	NCI Agency	10	1	Tier 2	99.99%	Mons, Evere	-
64	A0.64	NOR	Stavanger, NOR	JWC	10	1	Tier 2	99.99%	Mons, Evere	-
65	A0.65	NOR	Oerland, NOR	NAEW FOL	1	0.1	Tier 3	99.70%	Evere	-
66	A0.66	POL	Bydgoszcz DCM, POL	3 NSB HQ, DCM, M&S Coy	10	1	Tier 3	99.70%	Mons	-
67	A0.67	POL	Bydgoszcz, POL	JFTC	10	2	Tier 1	99.99%	Mons, Evere	-
68	A0.68	POL	Warsaw, POL	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-
69	A0.69	PRT	Monsanto, PRT	JALLC	10	1	Tier 3	99.70%	Mons	-
70	A0.70	PRT	Oeiras, PRT	NCI Academy	10	1	Tier 2	99.99%	Mons, Lago	-
71	A0.71	ROU	Bucharest DCM, ROU	2 NSB, DCM-E	10	1	Tier 3	99.70%	Mons	-
72	A0.72	ROU	Bucharest, ROU	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-
73	A0.73	SVK	Ruzomberok DCM, SVK	3 NSB DCM-C	10	1	Tier 3	99.70%	Mons	-
74	A0.74	SVK	Bratislava, SVK	NATO PoP	1	0.1	Tier 3	99.70%	Lago	-
75	A0.75	SVN	Ljubljana, SVN	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-
76	A0.76	SWE	TDB, SWE	NATO PoP	1	0.1	Tier 3	99.70%	Mons	-
77	A0.77	SWE	TDB, SWE	NATO PoP	1	0.1	Tier 3	99.70%	Evere	-
78	A0.78	TUR	Izmir, TUR	LANDCOM	10	2	Tier 1	99.99%	Mons, Evere	-
79	A0.79	TUR	Ankara, TUR	NATO PoP	1	0.1	Tier 3	99.70%	Lago	-
80	A0.80	TUR	Oglananasi, TUR	SGS F13	1	0.1	Tier 3	99.70%	Mons	-
81	A0.81	TUR	Konya, TUR	NAEW FOB	1	0.1	Tier 3	99.70%	Mons	-
82	A0.82	USA	Norfolk, USA	ACT HQ	10	1	Tier 2	99.99%	Mons, Evere	-
TOTAL										-

**MAIN TABLE A0.1: LAYER2 SERVICES INSTALLATION COST Break Down PER LTX-R SITE**

				2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	2.10	2.11	2.12	2.13	2.14	2.15	2.16	2.17	2.18	2.19	2.20	2.21	
REF	CLIN	Country	Site A_Country	Service Requirements Review (SRR) - Kick-off Meeting	Service Requirements Review (SRR) Report	Service Implementation Review Meetings (SIRM)	Service Implementation Progress Reports (SIRP)	Site Surveys	Site Survey Reports (SSR)	Service Design Description (SDO) - Draft	Service Testing Plan (STP) - Draft	Service Implementation Package (SIP) - Final	Site Installation	Physical link separation on dual-home nodes including the last mile	Service Level Agreement (SLA) - Final	Site Installation Readiness Testing (SIRT)	Site Installation Readiness Testing (SIRT) Report	Site Installation Acceptance (ISA)	Provisional Site Acceptance Testing (PSAT)	Provisional Site Acceptance Testing (PSAT) Report	Provisional Site Acceptance Testing (PSAT) Report	Service Delivery Package (SDP) - Final	Service Activation (SA)	Final Service Acceptance (PSA)	TOTAL Implementation Cost (one-off)
1	A0.1	ALB	Tirane, ALB																						
2	A0.2	BEL	Breine l'Alleud																						
3	A0.3	BEL	Bruxelles/EU, BEL																						
4	A0.4	BEL	Mons, BEL																						
5	A0.5	BEL	Kester, BEL																						
6	A0.6	BGR	Gorna Malina, BGR																						
7	A0.7	BGR	Sofia, BGR																						
8	A0.8	BIH	Butmir, BIH																						
9	A0.9	CAN	Ottawa, CAN																						
10	A0.10	CZE	Uprkni nad Srevoz, CZE																						
11	A0.11	CZE	Prague, CZE																						
12	A0.12	DEU	Wesel, DEU																						
13	A0.13	DEU	Uedem, DEU																						
14	A0.14	DEU	Ramstein, DEU																						
15	A0.15	DEU	Geilenkirchen, DEU																						
16	A0.16	DEU	Castlegate, DEU																						
17	A0.17	DEU	Wiesbaden, DEU																						
18	A0.18	DEU	Oberammergau, DEU																						
19	A0.19	DEU	Ulm, DEU																						
20	A0.20	DEU	Grafenwohr, DEU																						
21	A0.21	DNK	Hederslev DCM, DNK																						
22	A0.22	DNK	Karup, DNK																						
23	A0.23	ESP	Torrejon, ESP																						
24	A0.24	ESP	Madrid, ESP																						
25	A0.25	EST	Tallinn, EST																						
26	A0.26	FIN	TBD, FIN																						
27	A0.27	FIN	TBD, FIN																						
28	A0.28	FRA	Strasbourg, FRA																						
29	A0.29	FRA	Maisons Laiffite, FRA																						

**MAIN TABLE B0: LTX-R BULK ACCESS AND 1+1 PROTECTION INSTALLATION COSTS ON CORE SITES**

MAIN TABLE B0: LTX-R BULK ACCESS AND 1+1 PROTECTION INSTALLATION COSTS ON CORE SITES									Declare Currency =>	
REF	CLIN	Country	Site A/Country	Entity	Physical access interfaces (Gb/s)	Guaranteed Capacity (Gb/s)	Node Type	Node Service Availability (Reachability) %	Z-end	Total Price
83	B0.1	BEL	Mons, BEL	TCS Core Node - SHAPE	N/A	N/A	N/A	N/A	N/A	-
84	B0.2	BEL	Evere, BEL	TCS Core Node - EVERE	N/A	N/A	N/A	N/A	N/A	-
85	B0.3	ITA	Lago di Patria, ITA	TCS Core Node - LAGOPATRIA	N/A	N/A	N/A	N/A	N/A	-
TOTAL										-

**OPTIONAL TABLE C0: INSTALLATION COSTS FOR INCREASED SCOPE OF LTX-R (ADDITIONAL SITES ON TABLE A0) - INDIVIDUALLY SELECTABLE**

OPTIONAL TABLE C0: INSTALLATION COSTS FOR INCREASED SCOPE OF LTX-R (ADDITIONAL SITES ON TABLE A0) - INDIVIDUALLY SELECTABLE									Declare Currency =>	
REF	CLIN	Country	Site A/Country	Entity	Physical access interfaces (Gb/s)	Guaranteed Capacity (Gb/s)	Node Type	Node Service Availability (Reachability) %	Z-end	Total Price
86	C0.1	FRA	Paris, Versailles, FRA	NSPA (CEPMA)	1	0.1	Tier 3	99.70%	Mons	-
87	C0.2	HUN	Papa, HUN	NSPA	1	0.1	Tier 3	99.70%	Lago	-
88	C0.3	ITA	Taranto, ITA	NSPA	1	0.1	Tier 3	99.70%	Lago	-
89	C0.4	LVA	Adazi, LVA	EfP Canada	1	0.1	Tier 3	99.70%	Mons	-
90	C0.5	PRT	Costa di Caparica, PRT	SGS F12	1	0.1	Tier 3	99.70%	Lago	-
91	C0.6	ROU	Sibiu, ROU	MNC-SE	10	1	Tier 3	99.70%	Lago	-
92	C0.7	TUR	Istanbul, TUR	MJWC	10	1	Tier 3	99.70%	Lago	-
93	C0.8	NOR	Eggemoen, NOR	SGS F05	1	0.1	Tier 2	99.99%	Mons, Evere	-
94	C0.9	USA	Washington, USA	US PoP	1	0.1	Tier 3	99.70%	Norfolk	-
									<b>TOTAL</b>	-

**OPTIONAL (EVALUATED) TABLE D0: ONE-OFF PROJECT MANAGEMENT & SERVICE IMPLEMENTATION COSTS: UPGRADE 0.1 TO 1 GB**

OPTIONAL (EVALUATED) TABLE D0: ONE-OFF PROJECT MANAGEMENT & SERVICE IMPLEMENTATION COSTS: UPGRADE 0.1 TO 1 GB									Declare Currency =>	
REF	CLIN	Country	Site A/Country	Entity	Physical access interfaces (Gb/s)	Guaranteed Capacity (Gb/s)	Node Type	Node Service Availability (Reachability) %	Z-end	Total Price
95	D0.1 Project Management	Multiple	All sites with 0.1 Guaranteed Capacity (Gb/s)	All sites with 0.1 Guaranteed Capacity (Gb/s), cf. sites in Table A0 and table C0 with a 0.1 Guaranteed Capacity (Gb/s)	1	1	Multiple (site specific)	Multiple (site specific)	As per node distribution	-
96	D0.2 Service implement.	Multiple	All sites with 0.1 Guaranteed Capacity (Gb/s)	All sites with 0.1 Guaranteed Capacity (Gb/s), cf. sites in Table A0 and table C0 with a 0.1 Guaranteed Capacity (Gb/s)	1	1	Multiple (site specific)	Multiple (site specific)	As per node distribution	-
TOTAL										-





**IFB-CO-115754-LTX-R**

**Prospective Contract for the Implementation and  
Provision of Leased Transmission Services  
- Revised (LTX-R)**

**Book II Part II  
Prospective Contract Special Provisions**

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## **1 ALTERATIONS, MODIFICATIONS AND DELETIONS OF THE CONTRACT GENERAL PROVISIONS**

- 1.1 Article 2 “ORDER OF PRECEDENCE” replaces Clause 1 “Order of Precedence” of the Contract General Provisions.
- 1.2 Article 4 “TYPE OF CONTRACT AND PRICE BASIS” augments Clause 7 “Firm Fixed Price Contract” of the Contract General Provisions.
- 1.3 Article 8 “PRICING OF CHANGES, AMENDMENTS, OPTIONS, FOLLOW-ON CONTRACTS AND CLAIMS” augments Clause 19 “Pricing of Changes, Amendments and Claims” of the Contract General Provisions.
- 1.4 Article 9 “PARTICIPATING COUNTRIES” augments Clause 9 “Participating Countries” of the Contract General Provisions.
- 1.5 Article 14 “SECURITY” augments Clause 11 “Security” of the Contract General Provisions.
- 1.6 Article 15 “ACCEPTANCE OF DOCUMENTATION AND SERVICE” augments Clause 21 “Inspection and Acceptance of Work” of the Contract General Provisions.
- 1.7 Article 15 “ACCEPTANCE OF DOCUMENTATION AND SERVICE” augments Clause 22 “Inspection and Acceptance of Documentation” of the Contract General Provisions.
- 1.8 Article 16 “INVOICES AND PAYMENT” augments Clause 25 “Invoices and Payment” of the Contract General Provisions.
- 1.9 Article 17 “LIQUIDATED DAMAGES” augments Clause 38 “Liquidated Damages” of the Contract General Provisions.
- 1.10 Article 23 “PERFORMANCE GUARANTEE” replaces sub-clauses 8.1 and 8.5 “Performance Guarantee” of the Contract General Provisions.
- 1.11 Article 25 “SUB-CONTRACTS” augments Clause 10 “Sub-contracts” of the Contract General Provisions.

## **2 ORDER OF PRECEDENCE**

- 2.1 This Article replaces Clause 1 of the Contract General Provisions.
- 2.2 In the event of any inconsistency in language, terms or conditions of the various parts of this Contract, precedence will be given in the following order:
  - 2.2.1 The Signature Page;
  - 2.2.2 The Contract Schedules, Part I;
  - 2.2.3 The Contract Special Provisions, Part II;
  - 2.2.4 The Contract General Provisions, Part III;
  - 2.2.5 The Statement of Work, Part IV;
  - 2.2.6 The Appendices of the Statement of Work;
  - 2.2.7 The Service Level Agreement, Part V.

**3 SCOPE OF WORK**

- 3.1 The Contractor shall provide and implement terrestrial Ethernet Transport Services interconnecting approximately 85 Edge Nodes to the three NATO Core Nodes at agreed capacity and availability as detailed in the SSS between the LTX-R nodes and Core nodes and in fulfilment of the requirements as defined in the Contract Part IV - Statement of Work, including its Appendices. The Contractor shall migrate and replace where applicable any existing interconnectivity and services already provided to the Purchaser via other contracts, in a fully controlled transition period, without impacting or affecting existing service operations. The Contractor shall be responsible for the required installation and service migration, the provision of bulk access and 1+1 protection of the LTX-R links at the Core nodes, the provision of services and service monitoring in accordance with the provisions of the Contract.
- 3.2 The LTX-R services are to be provided based on the Contractor-Owned / Contractor-Operated (COCO) service provisioning model. The Contractor (or its subcontractors) therefore owns and manages the service assets including hardware and software and their life cycle (upgrades and technology refreshes) up to the explicitly defined Service Delivery Points, as described in the SoW. The Contractor operates the service and provides all levels of support. The Contractor provides all needed manpower to operate the service within the terms and conditions of the Service Level Agreement (SLA), agreed between the Purchaser and the Contractor, and developed in adherence to the SLA framework provided in Appendix B to the Statement of Work.
- 3.3 In the context of LTX-R services, the term 'Node' refers to COCO network infrastructure implemented at any of the Contracted sites to deliver communications services. A Node consists of any Network Termination Equipment (NTE) installed by the Contractor at each site, connected to the Purchaser Furnished Equipment (PFE).
- 3.4 The agreement and signature of this Contract by the Parties neither implies an obligation on either part to extend the Contract beyond the specified scope or terms, nor to prohibit the Parties from mutually negotiating modifications thereto.
- 3.5 At expiration or termination of the Contract, i.e. end of Leased Transmission Services - Revised delivery and, if required by the Purchaser, the Contractor shall disconnect from the Purchaser's infrastructure and dismantle any Contractor-owned equipment previously installed and operated in the Purchaser's premises, at no additional cost to the Purchaser, in accordance with the agreed Service Cessation and Withdrawal Plan (SCWP) as required by the Statement of Work and SSS.

**4 TYPE OF CONTRACT AND PRICE BASIS**

- 4.1 This Article augments Clause 7 of the Contract General Provisions.
- 4.2 This is a Firm Fixed Price Contract.

- 4.3 The priced Schedule of Supplies and Services of the present Contract (Part I), driven by Contract Line Items (CLINs), lists all services, their due date, the place of delivery, as well as their fixed rate (where applicable).
- 4.4 The prices established for every CLIN, including the Optional CLINs, are firm-fixed and **all-inclusive** for the whole Period of Performance of the Contract and for any Option for the extension thereof.
- 4.5 The total Firm Fixed Price of this Contract includes all the service costs (one-off and recurring) incurred by the Contractor in fulfilment of the CLINs in the Schedule of Supplies and Services, and the requirements in the Statement of Work, in terms of Service Implementation (Section 2), Service Delivery (Section 3) and Project Management (Section 4). This includes all travel, per diem and accommodation costs associated with travels between NATO Locations and the Contractor's own premises, wherever it executes the Contract, and wherever the Contractor considers necessary to execute it's tasking, or that is required for the execution of the Contract.
- 4.6 The Contractor obligates itself to ensure that all the services required by the Contract will be furnished within the Total Contract Price as stated on the Contract Signature Page. The Purchaser assumes no liability for costs incurred by the Contractor in excess of the stated Firm Fixed Price of the Base Contract (Years 1 to 3), except as provided under other provisions of this Contract.
- 4.7 The Total Contract Price is Delivered Duty Paid in accordance with the International Chamber of Commerce INCOTERMS 2020 to the destination(s) and at such times as set forth in the Schedule of Supplies and Services. All supplies covered under this Contract, shall be transported to and from all destinations at the responsibility of the Contractor. The Purchaser shall not be liable for any storage, damage, accessorial or any other charges involved in such transporting of supplies.

## **5 EFFECTIVE DATE OF CONTRACT AND PERIOD OF PERFORMANCE**

- 5.1 The Contract shall come into force at the date specified in the Signature Sheet of the Contract, and such date is referred hereafter as the Effective Date of Contract (EDC).
- 5.2 The Period of Performance (PoP) of the in-service phase of this Contract is 3 years from the Service Activation (SA) date.
- 5.3 The Period of Performance may be extended by up to 3 consecutive years, by the exercise of the Options specified in Article 7 "ADDITIONAL CONTRACT TASKS AND OPTIONS" hereunder.
- 5.4 Start date of the Optional Years for fixed rate services will be notified to the Contractor at least 6 months prior to the commencement of provision of the services through formal Contract Amendment as detailed under Article 7.3 hereunder.

**6 SERVICE LEVEL AGREEMENT (SLA)**

- 6.1 This Article applies to the in-service phase of any Contractor operated service delivered under this Contract, starting with Service Activation after Provisional Service Acceptance.
- 6.2 In accordance with SOW Section 3.7.2, the Final Draft version of the Service Level Agreement shall be produced by the Contractor within the timelines required in SSS, and shall be subject to the approval by the Purchaser as part of the Service Installation Acceptance (SIA) process (SOW Section 2.5). The requirements for draft SLA are provided in SOW Appendix B.
- 6.3 In accordance with SOW Section 3.7.2, the Final version of the Service Level Agreement shall be produced by the Contractor within 6 weeks from Final Draft delivery, and shall be agreed and approved by the Purchaser as part of the Provisional Service Acceptance process.
- 6.4 The Service Level Agreement signed between the Parties covers the required parameters of Service Requirements as described in Appendix A of the Statement of Work, as well as all the performance metrics, availability criteria, review periods, service credits and modifications, in adherence to the SLA Framework requirements provided in Appendix B of the Statement of Work.
- 6.5 If the Contractor fails to deliver or to perform the services within the prescribed availability and performance levels specified in Statement of Work and in the Service Level Agreement, the Contractor shall be charged with Service Credits as described and calculated in the relevant section of the agreed Service Level Agreement and Article 18 below. Service Credits serve as the Purchaser's remedy for the damages directly arising out of the failure to render the Services, or perform the Services as specified in the Statement of Work, without prejudice of Clause 39 (Termination for Default) of the Contract General Provisions.
- 6.6 The rights and remedies of the Purchaser under this clause are in addition to any other rights and remedies provided by law or under this Contract.

**7 ADDITIONAL CONTRACT TASKS AND OPTIONS**

- 7.1 The tasks identified in the Contract Schedule of Supplies and Services as Options are to be intended as options to be exercised by the Purchaser unilaterally and at its sole discretion.
- 7.2 The Contractor understands that there is no obligation under this Contract for the Purchaser to exercise any of the optional line items and that the Purchaser bears no liability should it decide not to exercise the options (totally or partially). In no event shall the Contractor engage in the performance of any options without the written consent of the Purchaser Contracting Authority.
- 7.3 Years 4, 5 and 6 in Part I Schedule of Supplies and Services represent Options to extend the Period of Performance for up to 3 additional periods of 12 months. The Purchaser shall notify the Contractor, by issuing a formal letter, of its intent

to exercise this Option within the timelines specified under Article 5.4. For each Option Year exercised, a Contract Amendment will be issued by the Purchaser, to confirm the notification previously provided and obligate an amount of funding for the total Contract value. The Contractor shall continue providing the services required under the Contract and will be compensated at the fixed rates specified for these Options in the Schedule of Supplies and Services.

- 7.4 In addition to the Contract Options as identified above, the Purchaser reserves the right to order any foreseeable or additional Contract tasks or deliverables, either occasionally or at a further stage in the life of the project, which it deems necessary for the successful completion of the project. Such additional tasks and/or deliverables shall be priced in using the pricing details and rates per CLIN and price category (Labour/Services/Travel/ODC/Rates) provided by the Contractor as part of its Price proposal (Bidding Sheets) and included in this Contract by reference, in accordance with the provisions of Article 8 below.
- 7.5 The Purchaser may, in writing, place an order for such additional tasks throughout the entire Contract period of performance up until end of Warranty. Such an order may be placed within the framework of this Contract via the issuance of a Contract Amendment, or be formulated via the issuance of a new contractual instrument.

## **8 PRICING OF CHANGES, AMENDMENTS, OPTIONS, FOLLOW-ON CONTRACTS AND CLAIMS**

- 8.1 This Article augments Clause 19 of the Contract General Provisions.
- 8.2 The Purchaser may at any time, by written order designated or indicated to be a Change Order, and without notice to the sureties, if any, make changes within the scope of any Contract or Task Order, in accordance with Clause 16 (Changes) of the Contract General Provisions.
- 8.3 Changes, modifications, follow-on Contracts of any nature, and claims shall be priced in accordance with Clause 19 (Pricing of Changes, Amendments and Claims) of the Contract General Provisions, and with the "Purchaser's Pricing Principles" as set out in the Annex 1 to the Contract General Provisions.
- 8.4 Contractor's pricing proposals shall be fair and reasonable and subject to agreement at the time when the change is ordered.
- 8.5 Contractor price quotations for Contract changes or modifications shall be provided at no cost to the Purchaser and shall have a minimum validity period of six (6) months from submission.
- 8.6 The pricing information contained in the cost breakdown sheets submitted with the Bidding Sheets, as part of the Contractor's Price Proposal, such as the forward labour rates, overhead and profit rates, will constitute the basis for Contractor's pricing proposals for Changes and Claims, and any future negotiations related to possible future amendments to this Contract. The Contractor will use all reasonable endeavours to maintain the prices specified

therein. Changes to these prices shall be accompanied with documentation and explanation of the change.

- 8.7 Contractor's pricing proposals shall be established in the currency of the Contract as stated on the Signature Page. Prices may also be stated in any currency of the Participating NATO Countries provided that, and only to the extent that, the Contractor has expenses in the currency directly related to the current Contract.
- 8.8 Each Contractor's pricing proposal shall be accompanied by the certifications required by Clauses 19.6 and 19.7 of the Contract General Provisions.

## **9 PARTICIPATING COUNTRIES**

- 9.1 This Article augments Clause 9 of the Contract General Provisions.
- 9.2 The following NATO member nations have agreed to fund this acquisition effort: (in alphabetical order): ALBANIA, BELGIUM, BULGARIA, CANADA, CROATIA, CZECH REPUBLIC, DENMARK, ESTONIA, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, MONTENEGRO, NETHERLANDS, NORTH MACEDONIA, NORWAY, POLAND, PORTUGAL, REPUBLIC OF TÜRKIYE, ROMANIA, SLOVENIA, SLOVAKIA, SPAIN, THE UNITED KINGDOM and THE UNITED STATES.
- 9.3 The Contractor may issue sub-contracts to firms and purchase from qualified vendors from any participating NATO member nation. None of the work, including project design, labour and services, shall be performed other than by firms from and within Participating Countries, as per NATO policy.
- 9.4 The Contractor shall notify in writing to the Purchaser immediately upon being informed of any change in the nationality of its Sub-contractor(s) or vendor(s) which would prevent the Contractor from further complying with Article 9.3 above. Upon receipt of this information from the Contractor, the Purchaser may, within three months from this notification, require the Contractor to find an alternate subcontractor or vendor, complying with the requirements set out in Article 9.3 above.
- 9.5 Unless authorised by NATO Policy, no material or items of equipment down to and including identifiable sub-assemblies delivered or used under this Contract shall be manufactured or assembled by a firm other than from and within a Participating Country. This applies to (Sub-) Contractor/Third Party-Owned equipment as well.
- 9.6 The Intellectual Property Rights (incl. (Sub-) Contractor/Third Party-Owned IPR) to all designed documentation and system operating software shall reside in Participating Countries, and no license fee, or royalty charges shall be paid by the Contractor to firms, individuals or governments other than within the Participating Countries community.



**10 CONTRACT ADMINISTRATION**

- 10.1 The Purchaser is the NATO CI Agency (NCI Agency). The Purchaser is the Point of Contact for all Contractual and Technical issues. The Purchaser reserves the right to re-assign this Contract to a representative(s) for administrative purposes, in whole or in part, provided that the Purchaser shall always be responsible for its obligations under the Contract and for actions or lack of actions of its assigned administrator. The Purchaser undertakes to advise the Contractor in writing whenever this right is to be exercised.
- 10.2 The Contractor shall accept Contract modifications only in writing from the Purchaser's Contracting Authority.
- 10.3 All notices and communications between the Contractor and the Purchaser shall be written and conducted in English. Contract modifications only become valid when received in writing from the General Manager, NCI Agency, and/or the NCI Agency Contracting Authority.
- 10.4 Formal letters and communications shall be personally delivered or sent by mail, registered mail, courier or other delivery service, to the official Points of Contact quoted in this Contract. Fax, email or other electronic means may be used to provide an advance copy of a formal letter or notice which shall subsequently be delivered through the formal communications means.
- 10.5 Informal notices and informal communication may be exchanged by any other means, including telephone or email. All informal communication must be confirmed by a formal letter or other formal communication to be contractually binding.
- 10.6 All notices and communication shall be effective upon receipt.
- 10.7 Official Points of Contact (POC) are:

**PURCHASER****Contracting Authority:**

NCI Agency  
Acquisition Directorate  
Boulevard Léopold III  
B-1110 Brussels  
Belgium

POC:

Tel:

Fax:

E-mail

**Technical matters:**

NCI Agency  
NSII  
Building 302, SHAPE  
B-7010-Mons  
Belgium

POC:

Tel:

E-mail:

**CONTRACTOR****Contractual matters:****Technical matters:**

*Company Name*  
*Address*

*Company Name*  
*Address*

POC:  
Tel:  
Fax:  
E-mail

POC:  
Tel:  
Fax:  
E-mail:

## **11 TECHNICAL DIRECTION**

- 11.1 The Contract will be administered by the Purchaser in accordance with the Article 10 of these Contract Special Provisions.
- 11.2 Contractor's personnel working on this Contract shall perform the effort within the general scope of work identified in the Statement of Work. This effort will be directed on a more detailed level by the Purchaser's Project Manager identified under Article 10.7, who will provide detailed tasking and instruction on how to proceed.
- 11.3 The Purchaser reserves the right to assign a Technical Representative(s) who will monitor work in progress and provide Contractor personnel with instructions and guidance (within the general scope of work) in performance of their duties and working schedule.
- 11.4 Neither the Purchaser's Project Manager, nor the Technical Representative(s) do not have the authority to change the terms of the Contract or to increase the overall cost, duration or level of effort of the Contract.
- 11.5 In case the Contractor has reasons to believe that any technical direction received from the Project Manager or the Technical Representative(s) constitutes a change to the terms, conditions and/or specifications of the Contract, the Contractor shall immediately inform in writing the NCI Agency Contracting Authority, who will either confirm or revoke such direction within two weeks after notification by the Contractor.
- 11.6 If such direction is confirmed as a change, this change will be formalised by written amendment to the Contract pursuant to Clause 16, "Changes", of the NCI Agency Contract General Provisions.
- 11.7 Failure of the Contractor to notify the NCI Agency Contracting Authority of the direction constituting change of the Contract, within the timelines specified in Clause 16.9 of the NCI Agency Contract General Provisions, will result in a waiver of any claims pursuant to such change.
- 11.8 All changes to the project management documentation, including the implementation schedules, agreed between the parties shall bear a formal version number and a date from which the change applies.
- 11.9 Notwithstanding the above, project management documentation, particularly any implementation schedule such as Project Management Plan, shall not affect

the original delivery dates as specified in the Schedule of Supplies and Services, nor waive the associated Liquidated Damages.

- 11.10 The Purchaser will bear no liability for changes to the Contract which are not expressly authorized by the Contracting Authority in writing.
- 11.11 Similarly the Purchaser shall not be liable for costs incurred by the Contractor resulting from changes in Contract performance authorized by other than the Contracting Authority.

## 12 KEY PERSONNEL

- 12.1 The individuals listed below are considered to be key to the performance of this Contract and may not be replaced by the Contractor with substitute personnel without the prior written approval of the Purchaser. The Key Personnel are as follows:

Service Implementation Stage of the Contract:

POSITION	NAME
Project Manager (PM)	<i>[To be completed at award]</i>
Deputy Project Manager	<i>[To be completed at award]</i>
Technical Lead/Designer	<i>[To be completed at award]</i>
Service Implementation Manager	<i>[To be completed at award]</i>
Site Installation Team Leaders	<i>[To be completed at award]</i>
Test Director	<i>[To be completed at award]</i>
Quality Assurance Manager	<i>[To be completed at award]</i>

Service Delivery stage of the Contract:

POSITION	NAME
Service Delivery Manager (SM)	<i>[To be completed at award]</i>
Technical Lead	<i>[To be completed at award]</i>
Service Operations Manager	<i>[To be completed at award]</i>
Business/Client Director	<i>[To be completed at award]</i>
Quality Assurance Manager	<i>[To be completed at award]</i>

- 12.2 The Contractor's key personnel assigned to the present Contract shall remain working on the Contract for as long as required by the terms of the present Contract. However, in the event where the Contractor has no control over the individual's non-availability (e.g., resignation, sickness, incapacity, etc.), the Contractor shall notify the Purchaser of the prospective vacancy with no delay, and must nominate, with no additional costs for the Purchaser, a substitute(s) of equivalent or higher qualification and experience within 15 working days of the date at which the Contractor has knowledge of the loss of service of such key personnel. The replacement personnel shall be made available for the Contract upon Purchaser acceptance of the proposed substitute.

- 12.3 The Purchaser may consider any application raised by the Contractor for changes in the key personnel, provided that all the following conditions are met:
- i. The Contractor shall guarantee an overlap/handover period of minimum two (2) weeks at no additional cost to the Purchaser,
  - ii. The CV of the replacement personnel is provided, which allows the Purchaser to assess whether the proposed substitution meets the conditions related to the skill and experience requirements of the key personnel identified in the Statement of Work,
  - iii. The corporate knowledge of the team is preserved after the replacement.
- 12.4 The Purchaser will confirm any consent given to a substitution in writing through an Amendment to the Contract stating the effective date of change of personnel, and only such written consent shall be deemed as valid evidence of Purchaser consent.
- 12.5 The Purchaser has the right to refuse any proposed substitution if not meeting the qualifications and request the Contractor to offer another qualified individual in lieu thereof.
- 12.6 The Purchaser reserves the right to reject a Contractor's staff member after acceptance of a Contractor's staff member on the basis of his/her CV if the individual is not providing the required level of support. The Purchaser will inform the Contractor in writing in case such a decision is taken and the Contractor shall propose and make another staff member available within three working days after the written notification, at no additional costs to the Purchaser.
- 12.7 Delays by the Contractor in replacements exceeding two weeks and causing a lower level of Contractor effort and/or performance will be penalised in accordance with Clause 38 of Contract General Provisions.
- 12.8 In addition to the Article 12.6 above, if the Contractor is unable to nominate and/or replace the lost personnel within the timeframe mentioned in Article 12.2 above, the Purchaser may conclude that the loss of the Key Personnel endangers progress under the Contract to the extent that the Purchaser may resort to the Clause 39 – "Termination for Default" of the Contract General Provisions for redress of the situation.

### **13 INDEPENDENT CONTRACTOR**

- 13.1 The Personnel provided by the Contractor are at all times employees of the Contractor and not the Purchaser. In no case shall Contractor personnel act on behalf of or as an agent for NATO or any of its bodies. In no way shall the Contractor personnel claim directly or indirectly to represent NATO in an official capacity or claim themselves to be NATO employees.
- 13.2 The Purchaser shall not be responsible for securing work permits, visas, leases nor tax declarations, driving permits, etc., with national or local authorities.
- 13.3 Contractors personnel employed under this Contract are not eligible for any diplomatic privileges or for NATO employee benefits.

13.4 The Contractor is responsible for providing the necessary insurance for its personnel and equipment as needed in the area of operations and for performing the Contract, without any cost to the Purchaser.

13.5 The Contractor shall inform its employees under this Contract of the terms of the Contract and the conditions of the working environment.

## **14 SECURITY**

14.1 This Article augments Clause 11 of the Contract General Provisions.

14.2 The security classification of this Contract is “NATO UNCLASSIFIED”.

14.3 The Contractor is responsible, in accordance with NATO and National Security regulations, for the proper handling, storage and control of any classified documents and information as may be furnished to the Contractor in relation to the performance of this contract. As such, the Contractor's premises shall be able to handle information up to NATO RESTRICTED.

14.4 The security classification of this contract and its annexes is “NATO UNCLASSIFIED”. However, the Contractor's technical personnel working on the Contract will need to access NATO SECRET data and therefore shall hold a valid NATO SECRET security clearance for the duration of the Contract. This access to NATO SECRET data shall occur only at NATO premises and never at the Contractor's own premises.

14.5 Contractor's personnel visiting or working at Purchaser's facilities in connection with this Contract shall hold a NATO SECRET security clearance valid for the duration of the Contract. This requirement applies to all subcontracts issued by the Contractor for the effort under this prime Contract.

14.6 It is the responsibility of the Contractor to ensure that its personnel obtain the required security clearances and transmit this information to the sites to be visited in adequate time that the site may perform the appropriate administration.

14.7 The Contractor is advised that the personnel security process may be lengthy. The Purchaser bears no responsibility for the failure of the Contractor to secure the required clearances for its personnel within the necessary time.

14.8 Failure of the Contractor to obtain proper security clearances to have access to any NATO sites, and any attendant delay in the project which results from this access refusal, is not the basis for excusable delay under the terms of the contract concerning default. The Contractor bears full responsibility and liability under the

14.9 If during the performance of the Contract, Contractor's personnel need to be escorted because of non-availability of the security clearance required by the Site, the Contractor shall pay to the Purchaser a compensatory fee of 800 Euro per day of escort.

- 14.10 In the performance of all works under this Contract it shall be the Contractor's responsibility to ascertain and comply with all applicable NATO security regulations as implemented by the Purchaser and by the local sites concerned, as per Appendix C of the Statement of Work (Security Requirements).
- 14.11 In the absence of valid security clearances for the Contractor's personnel at contract signature, the Purchaser reserves the right to terminate the Contract for "Default".

## **15 ACCEPTANCE OF DOCUMENTATION AND SERVICE**

- 15.1 This Article augments Clauses 21 and 22 of the Contract General Provisions.
- 15.2 Acceptance of Documentation delivered under this Contract will be made according to Clause 22 – "Inspection and Acceptance of Documentation" of the Contract General Provisions and Contract Statement of Work Sections 2.7 "Service Implementation Documentation" and 3.7 "Service Delivery Documentation".
- 15.3 Acceptance of Service delivered under this Contract will be made according to Clause 21 – "Inspection and Acceptance of Work" of the Contract General Provisions and Section 2.6 "Services Acceptance" of the Statement of Work.
- 15.4 The acceptance by the Purchaser of the Contractor's design documentation required by this Contract signifies that the documents delivered appear logical and consistent. The acceptance does not constitute an endorsement or approval of the design by the Purchaser and does not relieve the Contractor of the obligation to meet the performance requirements of this Contract in the event that the design eventually proves to be non-compliant in site testing and follow-on service delivery.
- 15.5 As per SOW Para. 2.6, Service Acceptance shall be conducted in three steps, namely Services Installation Acceptance (SIA), Provisional Services Acceptance (PSA) and Final Services Acceptance (FSA). Acceptance by FSA shall be conclusive except as regards latent defects, fraud or such gross mistakes or negligence as to amount to wilful intent.
- 15.6 Notwithstanding the Clause 24 "Ownership and Title" of the Contract General Provisions, the Ownership and Title to all delivered documentation covered by this Contract shall pass to and vest with the Purchaser upon Acceptance of Documentation by the Contracting Authority in writing in accordance with General Provisions Clause 22. However, as per Article 15.4 above, the Acceptance and Ownership of documentation does not constitute an endorsement or approval of the design. Furthermore, the Acceptance and Ownership of documentation does not relieve the Contractor of the obligation to deliver new releases of such documentation if required by the Contract.

## **16 INVOICES AND PAYMENT**

- 16.1 This Article augments Clause 25 of the Contract General Provisions.

- 16.2 Following the Service Acceptance steps as per SoW Section 2.6 procedures and Article 15 above, the Purchaser will inform the Contractor, in writing, to submit an invoice for the payment of supplies and services rendered under CLIN 1 (Project Management) and CLIN 2 (Service Implementation). The invoices shall be issued by the Contractor within fifteen (15) calendar days from such Purchaser's written acceptance.
- 16.3 Following formal Purchaser acceptance, in writing, payment for supplies and services rendered under the Service Implementation (CLIN 1 and 2) shall be made in the currency specified in the Contract.
- 16.4 The Contractor shall be entitled to submit invoices for the Service Implementation (CLIN 1 and 2) in accordance with the following Payment Milestones:

Mile-stone #	CLIN	Payment Milestones for CLIN 1 (Project Management) and CLIN 2 (Service Implementation)	Milestone Dates	% of CLIN 1&2 total value	Payment Amount
1	1.1	Project Management Plan	EDC + 4 weeks	2.5%	
1	2.2	Service Requirements Review (SRR) Report	EDC + 4 weeks	2.5%	
1	2.6	Site Survey Reports (SSR)	EDC + 18 weeks	5.0%	
1	2.9	Service Implementation Package (SIP) - Final	EDC + 18 weeks	10.0%	
1	2.12	Service Level Agreement (SLA) - Final	EDC + 42 weeks	10.0%	
1	2.15	Site Installation Acceptance (SIA)	EDC + 52 weeks	15.0%	
1	2.18	Provisional Site Acceptance (PSA)	EDC + 58 weeks	20.0%	
1	2.20	Final Service Acceptance (FSA)	EDC + 62 weeks	30.0%	
1	2.21	Service Activation (SA)	EDC + 64 weeks	5.0%	

- 16.5 The Contractor shall submit an invoice quarterly in arrears for O&M Services rendered under CLIN 3, 6.1.1, 6.1.2 and 6.1.3, as well as for the services under Optional CLINs C1, 6.1.4 to 6.1.2 if exercised, supported by reports on the availability and performance of those services (Service Delivery Performance Reports, SDPR) as per Section 3.7.3 of Part IV Statement of Work. Only the services accepted by the Purchaser through the signature of SDPRs and Minutes of the quarterly Service Performance Review Meetings (SPRM) can be invoiced by the Contractor. The quarterly invoices supported by accepted SDPRs shall be issued by the Contractor not later than within fifteen (15) calendar days from the last day of the quarter.
- 16.6 The Contractor shall render all invoices in a manner, which shall provide a clear distinction between the costs associated with each CLIN, consistent with their separation in the Schedule of Supplies and Services of this Contract.

- 16.7 Where applicable, charges shall be at the Unit Prices and currencies specified in the SSS multiplied by the number of units delivered. Supporting documentation detailing the units delivered shall be attached to the invoice.
- 16.8 The term of the Contract may not be exceeded without prior approval of the Purchaser. In no case will the Purchaser make payment above the total of the corresponding CLIN.
- 16.9 All invoices must reference the following information:
- a) Contract number CO-115754-LTX-R;
  - b) Contract Amendment number (if any);
  - c) Purchase Order number specified in the Contract or Amendment Signature Sheet;
  - d) The identification of the performance rendered in terms of Contract Line Item Numbers (CLINs), relevant sites and performance period;
  - e) Number of units, price per unit, currency;
  - f) Bank account details for international wire transfers (SWIFT, BIC, IBAN);
  - g) Payment conditions in line with the Contract (Article 16.19 below);
  - h) The certificate below that shall be signed by a duly authorised company official on the designated original:  
  
*"I certify that the above invoice is true and correct, that the delivery of the above described items has been duly effected and/or that the above mentioned services have been rendered and the payment therefore has not been received."*  
  
*Order placed for official use. Exemption from VAT Article 42, §3&3\*of VAT Code for Belgium or Article 151, §1b of the Council Directive 2006/112/EC dd. 28 November 2006 on intra-community purchases and/or services."*
- 16.10 If during any Quarter, the Purchaser has exercised Option(s) as per Article 7, the Invoice shall provide the CLIN and the quantities provided multiplied by the Unit Price.
- 16.11 No payment shall be made with respect to undelivered supplies, works not performed, services not rendered and/or incorrectly submitted invoices.
- 16.12 No payment shall be made for additional items delivered that are not specified in the contractual document (Contract Part I SSS).
- 16.13 Evidence of the acceptance by the Purchaser shall be attached to all invoices.



- 16.14 Payments for services and deliverables shall be made in the currency stated by the Contractor for the relevant Contract Line Item.
- 16.15 The Purchaser is released from paying any interest resulting from any reason whatsoever.
- 16.16 The invoice amount shall be exclusive of VAT and exclusive of all Taxes and Duties as per Clause 26 “Taxes and Duties” of the Contract General Provisions.
- 16.17 The invoices shall be submitted by email to the following POCs:
- a) [accountspayable@ncia.nato.int](mailto:accountspayable@ncia.nato.int);
  - b) Contracting Authority under Article 10.7.
- 16.18 Unless otherwise specified, the Contractor shall prepare and submit its invoices solely by electronic means (without paper submission). Contractor’s invoices submitted by electronic means shall be in a static, non-modifiable format (such as PDF, other). The Contractor shall ensure the accuracy, authenticity of the origin and legibility of any invoice submitted by electronic means.
- 16.19 NCI Agency will make payment within sixty (60) days of receipt by the NCI Agency of a properly prepared and documented invoice.

## 17 LIQUIDATED DAMAGES AND LATE DELIVERY PENALTIES

- 17.1 This Article augments Clause 38 of the Contract General Provisions.
- 17.2 Time is of the essence for this Contract. Therefore, if the Contractor fails to deliver the services for the Service Implementation (CLIN 1) and Project Management (CLIN 3) stages as per SOW requirements (Sections 2 and 4) and within the time specified in the Schedule of Supplies and Services (SSS), or any agreed extension thereto, the actual damage to the Purchaser for the delay or loss will be difficult or impossible to determine. The below provisions shall apply to determine the damage to the Purchaser.
- 17.3 In case the Contractor fails to meet the schedule requirements up to and including Site Installation Acceptance (SIA), in lieu of actual damages the Contractor shall pay to the Purchaser, for each commenced week of delinquency in achieving the requirements, **Liquidated Damages** (LDs) of One Per Cent (1.00%) per week of the total price for CLINs 1 & 2. Liquidated Damages shall be payable to the Purchaser from the first week of delinquency in delivery and shall accrue at the afore-mentioned rate to a maximum of Fifteen Per Cent (15%) of the total price for CLINs 1 & 2.
- 17.4 In case the Contractor fails to meet the schedule requirements following SIA, up and including Service Activation, a **Late Delivery Penalty** (LDP) shall be paid by the Contractor to the Purchaser. LDP shall be equal to the monthly service rate for all sites of the Contract. In the case the Service Activation delay exceeds

20 calendar days, the Contractor shall pay LDP amounting to the monthly service rate for each 20 days additional delay.

- 17.5 In addition to the above, the Purchaser may terminate this Contract in whole or in part, as provided in paragraph 39.1 of Clause 39 – “Termination for Default” of the Contract General Provisions, and in that event the Contractor shall be liable to pay the excess costs provided in paragraph 39.5.
- 17.6 The amount of Liquidated Damages and Penalties due by the Contractor shall be recovered by the Purchaser in the following order of priority:
- By deducting such damages from the amounts due to the Contractor against the Contractor's invoices.
  - By proceeding against any surety or deducting from the Performance Guarantee if any.
  - By reclaiming such damages through appropriate legal remedies.

## 18 SERVICE CREDITS

- 18.1 This Article applies to the In-Service phase of any Service implemented under this Contract.
- 18.2 If the Contractor fails to meet the Service Requirements (including the levels of performance) as specified within Appendix A to the Statement of Work (SoW) and in the Service Level Agreement, the Contractor shall be charged with **Service Credit** as described and calculated in Appendix B of the Statement of Work (SLA Framework) and as reflected in the final Service Level Agreement between the Contractor and the Purchaser.
- 18.3 The aim of credit calculation is to identify the service credits (in the currency of the Contract) to be calculated in the case of a Service that does not meet the Purchaser's Service Requirements as described in Appendix B of the Statement of Work (SLA Framework).
- 18.4 Service Credits are the Purchaser's remedy for the damages directly arising out of the failure to deliver or perform the Services as specified in the SLA. The application of Service Credits does not prejudice other Purchaser's rights under the Contract, such as Termination for Default under Clause 38 of the General Provisions.
- 18.5 Service Credit status shall be contractually agreed monthly between the Purchaser and the Contractor upon submission of the Service Delivery Performance Report by the Contractor.
- 18.6 Monthly Service Performance Credits and Service Capacity Credits shall not exceed 100% of the respective total value of services that month. These service credits shall accrue automatically and without any further notice being required.
- 18.7 MTTR Service Credits are applied on the top of the other applicable Service Credits, and the accumulated daily Credit Value can exceed 100% of the respective total value of services.

- 18.8 The amount of Service Credits due by the Contractor shall be recovered by the Purchaser by deducting such Service Credits from the quarterly invoice for which the service level requirements were not met.

## **19 SUPPLEMENTAL AGREEMENT(S), DOCUMENTS AND PERMISSIONS**

- 19.1 The Contractor has submitted all relevant draft supplemental agreement(s), documents and permissions prior to Contract award, the execution of which by the Purchaser is/are required by national law or regulation. If any supplemental agreements, documents and permissions are introduced after Contract award, and it is determined that the Contractor failed to disclose the requirement for the execution of such agreement from the Purchaser prior to Contract signature, the Purchaser may terminate this contract for default in accordance with Clause 39 – “Termination for Default” of the Contract General Conditions.
- 19.2 Supplemental agreement(s), documents and permissions, the execution of which by the Purchaser is/are required by national law or regulation and that have been identified by the Contractor prior to the signature of this Contract, but have not yet been finalised and issued by the appropriate governmental authority, are subject to review by the Purchaser. If such supplemental agreement(s), documents and permissions are contrary to cardinal conditions of the signed Contract between the Parties, and the Purchaser and the appropriate governmental authority cannot reach a mutual satisfactory resolution of the contradictions, the Purchaser reserves the right to terminate this Contract and the Parties agree that in such case the Parties mutually release each other from claim for damages and costs of any kind, and any payments received by the Contractor from the Purchaser will be refunded to the Purchaser by the Contractor.

## **20 COMPREHENSION OF CONTRACT AND SPECIFICATIONS**

- 20.1 The Contractor warrants that it has read, understood and agreed to each and all terms, clauses, specifications (including drawings) and conditions specified in the Contract and that this signature of the Contract is an acceptance, without reservations, of the said Contract terms within their normal and common meaning.
- 20.2 The specifications set forth the performance requirements for the Contractor’s proposed work as called for under this Contract. Accordingly, notwithstanding any conflict or inconsistency which hereafter may be found between achievement of the aforesaid performance requirements and adherence to the Contractor’s proposed design for the work, the Contractor hereby warrants that the work to be delivered will meet or exceed the availability and performance requirements of the said specifications.
- 20.3 The Contractor hereby acknowledges that he has no right to assert against the Purchaser, its officers, agents or employees, any claims or demands with respect to the aforesaid specifications as are in effect on the date of award of this Contract:

- 20.3.1 based upon impossibility of performance, defective, inaccurate, impracticable, insufficient or invalid specifications, implied warranties of suitability of such specifications, or
- 20.3.2 otherwise derived from the aforesaid specifications,
- 20.3.3 and hereby waives any claims or demands so based or derived as might otherwise arise.
- 20.4 Notwithstanding the “Changes” Clause or any other Clause of the Contract, the Contractor hereby agrees that no changes to the aforesaid specifications which may be necessary to permit achievement of the performance requirements specified herein for the Contractor’s proposed work shall entitle the Contractor either to any increase in the fixed price as set forth in this Contract or to any extension of the delivery times for the work beyond the Period of Performance in the Schedule of Supplies and Services.

## **21 RIGHTS IN TECHNICAL DATA**

- 21.1 This Article supplements the Contract General Provisions Clauses 30.2 “Contractor Background IPR” and 30.5 “Subcontractor IPR”.
- 21.2 For the purpose of this clause, “technical data” is defined to mean all recorded information of a technical nature to support maintain or operate the services being purchased under this Contract. It is to include, but is not limited to, technical literature such as text in manuals, drawings, design documents, equipment instructions, illustrations, schematics or wiring diagrams, test procedures, parts lists, computer software etc.
- 21.3 The Contractor hereby grants to NATO the unrestricted rights without further payment to use, duplicate or disclose, in whole or in part, any technical data, resulting directly from the performance of this Contract for NATO purposes.
- 21.4 The Contractor shall assume all liability and indemnify the Purchaser, its officers, agents and employees against liability, including costs for the infringement of any patents or copyright in force in any countries arising out of the manufacture, services performed or delivery of supplies, or out of the use or disposal by or for the account of the Purchaser of such supplies. The Contractor shall be responsible for obtaining any patent or copyright licences necessary for the performance of this Contract and for making all other arrangements required to indemnify the Purchaser from any liability for patent or copyright infringement in said countries.

## **22 CARE AND DILIGENCE OF PROPERTY - RISK OF LOSS**

- 22.1 The Contractor shall use reasonable care to avoid damaging building, equipment, and vegetation (such as trees, shrub and grass) on the work site.
- 22.2 If the Contractor damages any such building or equipment, it shall repair the damage as directed by the Purchaser and at no expenses to the Purchaser. If it

fails or refuses to make such repair or replacement, the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.

- 22.3 The Purchaser shall exercise due care and diligence for Contractor's and Purchaser's equipment, tools and materials at each Node (site) supplied and/or used for the performance of this Contract. Notwithstanding anything to the contrary herein contained in this Contract, the Purchaser will not assume any liability for damages occurring to or occasioned by said equipment, tools and materials except for gross negligence or wilful misconduct of the Purchaser or its servants, agents or subcontractors.

## **23 PERFORMANCE GUARANTEE**

- 23.1 This Article replaces the Contract General Provisions Clause 8 – “Performance Guarantee” sub-clauses 8.1 and 8.5.
- 23.2 As a guarantee of performance under the Contract, the Contractor shall deposit with the Purchaser within thirty (30) calendar days from the Effective Date of Contract a bank guarantee (the “Performance Guarantee”) denominated in the currency of the Contract, to the value of ten per cent (10%) of the total Contract price specified in the Contract Signature Sheet and Article 4 above. In case the Part I Schedule of Supplies and Services Option to extend the Period of Performance is exercised under the provision 7.3 above, the value of the Performance Guarantee shall be adjusted to ten per cent (10%) of the Total Value of the Contract for the Optional Year.
- 23.3 The Contractor shall request in writing relief from the Performance Guarantee upon expiration of the Period of Performance as specified under Article 5 above, and such relief may be granted by the Purchaser. This Article replaces paragraph 8.4 of the Contract General Provisions as follows:
- 23.3.1 The Standby letter of credit shall be issued by a financial institution listed in Annex A either on its own behalf or as a confirmation of the Standby Letter of Credit issued by a different bank not listed in Annex A to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by the Purchaser of a written demand therefore. Neither the financial institution nor the Contractor can revoke or condition the Standby Letter of Credit.
- 23.4 The Purchaser shall not bear any liability related to financial guarantees, which the Contractor is required to provide under this Contract.

## **24 LANGUAGE OF WORK**

- 24.1 The working language of the Project Team is English and the associated technical documents are delivered in English. All Contractor's personnel engaged in this project shall have a thorough knowledge of the English language.

- 24.2 Failure to satisfy this requirement may be the basis for Purchaser's request of change of personnel.

## **25 SUB-CONTRACTS**

- 25.1 This Article augments Clause 10 of the Contract General Provisions.
- 25.2 The Contractor warrants the following:
- 25.2.1 that it and its Sub-Contractors have been duly authorised to provide the required services and do business with NATO;
- 25.2.2 that it and its Sub-Contractors have obtained or shall obtain all necessary licenses and permits required in connection with the Contract;
- 25.2.3 that it and its Sub-Contractors shall fully comply with all the laws, decrees, labour standards and regulations that are applicable during the performance of the Contract;
- 25.2.4 that no claim for additional moneys with respect to any authorisations to perform shall be made upon NATO;
- 25.2.5 that the Contractor has flown down to the subcontracts the prime Contract provisions deemed necessary to meet the requirements of the Contract (eg security, liabilities, termination terms etc).

## **26 OPTIMISATION**

- 26.1 The Contractor is encouraged to examine methods and technology that may increase efficient operation and management of the system(s) on which the required services are provided to the Purchaser, thus reducing operating and manpower costs and the overall cost to the Purchaser.
- 26.2 The Contractor may, at any time during the Period of Performance, introduce Engineering Change Proposals (ECPs) offering innovations and/or technology insertion with a view towards reducing the overall cost to the Purchaser.
- 26.3 Any such ECP submitted shall cite this Clause as the basis of submission and provide the following information:
- 26.3.1 A detailed description of the technical changes proposed, the advantages, both long and short term, and an analysis of the risks of implementation;
- 26.3.2 A full analysis of the prospective savings to be achieved in both equipment and manpower, including, as appropriate, utility and fuel consumption and NATO manpower, travel, etc.;
- 26.3.3 A full impact statement of changes that the Purchaser would be required to make, if any, to its operational structure and management procedures;
- 26.3.4 A fully detailed proposal of any capital investment necessary to achieve the savings;

26.3.5 A schedule of how the changes would be implemented with minimal negative impact to on-going performance and operations.

## **27 NOTICE OF AUTHORIZED DISCLOSURE OF INFORMATION FOR MANDATED NATO THIRD PARTY AUDITS BY RESOURCE COMMITTEES**

(a) Definitions. As used in this clause –

Resource Committees means committees under the North Atlantic Council (NAC) that are responsible, within the broad policy guidance provided by the Resource Policy and Planning Board (RPPB) on matters of resource allocation, for the implementation of the NATO Security Investment Programme (NSIP) or Budget/Civil budgets.

Mandated Third Party Audits means audits mandated by a resource committee.

Third Party Auditor means an independent, external audit body for NATO such as the International Board of Auditors for NATO (IBAN) or an appointed private contractor (including its experts, technical consultants, subcontractors, and suppliers) providing audit support under a Resource Committee Appointment based on an agreed mandate.

Sensitive information means information of a commercial, financial, technical, proprietary, or privileged nature. The term does not include information that is lawfully, publicly available without restriction.

(b) The Purchaser may disclose to a mandated third party auditor, for the sole purpose of audit support activities, any information, including sensitive information, received

(1) Within or in connection with a bid, quotation or offer; or

(2) In the performance of or in connection with a contract

(c) Flowdown. Include the substance of the clause, including this paragraph (c), in all subcontracts, including subcontracts for commercial items.

## **28 FORCE MAJEURE**

28.1 “Force Majeure” means the occurrence of an event or circumstance that prevents a Party (the “Affected Party”) from performing one or more of its contractual obligations under the Contract, provided that: (i) it renders performance impossible; (ii) it is beyond the Affected Party’s reasonable control and without the Affected Party’s cause, fault or negligence; (iii) by its nature it could not have been reasonably foreseen at the time of conclusion of the Contract; and (iv) the effects of it could not reasonably have been avoided or overcome by the Affected Party.

- 28.2 Examples of Force Majeure, provided conditions (i)-(iv) of paragraph [1] are all fulfilled, include:
- a. war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilisation;
  - b. civil war, riot, rebellion and revolution, usurped power, insurrection, act of terrorism, sabotage or piracy;
  - c. currency and trade restriction, embargo, sanction;
  - d. act of authority whether lawful or unlawful, compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalisation;
  - e. plague, epidemic, natural disaster or extreme natural event;
  - f. explosion, fire, destruction of equipment, prolonged break-down of transport, telecommunication, information system or energy; and
  - g. general labour disturbance such as boycott, strike and lock-out, go-slow, occupation of factories and premises.
- 28.3 The Affected Party must give the other party to the Contract (the “Other Party”) written notice without delay detailing the occurrence and its expected duration. The Other Party shall within a reasonable time respond, stating whether it accepts or rejects the occurrence as Force Majeure.
- 28.4 If the Other Party accepts the occurrence as Force Majeure, the Contract shall remain in force but the Parties will be relieved from performance of their obligations (including payment) under Contract, from the date at which the Other Party received written notice, for so long as the effects of Force Majeure continue or for ninety (90) days, whichever is the shorter, provided that:
- a. the Affected Party makes all reasonable efforts to limit the effects of Force Majeure upon performance and to avoid or overcome the effects of Force Majeure;
  - b. the suspension of performance is of no greater scope than is necessitated by Force Majeure;
  - c. the Affected Party continues to furnish weekly updates by email while the effects of Force Majeure continue detailing reasonable efforts made in accordance with a., and notifies the Other Party immediately when the effects of Force Majeure are avoided or overcome, or cease, and resumes performance immediately thereafter.
- 28.5 Neither Party shall be in breach of the Contract nor liable for delay in performing, or for failing to perform, its obligations under the Contract, due to Force Majeure.
- 28.6 Unless otherwise agreed by the Parties, if Force Majeure continues for more than ninety (90) days, the Parties may agree: (a) to a revised delivery schedule



at no cost; (b) to a reduction of scope terminating part of the contract at no cost; or (c) to terminate the whole of the Contract at no cost.

**29 NCI AGENCY SUPPLIER CODE OF CONDUCT**

- 29.1 The NCI Agency has a Supplier Code of Conduct located at <https://www.ncia.nato.int/business/do-business-with-us/code-of-conduct.html> and it constitutes part of this contract.
- 29.2 This Supplier Code of Conduct sets standards and practices for suppliers and their subcontractors to adhere to when doing business with the NCI Agency in the areas of labour rights, human rights, data protection, ethical conduct and the environment. It contains fundamental, basic principles that any supplier based in a NATO country should already be operating in compliance with.
- 29.3 In the event of any inconsistency in language, terms or conditions with the Contract General Provisions, the Contract General Provisions takes precedence.

**ANNEX A - LIST OF ACCEPTABLE BANKS TO ISSUE PERFORMANCE GUARANTEES**

#	*Bank
1	KBC Group
2	Bank of Montreal
3	Royal Bank of Canada
4	Scotiabank
5	Danske Bank
6	Citibank Europe
7	BNP Paribas
8	Credit Agricole Group
9	Societe Generale
10	Commerzbank AG
11	Deutsche Bank
12	Intesa
13	UniCredit S.p.A.
14	ING Group
15	Rabobank Group
16	Banco Santander
17	BBVA
18	Barclays PLC
19	HSBC Holdings
20	Standard Chartered Plc
21	Bank of America
22	Well Fargo

NATO UNCLASSIFIED

# **NATO COMMUNICATIONS AND INFORMATION AGENCY**



## **CONTRACT GENERAL PROVISIONS**

**V 1.0 dated 16 Oct 2014**

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**1. ORDER OF PRECEDENCE**

In the event of any inconsistency in language, terms or conditions of the various parts of this Contract, precedence will be given in the following order:

- 1.1. The Signature Page;
- 1.2. The Contract Schedules, Part I;
- 1.3. The Contract Contract Special Provisions, Part II;
- 1.4. The Contract General Provisions, Part III;
- 1.5. The Statement of Work, Part IV of the Contract;
- 1.6. The Annexes to the Statement of Work.

**2. DEFINITIONS OF TERMS AND ACRONYMS**

- 2.1 **Assembly-** An item forming a portion of equipment that can be provisioned and replaced as an entity and which normally incorporates replaceable parts or groups of parts.
- 2.2 **Acceptance-** Acceptance is the act by which the Contracting Authority recognises in writing that the delivered Work meets the Contract requirements..
- 2.3 **Claims-** A written demand or written assertion by one of the Parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Contract terms, or other relief arising under or in relation to this Contract.
- 2.4 **Clause-** A provision of the Special or General Provisions of this Contract.
- 2.5 **Codification Authority-** The National Codification Bureau (NCB) or authorised agency of the country in which the Work is produced.
- 2.6 **Commercial Off-the-Shelf Items (COTS)-** The term “Commercially Off-the-Shelf Item (COTS)” means any item that:is a commercial item, customarily used by the general public, that has been sold, leased, or licensed to the general public or has been offered for sale, lease or license to the general public;
  - a) is sold in substantial quantities in the commercial marketplace; and
  - b) is offered to the Purchaser, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace.
- 2.7 **Component-** A part or combination of parts, having a specific function, which can be installed or replaced only as an entity.

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- 2.8 **Contractor Background IPR-** Any IPR owned by the Contractor and/or any Sub-contractor or licensed by a third party to the Contractor which is not created in relation to or as the result of work undertaken for any purpose contemplated by the Contract and which is needed for the performance of the Contract or for the exploitation of Foreground IPR.
- 2.9 **Correction-** Elimination of a Defect.
- 2.10 **Contract-** The agreement concluded between the Purchaser and Contractor, duly signed by both contracting parties. The Contract includes the documents referred to in Clause 1 (Order of Preference).
- 2.11 **Contracting Authority-** The General Manager of the NCI Agency, the Director of Acquisition, the Chief of Contracts of the NCI Agency or the authorised representatives of the Chief of Contracts of the NCI Agency.
- 2.12 **Contractor-** The person or legal entity from a Participating Country which has signed this Contract and is a Party thereto.
- 2.13 **Day-** A calendar day
- 2.14 **Defect-** Any condition or characteristic in any Work furnished by the Contractor under the Contract that is not in compliance with the requirements of the Contract.
- 2.15 **Deliverable-** Any and all goods (including movable and immovable goods) to be delivered pursuant to the terms of this Contract including, without limitation, building, raw materials, components, intermediate Assemblies, Parts, end products, equipment, documentation, data, software.
- 2.16 **Design Defect-** Defect attributable to incompatibility, unsuitability or erroneous application of theory, drawings or formula.
- 2.17 **Effective Date of Contract (or "EDC")-** The date upon which this Contract is deemed to start. Unless otherwise specified, a Contract enters into force on the date of the last signature of the Contract by the Parties.
- 2.18 **Failed Component-** A part or combination of parts, having a specific function, which can be installed or replaced only as an entity which ceases to perform in a manner consistent with its intended use and specifications of the Contract.
- 2.19 **Foreground IPR -** Any IPR created by the Contractor or any subcontractor of the Contractor in the course of or as the result of work undertaken for any purpose contemplated by the Contract.
- 2.20 **IPR-** Any intellectual property rights of any qualification irrespective of their stage of development or finalisation, including but not limited to patents, trademarks (registered or not), designs and models (registered or not) and applications for the same, copyright (including on computer software), rights in databases, know-how, confidential information and rights in records (whether or not stored on computer) which includes technical and other data and documents.

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- 2.21 **Manufacturing Defect-** Defect attributable to improper manufacturing processes, testing or quality control procedures.
- 2.22 **NATO-** The North Atlantic Treaty Organisation. For the purpose of this contract, the term NATO includes NATO bodies, the NATO military command structure, agencies and NATO nations.
- 2.23 **NCI AGENCY-** The NATO Communications and Information Agency. The NCI Agency is part of the NCIO. The General Manager of the Agency is authorised to enter into contracts on behalf of the NATO CI Organisation.
- 2.24 **NATO COMMUNICATIONS AND INFORMATION ORGANISATION (NCIO)-** The NATO Communications and Information Organisation. The NCI Organisation constitutes an integral part of the North Atlantic Treaty Organisation (NATO) The NCI Organisation is the legal personality from whence flows the authority of its agent, the NCI Agency, to enter into contracts.
- 2.25 **NATO Purposes-** Activities conducted by or on behalf of NATO to promote the common defence and common interests of NATO, such as, among others, NATO operations, NATO procurement, NATO training and NATO maintenance.
- 2.26 **Part-** An item of an assembly or sub-assembly, which is not normally further broken down.
- 2.27 **Participating Country-** A NATO member country that participates in financing the effort.
- 2.28 **Parties-** The Contracting Parties to this Contract, i.e., the Purchaser and the Contractor.
- 2.29 **Purchaser-** The NCI Organisation, as represented by the General Manager, NCI Agency. The Purchaser is the legal entity who awards and administers the Contract on behalf of NATO and stands as one of the Contracting Parties.
- 2.30 **Purchaser Background IPR-** Any IPR owned by the Purchaser as of the Effective Date of Contract and which has been developed by, assigned to or licensed to the Purchaser prior to the Effective Date of Contract.
- 2.31 **Purchaser Furnished Property-** Any item of equipment, material, document, technical data, information and Software or any other item of property furnished by the Purchaser to the Contractor required or useful for the performance of the Contract. The Purchaser Furnished Property, if any, shall be detailed in the Contract.
- 2.32 **Software (Computer Software)-** A computer program comprising a series of instructions, rules, routines regardless of the media in which it is recorded, that allows or cause a computer to perform a specific operation or a series of operations.
- 2.33 **Software Defect-** Any condition or characteristic of Software that does not conform with the requirements of the Contract.



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- 2.34 **Sub-Assembly-** A portion of an Assembly consisting of two or more parts that can be provisioned and replaced as an entity. The definition purposely excludes Components and/or Parts.
- 2.35 **Sub-contract-** Any agreement made by the Contractor with any third party in order to fulfil any part of the obligations under this Contract. Sub-contracts may be in any legal binding form, e.g., contract, purchase order, etc.
- 2.36 **Sub-contractor-** Any person or legal entity directly or indirectly under Sub-contract to the Contractor in performance of this Contract.
- 2.37 **Third Party IPR-** Any IPR owned by a third party not being the Purchaser or the Contractor or its Subcontractor, which is needed for the performance of the Contract or for the exploitation of Foreground IPR. This includes, for example, third party software, including open source software.
- 2.38 **Work-** Any deliverable, project design, labour or any service or any other activity to be performed by the Contractor under the terms of this Contract.

3. **AUTHORITY**

- 3.1. All binding contractual instruments and changes, including amendments, additions or deletions, as well as interpretation of and instructions issued pursuant to this Contract shall be valid only when issued in writing by the Purchaser and signed by the Contracting Authority only.
- 3.2. No direction which may be received from any person employed by the Purchaser or a third party shall be considered as grounds for deviation from any of the terms, conditions, specifications or requirements of this Contract except as such direction may be contained in an authorised amendment to this Contract or instruction duly issued and executed by the Contracting Authority. Constructive change may not be invoked by the Contractor as a basis for Claims under this Contract.
- 3.3. The entire agreement between the Parties is contained in this Contract and is not affected by any oral understanding or representation, whether made previously to or subsequently to this Contract.
- 3.4. Personal notes, signed minutes of meetings, comments to delivered documentation and letters, e-mails and informal messages from project or other Purchaser staff which may indicate the intent and willingness to make changes to the Contract, do not implement the change to the Contract and shall not be used as a basis for claiming change to the Contract by the Contractor.

**4. APPROVAL AND ACCEPTANCE OF CONTRACT TERMS**

- 4.1. By his signature of the Contract, the Contractor certifies that he has read and unreservedly accepts and approves of all terms and conditions, specifications, plans, drawings and other documents which form part of and/or are relevant to the Contract. The Contractor further agrees that the terms of the Contract take precedence over any proposals or prior commitments made by the Contractor in order to secure the Contract. Contractor also hereby waives any and all rights to invoke any of the Contractor's general and special terms and conditions of sales and/or supply.

**5. LANGUAGE**

- 5.1. All written correspondence, reports, documentation and text of drawings delivered to the Purchaser by the Contractor shall be in the English language.

**6. AUTHORISATION TO PERFORM/CONFORMANCE TO NATIONAL LAWS AND REGULATIONS**

- 6.1. The Contractor warrants that he and his Sub-contractors are duly authorised to operate and do business in the country or countries in which this Contract is to be performed and that he and his Sub-contractors have obtained or will obtain all necessary licences and permits required in connection with the Contract. No claim for additional monies with respect to any costs or delay to obtain the authorisations to perform shall be made by the Contractor.
- 6.2. The Contractor acknowledges that he and his Sub-contractors are responsible during the performance of this Contract for ascertaining and complying with all applicable laws and regulations, including without limitation: labour standards, environmental laws, health and safety regulations and export controls laws and regulations in effect at the time of Contract signature or scheduled to go into effect during Contract performance. Failure to fully ascertain and comply with such laws, regulations or standards shall not be the basis for claims for change to the specifications, terms, conditions or monetary value of this Contract.

**7. FIRM FIXED PRICE CONTRACT**

- 7.1 This is a Firm Fixed Price Contract. The Firm Fixed Price of this Contract is as stated on the signature page of the Contract or any amendments thereto. The Purchaser assumes no liability for costs incurred by the Contractor in excess of the stated Firm Fixed Price except as may be authorised under certain provisions of this Contract.

**8. PERFORMANCE GUARANTEE**

- 8.1. As a guarantee of performance under the Contract, the Contractor shall deposit with the Purchaser within thirty (30) calendar days from the Effective Date of Contract a bank guarantee (the "Performance Guarantee") denominated in the currency of the Contract, to the value of ten per cent (10%) of the total Contract price.
- 8.2. The Performance Guarantee, the negotiability of which shall not elapse before the expiration of the warranty period, or such other period as may be specified in the Contract, shall be made payable to the Purchaser and shall be in the form of certified cheques or a Standby Letter of Credit subject to the agreement of the Purchaser. In the case of a Standby Letter of Credit, payment shall be made to the Purchaser without question and upon first demand by the Purchaser against a certificate from the Purchaser's Contracting Authority that the Contractor has not fulfilled its obligations under the Contract. The Contractor shall have no right to enjoin or delay such payment.
- 8.3. Certified Cheques issued to fulfil the requirements of the Performance Guarantee will be cashed by the Purchaser upon receipt and held in the Purchaser's account until the term of the Performance Guarantee has expired.
- 8.4. The standby letter of credit shall be subject to Belgian Law and shall be issued by (i) a Belgian bank, (ii) the Belgian subsidiary of a foreign bank licensed to provide financial services in Belgium; or (iii) an insurance company licensed to do business in Belgium and belonging to a Belgian banking institution provided the banking institution guarantees explicitly the demand for payment, unless otherwise specified by the Purchaser.
- 8.5. The Contractor shall request in writing relief from the Performance Guarantee upon expiration of the warranty period or such other period as may be specified in the Contract and such relief may be granted by the Purchaser.
- 8.6. The Contractor shall be responsible, as a result of duly authorised adjustments in the total contract price and/or period of performance by the Purchaser, for obtaining a commensurate extension and increase in the Performance Guarantee, the value of which shall not be less than ten per cent (10%) of the total contract price (including all amendments), and for depositing such guarantee with the Purchaser, within thirty (30) calendar days from the effective date of aforesaid duly authorised adjustment.
- 8.7. The failure of the Contractor to deposit and maintain such Performance Guarantee with the Purchaser within the specified time frame, or any extension thereto granted by the Purchaser's Contracting Authority, is a material breach of the Contract terms and conditions subject to the

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provisions of the Contract regarding Termination for Default.

- 8.8. The rights and remedies provided to the Purchaser under the present Clause are in addition to any other rights and remedies provided by law or under this Contract. The certificate described in Clause 8.2 above shall not be regarded as a Termination for Default and this Clause is in addition to and separate from the Clause of the Contract detailing termination for default.
- 8.9. If the Contractor elects to post the Performance Guarantee by Standby Letter of Credit, the form of the document shall be substantially as follows:

**PERFORMANCE GUARANTEE STANDBY LETTER OF CREDIT**

Standby Letter of Credit Number: \_\_\_\_\_

Issue Date: \_\_\_\_\_

Initial Expiry Date: \_\_\_\_\_

Final Expiry Date: \_\_\_\_\_

Beneficiary: NCI Agency, Finance, Accounting & Operations  
Boulevard Leopold III, B-1110, Brussels  
Belgium

1. We hereby establish in your favour our irrevocable standby letter of credit number {number} by order and for the account of (NAME AND ADDRESS OF CONTRACTOR) in the amount of \_\_\_\_\_ We are advised this undertaking represents fulfilment by (NAME OF CONTRACTOR) of certain performance requirements under Contract No. \_\_\_\_\_ dated \_\_\_\_\_ between the NCI Agency ("NCIA and (NAME OF CONTRACTOR).
2. We hereby engage with you that drafts drawn under and in compliance with the terms of this letter of credit will be duly honoured upon presentation of documents to us on or before the expiration date of this letter of credit.
3. Funds under this letter of credit are available to you without question or delay against presentation of a certificate signed by the NCI Agency Contracting Officer which states:

"(NAME OF CONTRACTOR) has not fulfilled its obligations under Contract No. \_\_\_\_\_ dated \_\_\_\_\_ between NCI Agency and (NAME OF CONTRACTOR) (herein called the "Contract"), and the NCI Agency, as beneficiary, hereby draws on the standby letter of credit number \_\_\_\_\_ in the amount denominated in the currency of the Contract, Amount up to the maximum available under the LOC), such funds to be transferred to the account of the Beneficiary

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number \_\_\_\_\_(to be identified when certificate is presented)."

Such certificate shall be accompanied by the original of this letter of credit.

4. This Letter of Credit is effective the date hereof and shall expire at our office located at \_\_\_\_\_(Bank Address)\_\_\_\_\_ on \_\_\_\_\_. All demands for payment must be made prior to the expiry date.
5. It is a condition of this letter of credit that the expiry date will be automatically extended without amendment for a period of one (1) year from the current or any successive expiry date unless at least 90 (ninety) calendar days prior to the then current expiry date we notify you by registered mail and notify (NAME OF CONTRACTOR) that we elect not to extend this letter of credit for such additional period. However, under no circumstances will the expiry date extend beyond \_\_\_\_\_("Final Expiry Date") without amendment.
6. We may terminate this letter of credit at any time upon 90 (ninety) calendar days notice furnished to both (NAME OF CONTRACTOR) and the NCI Agency by registered mail.
7. In the event we (the issuing bank) notify you that we elect not to extend the expiry date in accordance with paragraph 6 above, or, at any time, to terminate the letter of credit, funds under this credit will be available to you without question or delay against presentation of a certificate signed by the NCI Agency Contracting Officer which states:

"The NCI Agency has been notified by {issuing bank} of its election not to automatically extend the expiry date of letter of credit number {number} dated {date} pursuant to the automatic renewal clause (or to terminate the letter of credit). As of the date of this certificate, no suitable replacement letter of credit, or equivalent financial guarantee has been received by the NCI Agency from, or on behalf of (NAME OF CONTRACTOR). (NAME OF CONTRACTOR) has, therefore, not fulfilled its obligations under Contract No. \_\_\_\_\_ dated \_\_\_\_\_ between NCI Agency and (NAME OF CONTRACTOR), and the NCI Agency, as beneficiary, hereby draws on the standby letter of credit number \_\_\_\_\_ in the amount of (Amount up to the maximum available under the LOC), such funds to be transferred to the account of the Beneficiary number \_\_\_\_\_ (to be identified when certificate is presented)."

Such certificate shall be accompanied by the original of this letter of credit and a copy of the letter from the issuing bank that it elects not to automatically extend the standby letter of credit, or terminating the letter of credit.

8. The Beneficiary may not present the certificate described in paragraph 7 above

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until 20 (twenty) calendar days prior to a) the date of expiration of the letter of credit should {issuing bank} elect not to automatically extend the expiration date of the letter of credit, b) the date of termination of the letter of credit if {issuing bank} notifies the Beneficiary that the letter of credit is to be terminated in accordance with paragraph 6 above.

9. Multiple partial drawings are allowed to the maximum value of the standby letter of credit.
10. This letter of credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended, or amplified by reference to any document, instrument, or agreement referred to herein (except the International Standby Practices (ISP 98) hereinafter defined) or in which this letter of credit is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument, or agreement.
11. This Letter of Credit is subject to The International Standby Practices-ISP98 (1998 Publication) International Chamber of Commerce Publication No.590.

**9. PARTICIPATING COUNTRIES**

- 9.1 Unless prior written authorisation of the Purchaser has been obtained, none of the Work, shall be performed other than by firms from and within NATO Participating Countries. Unless otherwise specified in the Contract Special Provisions, the Participating Countries are the twenty-eight (28) Member Nations of the North Atlantic Treaty Organisation.
- 9.2 Unless prior written authorisation of the Purchaser has been obtained, no material or items of equipment down to and including identifiable Sub-Assemblies shall be manufactured or assembled by a firm other than from and within a NATO Participating Country.
- 9.3 The Contractor shall not place any Sub-contracts outside the NATO Participating Countries without the prior written authorisation of the Purchaser.
- 9.4 Unless prior written authorisation of the Purchaser has been obtained, the intellectual property rights for all software and documentation incorporated by the Contractor and/or its Sub-contractors into the Work shall vest with persons or legal entities from and within NATO participating nations and no royalties or licence fees for such software and documentation shall be paid by the Contractor to any source that does not reside within a NATO participating nation.
- 9.5 Any modification in the nationality, ownership and/or change of control of the Contractor and/or its Sub-contractor(s) shall be immediately notified in writing to the Purchaser with all necessary details to allow the Purchaser to determine whether or not the Contractor and/or its Sub-contractors continue

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to comply with the Clauses above. Non-compliance with the Clauses above, by the Contractor and/or its Subcontractor may constitute ground for termination of this Contract under Clause 39 (Termination for Default).

**10. SUB-CONTRACTS**

- 10.1 The Contractor shall place and be responsible for the administration and performance of all Sub-contracts including terms and conditions which he deems necessary to meet the requirements of this Contract in full.
- 10.2 Prior to the Sub-contractors being given access to any classified information, the Contractor shall ensure that any Sub-contractor that has a need to access classified information for the performance of any part of this Contract has been granted the appropriate facility and personnel security clearances by the Sub-contractor's national authorities and that such clearances are still in effect at the time the information is disclosed and remains in effect throughout the performance of the work to be carried out under the Sub-contract concerned.
- 10.3 The Contractor shall seek the approval in writing of the Purchaser prior to the placing of any Sub-contract if:
  - 10.3.1 the Sub-contract was not part of the Contractor's original proposal;  
and
  - 10.3.2 the value of the Sub-contract is known or estimated to exceed 15 per cent of the total Contract value; or
  - 10.3.3 the Sub-contract is one of a number of Sub-contracts with a single Sub-contractor for the same or related Work under this Contract that in the aggregate are known or expected to exceed 15 per cent of the total Contract value.
- 10.4 The Contractor shall inform the Purchaser of any change in Sub-contractors for Sub-contracts of a value known or estimated to exceed 15 per cent of the total Contract value.
- 10.5 The Contractor shall submit a copy of any such proposed Sub-contract including prices when seeking approval to the Contracting Authority but such approval by the Contracting Authority shall in no way relieve the Contractor of his responsibilities to fully achieve the contractual and technical requirements of this Contract.
- 10.6 The Contractor shall, as far as practicable, select Sub-contractors on a competitive basis consistent with the objectives and requirements of the Contract.

**11. SECURITY**

- 11.1 The Contractor shall comply with all security measures as are prescribed by the Purchaser and the national security authority or designated security agency of each of the NATO countries in which the Contract is being performed. The Contractor shall be responsible for the safeguarding of classified information, documentation, material and equipment entrusted to him or generated by him in connection with the performance of the Contract.
- 11.2 In particular the Contractor undertakes to:
- 11.2.1 appoint an official responsible for supervising and directing security measures in relation to the Contract and communicating details of such measures to the Purchaser on request;
  - 11.2.2 maintain, preferably through the official responsible for security measures, a continuing relationship with the national security authority or designated security agency charged with ensuring that all NATO classified information involved in the Contract is properly safeguarded;
  - 11.2.3 abstain from copying by any means, without the authorisation of the Purchaser, the national security authority or designated security agency, any classified documents, plans, photographs or other classified material entrusted to him;
  - 11.2.4 furnish, on request, information to the national security authority or designated security agency pertaining to all persons who will be required to have access to NATO classified information;
  - 11.2.5 maintain at the work site a current record of his employees at the site who have been cleared for access to NATO classified information. The record should show the date of issue, the date of expiration and the level of clearance;
  - 11.2.6 deny access to NATO classified information to any person other than those persons authorised to have such access by the national security authority or designated security agency;
  - 11.2.7 limit the dissemination of NATO classified information to the smallest number of persons ("need to know basis") as is consistent with the proper execution of the Contract;
  - 11.2.8 comply with any request from the national security authority or designated security agency that persons entrusted with NATO classified information sign a statement undertaking to safeguard that information and signifying their understanding both of their obligations under national legislation affecting the safeguarding of classified information, and of their comparable obligations



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under the laws of the other NATO nations in which they may have access to classified information;

- 11.2.9 report to the national security authority or designated security agency any breaches, suspected breaches of security, suspected sabotage, or other matters of security significance which would include any changes that may occur in the ownership, control or management of the facility or any changes that affect the security arrangements and security status of the facility and to make such other reports as may be required by the national security authority or designated security agency, e.g. reports on the holdings of NATO classified material;
- 11.2.10 apply to the Purchaser for approval before Sub-contracting any part of the work, if the Sub-contract would involve that the Sub-contractor would have access to NATO classified information, and to place the Sub-contractor under appropriate security obligations no less stringent than those applied to his own contract;
- 11.2.11 undertake not to utilise, other than for the specific purpose of the Contract, without the prior written permission of the Purchaser or his authorised representative, any NATO classified information furnished to him, including all reproductions thereof in connection with the Contract, and to return all NATO classified information referred to above as well as that developed in connection with the Contract, unless such information has been destroyed, or its retention has been duly authorised with the approval of the Purchaser. Such NATO classified information will be returned at such time as the Purchaser or his authorised representative may direct;
- 11.2.12 classify any produced document with the highest classification of the NATO classified information disclosed in that document.

**12. RELEASE OF INFORMATION**

- 12.1 Except as otherwise specified elsewhere in the Contract and to the extent that it is demonstratively unavoidable and without prejudice to the Clause 11 (Security), the Contractor and/or his employees shall not, without prior authorisation from the Purchaser, release to third parties any information pertaining to this Contract, its subject matter, performance there under or any other aspect thereof.
- 12.2 The Contractor shall seek the prior written approval of the Purchaser before publishing any press release or disclosing any other information, orally or in writing, in relation to the Contract. The approval of the Purchaser shall be required for both the opportunity and the content of the information.

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- 12.3 This provision shall remain in effect after the termination of the Contract and shall cease to apply to any particular piece of information once that information becomes public knowledge other than through an act, default or omission of the Contractor or its Sub-contractors.

13. **PURCHASER FURNISHED PROPERTY**

- 13.1 The Purchaser shall deliver to the Contractor, for use only in connection with this Contract, the Purchaser Furnished Property at the times and locations stated in the Contract. In the event that Purchaser Furnished Property is not delivered by such time or times stated in the Schedule, or if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates the Purchaser shall, upon timely written request made by the Contractor, and if the facts warrant such action, equitably adjust any affected provision of this Contract pursuant to Clause 16 (Changes).
- 13.2 In the event that Purchaser Furnished Property is received by the Contractor in a condition not suitable for its intended use, the Contractor shall immediately notify the Purchaser. The Purchaser shall within a reasonable time of receipt of such notice replace, re-issue, authorise repair or otherwise issue instructions for the disposal of Purchaser Furnished Property agreed to be unsuitable. The Purchaser shall, upon timely written request of the Contractor, equitably adjust any affected provision of this Contract pursuant to Clause 16 (Changes).
- 13.3 Title to Purchaser Furnished Property will remain in the Purchaser. The Contractor shall maintain adequate property control records of Purchaser Furnished Property in accordance with sound industrial practice and security regulations.
- 13.4 Unless otherwise provided in this Contract, the Contractor, upon delivery to him of any Purchaser Furnished Property, assumes the risk of, and shall be responsible for, any loss thereof or damage thereof except for reasonable wear and tear, and except to the extent that Purchaser Furnished Property is consumed in the performance of this Contract.
- 13.5 Upon completion of this Contract, or at such earlier dates as may be specified by the Purchaser, the Contractor shall submit, in a form acceptable to the Purchaser, inventory schedules covering all items of Purchaser Furnished Property.
- 13.6 The inventory shall note whether:
- 13.6.1 The property was consumed or incorporated in fabrication of final deliverable(s);

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- 13.6.2 The property was otherwise destroyed;
- 13.6.3 The property remains in possession of the Contractor;
- 13.6.4 The property was previously returned
- 13.7 The Contractor shall prepare for shipment, deliver DDP at a destination agreed with the Purchaser, or otherwise dispose of Purchaser Furnished Property as may be directed or authorised by the Purchaser. The net proceeds of any such disposal shall be credited to the Contract price or paid to the Purchaser in such other manner as the Purchaser may direct.
- 13.8 The Contractor shall not modify any Purchaser Furnished Property unless specifically authorised by the Purchaser or directed by the terms of the Contract.
- 13.9 The Contractor shall indemnify and hold the Purchaser harmless against claims for injury to persons or damages to property of the Contractor or others arising from the Contractor's possession or use of the Purchaser Furnished Property. The Contractor shall indemnify the Purchaser for damages caused by the Contractor to the Purchaser, its property and staff and arising out of the Contractor's use of the Purchaser Furnished Property.

14. **CONTRACTOR'S PERSONNEL WORKING AT PURCHASER'S FACILITIES**

- 14.1 The term "Purchaser Facilities" as used in this Clause shall be deemed to include sites, property, utilities, ships or vessels and the term "Facility Representative" shall be deemed to refer to the authority designated by the Purchaser responsible for the site, property, utility, ship or vessel.
- 14.2 The Facility Representative shall provide such available administrative and technical facilities for Contractor's personnel working at Purchaser's Facilities for the purpose of the Contract as in the opinion of the Facility Representative may be necessary for the effective and economical discharge of Work. The Facility Representative shall also determine whether these facilities will be provided free of charge to the Contractor or determine what charges are payable. The Contractor shall have no claim against the Purchaser for any such additional cost or delay or any additional cost or delay occasioned by the closure for holidays of said facilities, or other reasons, where this is generally published or made known to the Contractor by the Purchaser or his authorised representatives.
- 14.3 The Contractor shall, except as otherwise provided for in the Contract, make good or, at the option of the Purchaser, pay compensation for all damage occurring to any Purchaser's Facilities occasioned by the Contractor, his servants, agents or Sub-contractors, arising from his or their presence and activities in, and use of, the Purchaser's Facilities; provided that this

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Condition shall not apply to the extent that the Contractor is able to show that any such damage was not caused or contributed to, by his neglect, or default or the neglect or default of his servants, agents or Sub-contractors, or by any circumstances within his or their control.

- 14.4 All property of the Contractor while at a Purchaser Facility shall be at the risk of the Contractor, and the Purchaser shall accept no liability for any loss or damage, except to the extent that any loss or damage is the result of a wilful act or gross negligence on the part of the Purchaser's employees or agents.

**15. HEALTH, SAFETY AND ACCIDENT PREVENTION**

- 15.1 If the Purchaser notifies the Contractor in writing of any non-compliance in the performance of this Contract with safety and health rules and requirements prescribed on the date of this Contract by applicable national or local laws, ordinances and codes, and the Contractor fails to take immediate corrective action, the Purchaser may order the Contractor to stop all or part of the Work until satisfactory corrective action has been taken. Such an order shall not entitle the Contractor to an adjustment of the Contract price or other reimbursement for resulting increased costs, or to an adjustment of the delivery or performance schedule.

**16. CHANGES**

- 16.1 The Purchaser may at any time, by written order of the Contracting Authority designated or indicated to be a change order ("Change Order") make changes within the general scope of this Contract, including, without limitation, in any one or more of the following:
- 16.1.1 Specifications (including drawings and designs);
  - 16.1.2 Method and manner of performance of the work, including engineering standards, quality assurance and configuration management procedures;
  - 16.1.3 Marking and method of shipment and packing;
  - 16.1.4 Place of delivery;
  - 16.1.5 Amount, availability and condition of Purchaser Furnished Property.
- 16.2 The Purchaser shall submit a proposal for Contract amendment describing the change to the Contract.

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- 16.3 If any such Change Order causes an increase in the Contractor's cost of, or the time required for, the performance of any part of the Work under this Contract, whether or not changed by any such order, the Contractor shall submit a written proposal for adjustment to the Purchaser describing the general nature and amount of the proposal for adjustment. The Contractor shall submit this proposal for adjustment within thirty (30) days after receipt of a written Change Order under (a) above unless this period is extended by the Purchaser.
- 16.4 If any such Change Order causes a decrease in the Contractor's cost of, or the time required for, the performance of any part of the Work under this Contract, whether or not changed by any such order, the Purchaser shall submit a proposal for adjustment within thirty (30) days from the issuance of the Change Order by submitting to the Contractor a written statement describing the general nature and amount of the proposal for adjustment.
- 16.5 Where the cost of property made obsolete or in excess as a result of a change is included in the Contractor's claim for adjustment, the Purchaser shall have the right to prescribe the manner of disposition of such property.
- 16.6 The Purchaser reserves the right to reject the introduction of the change, after the evaluation of the change proposal, even if the Purchaser initiated such change.
- 16.7 Failure to agree to any requested adjustment shall be a dispute within the meaning of the Clause 41 (Disputes). However, nothing in this Clause shall excuse the Contractor from proceeding with the Contract as changed.
- 16.8 No proposal for adjustment by the Contractor for an equitable adjustment shall be allowed if asserted after final payment and acceptance under this Contract.
- 16.9 Any other written or oral order (which, as used in this paragraph includes direction, instruction, interpretation, or determination) from the Purchaser that causes a change shall be treated as a Change Order under this Clause, provided, that the Contractor gives the Purchaser a written notice within thirty (30) Days after receipt of such order stating (i) the date, circumstances, and source of the order; (ii) that the Contractor regards the order as a Change Order; and (iii) a detailed cost and time analysis of the impact of the change, and that the Order is accepted in writing by the Purchaser as a Change Order. The timely written notice requirement, as detailed above, remains in force in all cases, even where, for example, the Purchaser has positive knowledge of the relevant facts.
- 16.10 All tasks and activities carried out by the Contractor in relation to the processing of the Change Order or in relation to this Clause shall form part of the Contractor's routine work and cannot be charged as additional work.

**17. STOP WORK ORDER**

- 17.1 The Purchaser may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the Work called for by this Contract for a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the Parties may agree.
- 17.2 Any such stop work order shall be specifically identified as a stop work order issued pursuant to this Clause (the "Stop Work Order"). The Stop Work Order may include a description of the Work to be suspended, instructions concerning the Contractor's issuance of further orders for material or services, guidance to the Contractor on actions to be taken on any Sub-contracts and any suggestion to the Contractor for minimizing costs.
- 17.3 Upon receipt of such a Stop Work Order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimise costs incurred allocable to the Work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to the Contractor, or within any extension of that period to which the Parties shall have agreed, the Purchaser shall either:
- 17.3.1 cancel the Stop Work Order; or
- 17.3.2 terminate the Work covered by such Stop Work Order as provided in Clause 40 (Termination for Convenience of the Purchaser).
- 17.4 If a Stop Work Order issued under this Clause is cancelled or the period of the Stop Work Order or any extension thereof expires, the Contractor shall resume work.
- 17.5 An equitable adjustment shall be made in the delivery schedule or Contract price, or both, and the Contract shall be modified in writing accordingly, if:
- 17.5.1 the Stop Work Order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract, and;
- 17.5.2 the Contractor asserts a Claim for such adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if the Purchaser decides the facts justify such action, he may receive and act upon any such claim asserted at a later date but prior to final payment under this Contract.
- 17.6 If a Stop Work Order is not cancelled and the Work covered by such Stop Work Order is terminated for the convenience of the Purchaser the reasonable costs resulting from the Stop Work Order shall be allowed in

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arriving at the termination settlement.

**18. CLAIMS**

18.1 The Contractor shall specifically identify the Contract Clause(s) under which the Claim(s) is/are based.

18.2 Claims shall be specifically identified as such and submitted:

18.2.1 within the time specified in the Clause under which the Contractor alleges to have a Claim. If no time is specified in the Clause under which the Contractor intends to base his Claim, the time limit shall be sixty (60) days from the date the Contractor has knowledge or should have had knowledge of the facts on which he bases his Claim; and

18.2.2 before final payment, pursuant to and with the exceptions specified in Clause 33 entitled "Release of Claims".

18.2.3 Section 18.2.2 above shall only apply to those Claims for which the Contractor could not have had earlier knowledge and were not foreseeable.

18.3 The Contractor shall be foreclosed from his Claim unless he presents complete documentary evidence, justification and costs for each of his Claims within ninety (90) calendar days from the assertion date of such Claims. Claims shall be supported by specifically identified evidence (including applicable historical and planned cost and production data from the Contractor's books and records). Opinions, conclusions or judgmental assertions not supported by such evidence will be rejected by the Purchaser.

18.4 An individual breakdown of cost is required for each element of Contractor's Claims at the time of claim submission or for any material revision of the Claim.

18.5 The Contractor shall present, at the time of submission of a Claim, an attestation as follows:

I .....the responsible senior company official authorised to commit the ..... with respect to its claims dated ..... being duly sworn, do hereby depose and say that: (i) the facts described in the claim are current, complete and accurate; and (ii) the conclusions in the claim accurately reflect the material damages or contract adjustments for which the Purchaser is allegedly liable.

.....

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.....  
SIGNATURE

Date

- 18.6 Failure to comply with any of the above requirements shall result in automatic foreclosure of the Claim. This foreclosure takes effect in all cases and also where, for example, the Claim is based on additional orders, where the facts are known to the Purchaser, where the Claim is based on defective specifications of the Purchaser or an alleged negligence in the pre-contractual stage.
- 18.7 Claims submitted by the Contractor will be reviewed by the Contracting Authority. The Contracting Authority will respond within sixty (60) days with a preliminary decision, based on an assessment and evaluation of the facts presented by the Parties, as to whether the Contracting Authority considers the Claim to have merit for consideration. If the preliminary decision of the Contracting Authority is that the Claim, as submitted is without merit, the Contractor shall have fourteen (14) days to present a rebuttal to the Contracting Authority and request reconsideration of the Contracting Authority's decision. Within thirty (30) days receipt of the Contractor's request for reconsideration, the Contracting Authority will issue a decision. The time requirements stated herein may be extended by the Contracting Authority in order to accommodate additional preparation efforts and fact finding discussions but the Contracting Authority may not unreasonable extend such a period. A decision that the submitted claim is without merit will be identified as such, will be issued in writing by the Contracting Authority and will be conclusive. A decision may only be challenged by the Contractor through the Disputes provisions described herein.
- 18.8 A decision by the Purchaser that the claim has merit will result in a Contracting Authority request to enter into negotiations with the Contractor to arrive at a mutually agreed fair and equitable settlement. The Contracting Authority's decision will contain a target date for the commencement and conclusion of such operations. If the Parties are unable to arrive at an agreement on a fair and reasonable settlement by the target date for conclusion, or any extension thereto made by the Contracting Authority, the latter may declare that negotiations are at an impasse and issue a preliminary decision as to the fair and reasonable settlement and the reasons supporting this decision. The Contractor shall have a period of thirty (30) days to present a rebuttal to the Contracting Authority and request reconsideration of the Contracting Authority's decision. Within sixty (60) days of receipt of the Contractor's request for reconsideration, the Contracting Authority will issue its decision on the request for reconsideration. This timeframe will be respected unless an authorisation is needed from a NATO or other authority , the schedule for which is beyond the Contracting Authority's control. A



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decision of the Contracting Authority on the reconsideration of the matter will be identified as such, will be issued in writing by the Contracting Authority and will be conclusive. A decision on the reconsideration may only be challenged by the Contractor through the Disputes provisions described herein.

- 18.9 No Claim arising under this Contract may be assigned by the Contractor without prior approval of the Purchaser.
- 18.10 The Contractor shall proceed diligently with performance of this Contract, pending final resolution of any request for relief, claim appeal, or action arising under the Contract, and comply with any decision of the Contracting Authority.

**19. PRICING OF CHANGES, AMENDMENTS AND CLAIMS**

- 19.1 Contractor's pricing proposals for Changes, amendments and Claims shall be priced in accordance with the Purchaser's Pricing Principles (Annex 1 hereto and the sample spreadsheet and its "Instructions to Complete" at Appendix 1) or the national government pricing rules and regulations for the Contractor's own country, where in force. The Contractor shall provide cost information accompanied by appropriate substantiation as required by the Purchaser in accordance with Purchaser's Pricing Principles, or such other format as may be agreed between the Contractor and the Purchaser.
- 19.2 With respect to Clause 19.1 above, when the price or price adjustment is based on adequate price competition, established catalogue or market price of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, the Contractor shall be responsible for substantiation of such cases to the satisfaction of the Purchaser.
- 19.3 For the purposes of verifying that the cost or pricing data submitted in conjunction with Clause 19.1 above are accurate, complete and current, the Purchaser or any Purchaser authorised representative shall have the right of access to the Contractor's facilities to examine, until the expiration of three (3) years from the date of final payment of all sums due under the Contract:
  - 19.3.1 those books, records, documents and other supporting data which will permit adequate evaluation and verification of the cost or pricing data submitted; and/or
  - 19.3.2 the computations and projections which were available to the Contractor as of the date of the Contractor price proposal.
- 19.4 The Contractor, subject to the provisions of this Clause, shall require Sub-contractors to provide to the Purchaser, either directly or indirectly:
  - 19.4.1 cost or pricing data;
  - 19.4.2 access to Sub-contractor's facilities and records for the purposes of verification of such cost or pricing data; and
  - 19.4.3 a Certificate of Current Cost or Pricing Data, when required.

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- 19.5 If any price, including profit, negotiated in connection with this Contract was proposed, taking any of the following into account:
- 19.5.1 the Contractor furnished cost or pricing data which was not complete, accurate and current as certified in the Contractor's Certificate of Current Cost or Pricing Data provided in accordance with Clause 19.6 below;
  - 19.5.2 a Sub-contractor, pursuant to Clause 19.4 above or any Sub-contract clause therein required, furnished cost or pricing data which was not complete, accurate and current as certified in the Sub-contractor's Certificate of Current Cost or Pricing Data;
  - 19.5.3 a Sub-contractor or prospective Sub-contractor furnished cost or pricing data which was required to be complete, accurate and current and to be submitted to support a Sub-contract cost estimate furnished by the Contractor but which was not complete, accurate and current as of the date certified in the Contractor's Certificate of Current Cost or Pricing Data; or
  - 19.5.4 the Contractor or a Sub-contractor or prospective Sub-contractor furnished any data, not within 19.5.1 through 19.5.3 above, which, as submitted, was not complete, accurate and current;
  - 19.5.5 then the price and/or cost shall be adjusted accordingly and the Contract shall be modified in writing as may be necessary to reflect such.
- 19.6 At the time of negotiating any price, including profit, which is based upon the submission of cost or pricing data by the Contractor, the Contractor shall be required to submit a certificate of current cost or pricing data ("Certificate").
- 19.6.1 Such Certificates will certify that, to the best of the Contractor's knowledge and belief, cost or pricing data submitted to the Purchaser in support of any proposal for a price, price adjustment or claim, are accurate, complete and current, as per the completion of the negotiations or, in the case of a claim, as per the submission date of the claim.
  - 19.6.2 All such Certificates shall be in the format shown below and shall be dated and signed by a responsible officer of the company:

CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that cost or pricing data as submitted, either actually or by specific identification in writing to the Purchaser or his representative in support of.....(*Claim, Amendment, ECP#, etc.*) are accurate, complete and current as of .....(*Date*).

By submitting the price proposal, the Contractor/sub-Contractor or prospective sub-Contractor grant the Purchaser or his authorized representative(s) the right to examine those records, data and supporting information, used as a basis for the pricing submitted.

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*Name of Company*

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*Signature*

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*Printed Name of Signatory*

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*Title of Signatory*

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*Date of Signature*

19.6.3 The Contractor shall insert the substance of this Clause 19.7 in each Sub-contract.

19.7 For all additional or follow-up agreements which are made for Work which are furnished to the Purchaser without competition, the Contractor shall offer prices on a "Preferred Customer" basis, that is offer prices which are as favourable as those extended to any Government, Agency, Company, Organisation or individual purchasing or handling like quantities of

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equipment and/or Parts covered by the Contract under similar conditions. In the event that prior to completing delivery under this Contract the Contractor offers any of such items in substantially similar quantities to any customer at prices lower than those set forth herein, the Contractor shall so notify the Purchaser and the prices of such items shall be correspondingly reduced by a supplement to this Contract. Price in this sense means "Base Price" prior to applying any bonus, export tax reduction, turn-over tax exemptions and other reductions based on National Policies.

**20. NOTICE OF SHIPMENT AND DELIVERY**

- 20.1 Except as may be specified in the Contract Special Provisions, delivery of all items under this Contract shall be made by the Contractor on the basis of "Delivery Duty Paid" (DDP) as defined by the INCOTERMS 2000 (International Chamber of Commerce Publication No. 560). It shall be noted, however, that because the Purchaser is exempted from direct taxes and duty as set forth in Clause 26 (Taxes and Duties), there is no duty to be paid by the Contractor.
- 20.2 "Delivery" of required Work by the Contractor does not constitute "Acceptance" by the Purchaser for purposes of meeting the requirements of the Contract Schedule where Purchaser acceptance is the stated payment or schedule milestone.
- 20.3 Thirty (30) Days, or such other period as specified in the Contract, prior to the delivery of any shipment of Work, the Contractor shall give prepaid notice of shipment to the Purchaser. The Notice of Shipment shall contain, as appropriate, the request for customs form 302, or equivalent document, which shall enable any carrier to conduct duty free import/export clearance through customs for the Purchaser on behalf of NATO.
- 20.4 The customs form 302 is an official customs clearance declaration issued in advance of shipment by the Purchaser to provide certified information as to the duty free import, export, or transit of NATO consignments between NATO countries.
- 20.5 The Notice of Shipment and request for Form 302 or equivalent document shall contain the following information:
- 20.5.1 Purchaser's Contract number;
  - 20.5.2 Contract item number, designation and quantities;
  - 20.5.3 destination;
  - 20.5.4 number and description of the packages (gross and net weight);
  - 20.5.5 description of the goods and their value (for custom purpose only, not commercial value)

- 20.5.6 consignor's name and address;
  - 20.5.7 consignee's name and address;
  - 20.5.8 method of shipment (i.e. road, rail, sea, air, etc.);
  - 20.5.9 name and address of freight forwarder.
- 20.6 Forwarding Agents, Carriers or other responsible organisations shall be informed by the Contractor of the availability of Form 302 or equivalent document and how the form shall be utilised to avoid the payment of custom duties. Form 302 or equivalent document shall be incorporated in all shipping documents provided to the carrier.
- 20.7 Upon receipt of the Notice of Shipment from the Contractor, the Purchaser may require the Contractor to send copies of the Notice of Shipment to the receiving parties and the Contractor shall comply with this requirement.

## **21. INSPECTION AND ACCEPTANCE OF WORK**

- 21.1 For the purposes of this Clause, Work does not include documentation which is addressed in Clause 22 (Inspection and Acceptance of Documentation) hereafter.
- 21.2 Unless otherwise specifically provided for in the Contract, all Work and all Parts and equipment incorporated in the Work are to be new and of the most suitable grade of their respective kinds for the purpose, notwithstanding the requirements for testing, inspection and performance as required under this Contract. All workmanship shall be as specified under the Contract or, if no workmanship standards are specified, best commercial or "state of the art" complying with relevant (National and International) standards.
- 21.3 All Work may be subject to inspection and test by the Purchaser or his authorised representative(s) to the extent practicable at all times and places prior to Acceptance, including the period of manufacture, or after delivery or as otherwise specified in the Contract. For the purposes of inspection and testing the Purchaser may delegate as his representative the authorised National Quality Assurance Representative (NQAR) in accordance with STANAG 4107.
- 21.4 No representative or NQAR appointed by the Purchaser for the purpose of determining the Contractor's compliance with the technical requirements of the Contract shall have the authority to change any of the specifications. Such changes may only be made by the Contracting Authority in writing in accordance with Clause 16 (Changes).
- 21.5 The presence or absence of an NQAR or other Purchaser representative shall not relieve the Contractor from conforming to the requirements of this Contract.
- 21.6 Acceptance or rejection of the Work shall be made as promptly as practicable after delivery, except as otherwise provided in the Contract. Failure to timely

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accept or reject the Work shall neither relieve the Contractor from responsibility for such Work nor impose liability on the Purchaser.

- 21.7 In the event that any Work, or lots thereof, or services are defective in design, material, workmanship or manufacturing quality, or as a result of undue wear and tear or otherwise not in conformity with the requirements of this Contract, including any characteristic or condition which is or becomes at variance to the performance specifications, to the intended function of the Work or the function to which it could reasonably be expected that the Work would perform, the Purchaser shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction or replacement. Work which has been rejected or required to be corrected or replaced shall, at the expense of the Contractor, be removed, or, if permitted or required by the Contracting Authority, corrected in place by the Contractor promptly after notice, and shall not thereafter be tendered for acceptance by the Contractor unless the former rejection or requirement of correction or replacement is withdrawn. If the Contractor fails promptly to remove, replace or correct such Work the Purchaser may either:
- 21.7.1 by contract or otherwise return, replace or correct such Work or services and charge to the Contractor the cost incurred by the Purchaser; and/or
  - 21.7.2 terminate this Contract for default as provided in Clause 39 (Termination for Default).
- 21.8 When NQAR is not applicable based on the scale of the project, the Purchaser reserves the right to perform inspections through his own staff in accordance with the latest ISO standard at the time of inspection.
- 21.9 Unless the Contractor corrects or replaces such Work within the delivery schedule, the Purchaser may require the delivery of such Work at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute within the meaning of Clause 41 (Disputes).
- 21.10 If any inspection or test is made by the Purchaser's representatives on the premises of the Contractor or Sub-contractor, the Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the Purchaser's representatives in the performance of their duties. The NQAR or other Purchaser representatives shall have the right of access to any area of the Contractor's or his Sub-contractor's premises where any part of the contractual work is being performed.
- 21.11 If Purchaser inspection or test is made at a point other than the premises of the Contractor or Sub-contractor, it shall be at the expense of the Purchaser except as otherwise provided in this Contract; provided, that in case of rejection the Purchaser shall not be liable for any reduction in value of samples used in connection with such inspection or test.
- 21.12 All inspections and tests by the Purchaser shall be performed in such a

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manner as not to unduly delay the Work.

- 21.13 The Purchaser reserves the right to charge to the Contractor any additional cost of Purchaser inspection and test when Work is not ready at the time such inspection and test is requested by the Contractor or when re-inspection or retest is necessitated by prior rejection.
- 21.14 Acceptance or rejection of the Work shall be made as promptly as practicable after delivery, except as otherwise provided in this Contract, but failure to inspect and accept or reject Work shall neither relieve the Contractor from responsibility for such Work as are not in accordance with the Contract requirements nor impose liability on the Purchaser thereof.
- 21.15 The inspection and test by the Purchaser of any Work or lots thereof, or services, does not relieve the Contractor from any responsibility regarding defects or other failures to meet the Contract requirements which may be discovered prior to acceptance.
- 21.16 Acceptance of Work shall take place when the Contracting Authority confirms acceptance in writing of the Work in accordance with the procedure specified in the Contract, or if none is so specified then the Contracting Authority shall be deemed to have accepted the Work without prejudice to any other remedies, when and as soon as any of the following events have occurred:
- 21.16.1 the Purchaser has taken the Work into use, except as specifically provided by Clause 23 (Use and Possession Prior to Acceptance);
  - 21.16.2 the Purchaser has not exercised its right of rejection of the Work within any period specified for that purpose in the Contract;
  - 21.16.3 there being no period for exercising the right of rejection specified in the Contract, a reasonable time, all the circumstances having been taken into account, has elapsed since inspection of the Work was effected in accordance with the Contract.
- 21.17 Except as otherwise provided in this Contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.
- 21.18 Unless otherwise specified in this Contract, the Contractor shall have or establish, implement and maintain an effective and economical quality control system necessary to satisfy the Contract requirement. The system shall provide for the early and prompt detection of deficiencies, trends and conditions which could result in unsatisfactory quality and for timely and effective corrective action. Objective evidence that the system is effective shall be readily available to the Purchaser and its authorised representatives. Records of all inspection and testing work by the Contractor shall be kept complete and available to the Purchaser's representatives during the performance of this Contract and for such longer periods as may be specified elsewhere in this Contract.

**22. INSPECTION AND ACCEPTANCE OF DOCUMENTATION**

- 22.1 The Contractor shall provide to the Purchaser a draft version of the required documentation as provided by the Contract Schedule and the Statement of Work. Review of draft documentation under this Contract will be made by the Purchaser upon the delivery of these items by the Contractor. The review will be conducted by the Purchaser through duly authorised representatives.
- 22.2 Upon delivery of the draft documentation, the Purchaser will have a period of review as provided by the Statement of Work. At the end of the review period or before if deemed practical by the Purchaser, the Purchaser's comments will be presented to the Contractor in writing. The substance of such comments will pertain to items of error, non-conformity, omission and guidance in relation to the requirements of the Statement of Work.
- 22.3 Purchaser Review of the delivered items will emphasise the conformity with the requirements of the Statement of Work, thoroughness of analysis, logical bases of conclusions and models and coherence and completeness of presentation. The review process will also examine editorial and grammatical correctness and the suitability and accuracy of graphics supporting the text.
- 22.4 The Contractor shall, after receipt of Purchaser comments, incorporate changes, revisions and corrections required by the Purchaser and present the revised documentation in final form to the Purchaser for inspection in accordance with the delivery date specified in the Schedule.
- 22.5 During the review process the Contractor is not required to halt efforts on further tasks as identified in the Statement of Work. The Purchaser, however, shall not be held liable for any work carried out by the Contractor which is based on draft documentation yet to be reviewed.
- 22.6 Upon receipt of the items in final form, the Purchaser will inspect the items for a period not exceeding two weeks (or as otherwise stated in the Statement of Work). At the end of the inspection, the Purchaser will notify the Contractor that:
- 22.6.1 the items have been accepted;
  - 22.6.2 the acceptance of the items is deferred pending further revision;
- or
- 22.6.3 The items are rejected and significantly fail to meet Contract requirements.
- 22.7 In the case of Clause 22.6.2 above, the Contractor shall only be responsible for those revisions and corrections requested by the Purchaser and the



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Purchaser may not request additional revisions during inspection after required revisions have been made. However, if the Purchaser determines that a directed revision has not been made or if such directed revision was cause for revision of other portions of content which were not made by the Contractor, the Purchaser may withhold acceptance until such revisions are made by the Contractor.

- 22.8 The Contractor shall provide to the Purchaser on request supporting technical data, computer software, databases and background analyses in order to validate findings contained in the delivered items.
- 22.9 Purchaser acceptance shall be made in writing by the Contracting Authority.

**23. USE AND POSSESSION PRIOR TO ACCEPTANCE**

- 23.1 Except as otherwise provided in the Contract Special Provisions, the Purchaser shall have the right to take possession of, or use, any completed or partially completed Work under the Contract at any time, when notified by the Contracting Authority, however such possession or use shall not constitute Acceptance by the Purchaser, as defined in the Contract.
- 23.2 While the Purchaser has such use or is in such possession, the Contractor shall be relieved of the responsibility for loss or damage to the Work concerned other than that resulting from the Contractor's fault, negligence or defect to the Work.
- 23.3 If such prior possession or use by the Purchaser delays the progress of the Work or causes additional expense to the Contractor, an equitable adjustment in the Contract price or the time of delivery will be made, in accordance with the Clause 16 (Changes), and the Contract shall be modified in writing accordingly.

**24. OWNERSHIP AND TITLE**

- 24.1 Except as may be otherwise stated in the Contract Special Provisions and Clause 23 (Use and Possession prior to Acceptance), ownership and title to all Work will pass to the Purchaser only upon Acceptance by the Contracting Authority in writing. Where the Contract provides for Provisional Acceptance and Final Acceptance, ownership and title will pass to the Purchaser upon written notification of Final Acceptance.

**25. INVOICES AND PAYMENT**

- 25.1 Unless otherwise specified in the Contract Special Provisions, invoices shall only be submitted after delivery and Acceptance of the Work and for the total prices and currency(ies) as set out under the Schedule of Work.
- 25.2 Invoices in respect of any Work or services shall be prepared and submitted

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to the Purchaser and shall contain all of the elements listed below:

- 25.2.1 Contract number;
  - 25.2.2 Purchaser's Purchase Order number ;
  - 25.2.3 accounting codes (as specified in this Contract);
  - 25.2.4 item number (as defined in the Contract);
  - 25.2.5 Contract description of Work or services, sizes, quantities, unit prices, and extended totals (exclusive of taxes and duties for which relief is available); and
  - 25.2.6 extended totals. Details of Bills of Lading or Freight Warrant numbers and weight of shipment shall be identified on each invoice as appropriate.
- 25.3 In addition, documentary evidence of Acceptance including copies of certificates of conformity shall be submitted together with each invoice. Invoices shall not be submitted to the Purchaser without Acceptance having been previously made by the Purchaser.
- 25.4 Each copy of the invoice shall contain the following certificate which shall be signed by a duly authorised company official on the designated original invoice:
- "I certify that the above invoice is true and correct, that the delivery of the above described items has been duly carried out and the payment thereof has not been received.*
- Order placed for official use. Exemption from VAT Article 42,§3&3\*of VAT Code for Belgium or Article 151, §1b of the Council Directive 2006/112/EC dd. 28 November 2006 on intra-community purchases and/or services."*
- 25.5 All invoices shall be addressed to the NCI Agency - Financial Management
- Either at the following addresses:
- NCI Agency \* If used for NCI Agency Brussels
- NATO Communications and Information Agency  
Finance, Accounting & Operations  
Batiment Z  
Av du Bourget 140  
B-1140 Belgium

**OR**

shall be addressed to Financial Management at the following electronic address:

["NCIA-CAPDEV-FMU-BEL\\_E-INVOICES@NCIA.NATO.INT"](mailto:NCIA-CAPDEV-FMU-BEL_E-INVOICES@NCIA.NATO.INT) (note there is an underscore between BEL and E-INVOICES)

Note: When used for NCI Agency The Hague or Mons the addresses shall be dictated in the Contract Special Provisions

Once the manner of forwarding the invoice is chosen, the contractor shall keep this manner throughout the contract.

- 25.6 All invoices submitted shall include the address of the bank to which payment shall be made, together with **either** pertinent information concerning the International Bank Account Number (IBAN) and BIC/SWIFT address **or** pertinent information concerning transit number/sort code, account number and SWIFT address. The Purchaser makes payment only by wire transfer and therefore wire transfer particulars shall be included on the invoice.
- 25.7 Invoices will be settled by the Purchaser within sixty (60) days of receipt of a properly prepared and submitted invoice.
- 25.8 The Contractor shall mention on the invoice the payment conditions in line with the Contract.

**26. TAXES AND DUTIES**

- 26.1 The Purchaser, by virtue of his status under the terms of Article IX and X of the Ottawa Agreement, is exempt from all direct taxes (incl. VAT) and all customs duties on merchandise imported or exported. The Contractor, therefore, certifies that the prices stipulated in this Contract do not include amounts to cover such direct taxes or customs duties.
- 26.2 The Contractor shall be responsible for ensuring that his respective Sub-contractors are aware that the Purchaser is exempt from taxes and customs duties. The Contractor (and his respective Sub-contractors) shall be responsible for complying with all applicable national and local legal and administrative procedures to ensure that authorities do not attempt to assess taxes and customs duties on goods and property imported or exported through NATO member nation frontiers under this Contract nor assess direct taxation (VAT) on goods sold to the NCI Agency under this Contract.
- 26.3 The Purchaser shall give reasonable assistance in providing evidence/documents which might be required by the Contractor to ensure that NCI Agency receives tax exemption by virtue of its status under the Ottawa Agreement.
- 26.4 If, after complying with all national and local legal and administrative

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procedures, the authorities persist in attempting to impose taxes or duties on goods provided under this Contract, the Contractor shall inform the Contracting Authority providing the particulars of the situation, the procedures which have been followed and the point of contact at the national authority which is attempting to impose taxation or duty. The Contracting Authority will examine the situation and attempt to clarify the legal and administrative basis of the difficulty. If the Contracting Authority so directs, the Contractor shall pay the required taxes and duties and file for reimbursement or rebate from the national authorities in accordance with national legislative and administrative procedures.

- 26.5 In the event that the petition for reimbursement or rebate is denied by the national authorities concerned and providing that the Contractor and/or his Sub-contractor have complied with the national legislative and administrative procedures, the Purchaser shall reimburse the full amount of the payment(s) upon receipt of the Contractor's invoice indicating such tax or duty as a separate item of cost and fully identified by reference to any governmental law, regulation and/or instruction pursuant to which such tax or duty is enforced. The Contractor shall offer assistance and execute any such document that may be useful or required to ensure that Purchaser obtains the reimbursement of any tax or duty retained by a national authority.
- 26.6 In the event of the Contractor and/or Sub-contractor not complying with national legislative or administrative procedures, taxes and duties paid by the Contractor and/or Sub-contractors shall not be reimbursed by the Purchaser.
- 26.7 Following payment by the Purchaser of the taxes and/or duties pursuant to Clause 26.4 above, should the Contractor subsequently receive a rebate of any amount paid by the Purchaser, the Contractor shall immediately notify the Purchaser and the amount of such rebate shall be credited or reimbursed to the Purchaser, as directed. The Contractor shall be responsible for taking any and all action that could reasonably be required in order to obtain such rebate.
- 26.8 The Contractor shall be liable for all other taxes, assessments, fees, licences, administrative charges or other Government assessments or charges which are applicable to the performance of this Contract. It is the Contractor's responsibility to inform himself of his liability in each country where such liability may arise.

**27. WARRANTY OF WORK (Exclusive of Software)**

- 27.1 For the purpose of this Clause:

27.1.1 "Acceptance" shall mean the act of an authorised representative of the Purchaser by which the Purchaser

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assumes title and ownership of delivered Work rendered as partial or complete performance of the Contract. "Acceptance" in this regard, unless specifically provided otherwise in the Contract Contract Special Provisions, means final Acceptance where the Contract provides for Provisional or Partial Acceptance;

- 27.1.2 "Correction" shall mean the elimination of a defect;
- 27.1.3 "Work" shall not include software.
- 27.2 The Contractor shall not be responsible under this Clause for the Correction of Defects in Purchaser Furnished Property, except for Defects in Contractor performed installation, unless the Contractor performs, or is obligated to perform, any modifications or other work on Purchaser Furnished Property. In that event, the Contractor shall be responsible for Correction of Defects that result from the modifications or other Work.
- 27.3 Unless another period of time is indicated in the Contract Contract Special Provisions, the duration of the warranty provided by the Contractor and its Subcontractors shall be twelve (12) months from the date of Acceptance under this Contract as notified in writing by the Contracting Authority.
- 27.4 Any Work or parts thereof corrected or furnished in replacement and any services re-performed shall also be subject to the conditions of this Clause 27 to the same extent as Work initially accepted. The warranty, with respect to these Work, or parts thereof shall be equal in duration to that set forth in Clause 27.3, and shall run from the date of delivery of the corrected or replaced Work.
- 27.5 If the Contractor becomes aware at any time before Acceptance by the Purchaser (whether before or after tender to the Purchaser) or at a later time, that a Defect exists in any Work, the Contractor shall either promptly correct the Defect or promptly notify the Purchaser, in writing, of the Defect, using the same procedures prescribed in Clause 27.8.
- 27.6 The Purchaser will notify in writing the Contractor of the existence of a Failed Component and return to the Contractor the Failed Component within thirty (30) Days of the discovery of such failure. The transport of the Failed Component shall be at the expense of the Purchaser. The notification of the failure will include as much information as practicable about the circumstances and operating environment at the time of the failure. Upon receipt of such notification by the Purchaser (which may precede receipt of the Failed Component), the Contractor shall ship to the location of the Failed Component an identical component for installation by Purchaser personnel. The Contractor shall ship such replacement component(s) Delivery Duty Paid. Such transportation and replenishment charges are included in the cost of line item of the Contract identified as the warranty.
- 27.7 In such rare cases where the Failed Component is either too large to be

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easily transported or the Failed Component cannot be readily identified and isolated within the larger entity, the Contractor shall be notified by the Purchaser of the failure immediately by telephone, fax or e-mail. The Contractor shall provide technical support to the Purchaser personnel in identifying the Failed Component so as to afford the Purchaser the opportunity to return the Failed Component. In such a case where the Failed Component cannot be identified or is not cost effective or practical to ship to the Contractor's facility, the Contractor may elect to send field service personnel to the site of the failure and repair such equipment on location. In this event, such field service personnel shall be dispatched to the site of the failure within forty-eight (48) hours of initial notification. The expense of the technical support and field service shall be borne by the Contractor.

- 27.8 The Contractor shall conduct analysis of all Failed Components which are returned to him by the Purchaser or repaired in the field by Contractor field service personnel to determine the cause of the failure. The Contractor shall issue a report to the Purchaser within thirty (30) days of receipt of a returned item or field repair which contains the results of the analysis. The report shall contain the conclusion of the Contractor as to whether the cause of the failure was due to a Manufacturing Defect or a Design Defect and declare what course of remedial action the Contractor shall implement to prevent further failures of a similar nature. Repetitive failures of the same component may be grounds for a de facto determination by the Purchaser that a Design Defect exists.
- 27.9 If the Purchaser determines that a Design Defect exists in any of the Work accepted by the Purchaser under this Contract, the Purchaser shall promptly notify the Contractor of the Defect, in writing, within ninety (90) days after discovery of the Defect. Upon timely notification of the existence of a Defect, or if the Contractor independently discovers a Design Defect or Manufacturing Defect in accepted Work, the Contractor shall submit to the Purchaser, in writing within thirty (30) days, a recommendation for corrective actions, together with supporting information in sufficient detail for the Purchaser to determine what corrective action, if any, shall be undertaken.
- 27.10 The Contractor shall also prepare and furnish to the Purchaser data and reports applicable to any Correction required under this Clause (including revision and updating of all other affected data and already accepted documentation called for under this Contract) at no increase in the Contract price.
- 27.11 In the event of timely notice of a decision not to correct or only to partially correct, the Contractor shall submit a technical and cost proposal within forty-five (45) days to amend the Contract to permit Acceptance of the affected Work in accordance with the revised requirement, and an equitable reduction in the Contract price shall promptly be negotiated by the Parties and be reflected in a supplemental agreement to this Contract.
- 27.12 Within thirty (30) days after receipt of the Contractor's recommendations for corrective action and adequate supporting information in accordance with

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Clause 27.9, the Purchaser using sole discretion, shall give the Contractor written notice not to correct any Defect, or to correct or partially correct any Defect within a reasonable time.

- 27.13 The Contractor shall promptly comply with any timely written direction from the Purchaser to correct or partially correct a manufacturing or Design Defect, at no increase in the Contract price.
- 27.14 The Purchaser shall give the Contractor a written notice specifying any failure or refusal of the Contractor to:
  - 27.14.1 conduct analyses of Failed components and implement a course of remedial action as required by Clauses 27.7 and 27.8;
  - 27.14.2 provide replacement components, technical support or on-location field repair service in accordance with Clauses 27.6 and 27.7; or
  - 27.14.3 prepare and furnish data and reports as required by Clause 27.10.
- 27.15 The notice referred to in Clause 27.14 shall specify a period of time following receipt of the notice by the Contractor in which the Contractor must remedy the failure or refusal specified in the notice.
- 27.16 If the Contractor does not comply with the Purchaser's written notice in Clause 27.14, the Purchaser may by Contract or otherwise:
  - 27.16.1 Obtain detailed recommendations for corrective action from its own resources or third parties and either:
  - 27.16.2 correct the Work;
  - 27.16.3 replace the Work, and if the Contractor fails to furnish timely disposition instructions, the Purchaser may dispose of the non-confirming Work for the Purchaser's account in a reasonable manner, in which case the Purchaser is entitled to reimbursement from the Contractor, or from the proceeds, for the reasonable expenses of care and disposition, as well as for excess costs incurred or to be incurred;
    - 27.16.3.1 obtain applicable data and reports; and/or
    - 27.16.3.2 charge the Contractor for the costs incurred by the Purchaser.
- 27.17 In no event shall the Purchaser be responsible for any extension or delays in the scheduled deliveries or periods of performance under this Contract as a result of the Contractor's obligations to correct Defects, nor shall there be any adjustment of the delivery schedule or period of performance as a result of the Correction of Defects unless provided by a supplemental agreement with adequate consideration.

27.18 The rights and remedies of the Purchaser provided in this Clause shall not be affected in any way by any terms or conditions of this Contract concerning the conclusiveness of inspection and Acceptance and are in addition to, and do not limit, any rights afforded to the Purchaser by any other Clause of this Contract or applicable law.

**28. RIGHT OF ACCESS, EXAMINATION OF RECORDS**

28.1 The Contractor shall give to the Purchaser and/or his representative(s) full and free access to his premises as and when required for the purpose of this Contract and shall ensure the same right of access to the premises of his Sub-contractors, by the inclusion in any such Sub-contracts of a provision substantially as set forth in this Clause.

28.2 The Purchaser and/or his representative(s) shall continue to have such right of access and examination of records as set forth in Clause 28.1 above until final payment under the Contract or the end of the warranty provisions under the Contract, whichever occurs later.

28.3 The expiration of the Purchaser's rights as set forth in Clause 28.2 is further subject to the provisions of Clause 19 (Pricing of Changes, Amendments and Claims), where a three (3) year right is established following the agreement of contractual amendments or the settlement of claims based upon the submission of cost and pricing data.

28.4 The period of access and examination described in Clause 28.1 above for records not related to cost aspects of a dispute or claim but which relate to issues of fact arising under either proceedings under Clause 41 (Disputes) or Clause 42 (Arbitration), or the settlement of claims made by either Party pursuant to the performance of this Contract, shall continue until such appeals, litigation or claims have been disposed of.

**29. PATENT AND COPYRIGHT INDEMNITY**

29.1 The Contractor shall assume all liability against any and all third party claims that the services, Work and/or parts thereof, in whole or in part, infringe(s) an IPR in force in any countries, arising out of the manufacture, import, export, performance of the services or delivery of Work and/or out of the use or disposal by, or for the account of, the Purchaser of such Services and/or Work. The Contractor shall reimburse and/or indemnify the Purchaser, its officers, agents, employees and/or consultants: (i) for all costs, fees, damages, awards, settlement amounts and any other expenses awarded to the third party right holder against Purchaser and/or the final beneficiaries of the Work in relation to said third party claim; and (ii) for the costs and expenses incurred by the Purchaser in relation to said third party claims, including attorney fees. The Contractor shall be responsible for obtaining any licences necessary for the performance of this Contract and for making all other arrangements required to indemnify



the Purchaser from any liability for IPR infringement in said countries.

29.2 Each Party shall immediately notify the other of any intellectual property infringement claims of which he has knowledge and which pertain to the Work under this Contract.

29.3 This indemnity shall not apply under the following circumstances:

29.3.1 Patents or copyright which may be withheld from issue by order of the applicable government whether due to security regulations or otherwise;

29.3.2 An infringement resulting from specific written instructions from the Purchaser under this Contract;

29.3.3 An infringement resulting from changes made to the Work by the Purchaser without the Contractor prior written consent;

29.3.4 An infringement resulting from changes or additions to the Work subsequent to final delivery and Acceptance under this Contract.

### **30. INTELLECTUAL PROPERTY**

#### **30.1 *Purchaser Background IPR***

30.1.1 The Contractor is licensed to use, non-exclusively and royalty-free any Purchaser Background IPR that is or will be made available for the sole purpose of carrying out the Work.

30.1.2 The Contractor shall not use any Purchaser Background IPR other than for the purpose of carrying out the Work without the prior written agreement of the Purchaser. Any such agreement shall include the terms relating to such use.

30.1.3 The Purchaser gives no warranty as to the validity of any Purchaser Background IPR. The Contractor shall not do anything or act in any way which is inconsistent with or prejudicial to the ownership by the Purchaser of any Purchaser Background IPR.

#### **30.2 *Contractor Background IPR***

30.2.1 Any use of Contractor Background IPR for the purpose of carrying out the Work pursuant to the Contract shall be free of any charge to Purchaser. The Contractor hereby grants to NATO a non-exclusive, royalty-free and irrevocable licence to use and authorise others to use any Contractor Background IPR for the purpose of exploiting or otherwise using the Foreground IPR.

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- 30.2.2 Any use of Contractor Background IPR is not limited to the number of users or the number of licenses required by the Contract for the use of system. The Purchaser reserves the right to use the Contractor Background IPR for any number of users and number of licenses as required, at no additional cost to the Purchaser.

30.3 ***Foreground IPR***

- 30.3.1 All Foreground IPR is the property of the Purchaser on behalf of NATO. Consequently, no statement shall be made restricting the rights of the Purchaser in the Foreground IPR.
- 30.3.2 The Contractor shall ensure that suitable arrangements are in place between its employees, agents, consultants and itself regarding Foreground IPR generated by said employees, agents, Subcontractors and consultants to allow the Contractor to fulfil its obligations under Clause 30.3.1 above.
- 30.3.3 The Contractor shall be entitled to use Foreground IPR on a non-exclusive, royalty free basis solely for the purpose of carrying out the Work.
- 30.3.4 The Contractor shall not use any Foreground IPR other than for the purpose of carrying out the Work without the Purchaser's prior written agreement. Any such agreement shall include terms relating to such use.
- 30.3.5 The Contractor shall provide the Purchaser, at the latest upon delivery of the Work and thereafter for the duration of the warranty and any purchased CLS agreement period, with full documented records of information in relation to the Work, including but not limited to, all drawings, specifications and other data that is necessary or useful to further develop, maintain and operate the Work.
- 30.3.6 The Contractor shall:
- 30.3.6.1 do all things necessary and sign all necessary or useful documents to enable the Purchaser to obtain the registration of the Foreground IPR as the Purchaser may require and select; and
  - 30.3.6.2 to execute any formal assignment or other documents as may be necessary or useful to vest title to any Foreground IPR in the Purchaser.

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30.3.7 The Contractor undertakes:

- 30.3.7.1 to notify the Purchaser promptly of any invention or improvement to an invention or any design conceived or made by the Contractor; and
- 30.3.7.2 to provide the Purchaser with such information as the Purchaser may reasonably request in order to:
  - (i) determine the patentability of such invention or improvement; (ii) assess the need for registering such invention or improvement; and (iii) evaluate the potential value to the Purchaser of such a patent or registration if issued.

30.3.8 If the Purchaser determines that it wishes to apply for one or more patents for the disclosed invention or improvement or for a registration for the disclosed design, it will prosecute such application(s) at its own expense. The Contractor undertakes to provide the Purchaser, at the Purchaser's expense, with such information and assistance as the Purchaser shall reasonably require to prosecute such application(s).

30.4 ***Third Party IPR***

- 30.4.1 Any use of Third Party IPR for the purpose of carrying out the Work pursuant to the Contract shall be free of any charge to the Purchaser. The Contractor hereby grants to NATO a non-exclusive, royalty-free and irrevocable licence to use and authorise others to use any Third Party IPR for the purpose of exploiting or otherwise using the Foreground IPR.
- 30.4.2 With the exception of COTS items, any use of Third Party IPR is not limited to the number of users or the number of licenses required by the Contract for the use of system. With the exception of COTS items, the Purchaser reserves the right to use the Third Party IPR for any number of users and number of licenses as required, at no additional cost to the Purchaser.
- 30.4.3 For COTS items, the Contractor shall be responsible for obtaining licences from the Third Party in line with the requirements of the Statement of Work (including numbers and locations of licences).
- 30.4.4 Where Third Party IPR is the subject of a licence or other agreement between the third party and the Purchaser or the Contractor, the Contractor shall not use any Third Party IPR for the purposes of carrying out work pursuant to the Contract

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without the prior written approval of the Purchaser. Contractor shall inform Purchaser in advance of any restrictions on the Purchaser's use.

- 30.4.5 If, after the award of the Contract, the Contractor becomes aware of the existence of any Third Party IPR which the Contractor is using or believes is needed for the performance of the Contract, the Contractor shall immediately give the Purchaser a written report identifying such IPR and if they are compliant with the other provisions in the contract. Any Third Party IPR under this clause is subject to the prior written approval by the Purchaser.
- 30.4.6 The Purchaser may consider open source solutions alongside proprietary ones in developments provided that such solutions are fully compliant with the requirements of this Contract. Contractor shall disclose in advance the open source license associated with the contemplated open source solution. The Purchaser reserves the right to refuse the incorporation of open source solutions that are deemed inadequate for incorporation in a NATO application (e.g. post-back obligations).

### **30.5 Subcontractor IPR**

- 30.5.1 When placing a Sub-contract which is concerned with or involves the creation of IPR, the Contractor shall ensure that the Sub-contractor enters into the same agreement for the use of the IPR as stipulated in this Contract in such a way that the Purchaser will be entitled to use the IPR as agreed between the Purchaser and the Contractor. The Contractor shall include in the Sub-contract the content of the provisions of this Clause.

## **31. SOFTWARE WARRANTY**

### **31.1 Statement of the Warranties**

- 31.1.1 The Contractor warrants that each Software delivered under this Contract will conform to all requirements specified in the Contract. This will also include Software design specifications, including software configuration.
- 31.1.2 Regardless of the Purchaser initiation of or participation in developing Software design or specifications, each Software delivered under this Contract will conform to the essential Performance requirements set forth in this Contract, as those essential Performance requirements measured,

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tested, and verified by tests and procedures set forth in this Contract.

**31.2 Notification Requirement**

- 31.2.1 The Contractor agrees to notify the Purchaser in writing immediately after he first discovers that a defect(s) may exist in Software delivered under this Contract, unless the Purchaser has first notified the Contractor, in writing, of the same defect(s).
- 31.2.2 The Purchaser shall notify the Contractor upon discovery that a defect(s) may exist in any Software accepted by the Purchaser under this Contract, unless the Contractor has first notified the Purchaser, in writing of the same defect(s).

**31.3 Duration of the Warranty**

- 31.3.1 For each Software delivered under this Contract, the Contractor Warranties stated in paragraph 31.1 above shall extend to all defects discovered within 12 months from the date of acceptance of the Software by the Purchaser.

**31.4 Purchaser Remedies for Breach**

- 31.4.1 The rights and remedies of the Purchaser under this Software Warranty:
- 31.4.2 Are in addition to any rights and remedies of the Purchaser under any other provision of this Contract, including, but not limited to, the Purchaser's rights in relation to latent defects, fraud, or gross mistakes that amount to fraud; and
- 31.4.3 Shall apply notwithstanding inspection, acceptance, or any other clauses or terms of this Contract;
- 31.4.4 In the event of any defect as defined herein with respect to a Software delivered under this Contract, the Purchaser, in its sole discretion may:
  - 31.4.4.1 Require the Contractor to take such action as may be necessary to eliminate the defect, at no additional cost to the Purchaser for materials, labour, transportation, or otherwise;
  - 31.4.4.2 Require the Contractor to supply, at no additional cost to the Purchaser, all materials and instructions necessary for the Purchaser to eliminate the defect and to pay costs reasonably incurred by the Purchaser in taking such action as

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may be necessary to eliminate the defect, or;

31.4.4.3 Equitably reduce the contract price

31.4.5 The Purchaser may elect the remedies provided in paragraph 31.4.4.1 or 31.4.4.2 above notwithstanding any dispute respecting the existence of or responsibility for any alleged defect as defined herein with respect to any Software delivered under this contract, provided that the Contractor will not be required to pay costs incurred by the Purchaser under paragraph 31.4.4.2 until final determination of the defect. In the event that the alleged defect is subsequently determined not to be a defect subject to this warranty but the Contractor has incurred costs under paragraph 31.4.4.1 and 31.4.4.2 as required by the Contract by virtue of this paragraph 31.4.3, the contract price under this contract shall be equitably adjusted.

31.4.6 Election by the Purchaser of the remedy provided under paragraph 31.4.4.1 and 31.4.4.2 above shall not preclude subsequent election of a different remedy under paragraph 31.4.4 if the defect is not successfully eliminated under the prior election with one month of the notification under paragraph 31.4.2 above.

**31.5 Limitations and Exclusions from Warranty Coverage**

31.5.1 This Software Warranty shall not apply to alleged defects that the Contractor demonstrates to be in or otherwise attributable to the Purchaser furnished property as determined, tested, and verified by the tests and procedures set forth in this Contract. Notwithstanding this paragraph , a defect is not attributable to Purchaser furnished property if it is the result of installation or modification of Purchaser furnished property by the Contractor or of the integration of Purchaser furnished property into any Software delivered under this Contract.

31.5.2 Any Purchaser Furnished Property needs to be checked and approved by the Contractor. Approval is implied once the Contractor starts using the Purchaser Furnished Property.

**31.6 Markings**

31.6.1 All Deliverables under this Contract will identify the owner of the Deliverable and if applicable, will prominently include notice of the existence of its warranty, its substance, its duration, and instructions to notify the Purchaser promptly if the Software is found to be defective. The markings should also be included in

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the operating and/or maintenance manuals or instructions accompanying such Software.

- 31.6.2 All Deliverables regardless of the media they are delivered onto and which are subject to export control restrictions shall be clearly marked indicating the type and nature of restriction as well as the national law imposing such restrictions. Nothing in this provision is intended to invalidate, void, or otherwise limit the rights of the Purchaser under this Contract.

**32. NATO CODIFICATION**

- 32.1 For the purposes of this Clause "Technical Data" means the drawings, specifications and technical documentation of those items designated by the Purchaser to support the equipment covered by the Contract, and required to fully identify the items and, if applicable, draft item identifications to the extent and in the form to be agreed between the Codification Authority and the Contractor.
- 32.2 In order to ensure the orderly identification of equipment, the Contractor shall furnish at the request of the Codification Authority the Technical Data required for the identification of the items of supply to the NATO codification system in the time scale stated in this Contract.
- 32.3 A recommended spare parts list or a similar data carrier prepared in accordance with instructions provided by the Purchaser as the basis for codification shall be supplied by the Contractor by the date established in this Contract.
- 32.4 The Contractor shall supply or require his Sub-contractor(s)/supplier(s) to supply on request for the period of time specified in the Contract the relevant Technical Data for all items and sub-contracted items to the Codification Authority and the Purchaser. The Contractor shall require that each Sub-contractor/supplier shall include identical conditions in any subsequent order which he may place.
- 32.5 The drawings, specifications, related documentation and, if applicable, draft item identifications, prepared when possible by the true manufacturer of the item, shall be supplied by the Contractor or his Sub-contractor(s)/supplier(s) direct to the Codification Authority and, if required, to the Purchaser as and when they become available or, at the latest within the time limits specified in the Contract. The Contractor shall inform the Codification Authority and Purchaser within 21 Days of receipt of the request if the required Technical Data are not immediately available, and shall impose a similar obligation upon his Sub-contractor(s)/supplier(s).

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- 32.6 Except as hereinafter provided, the Contractor shall require the Sub-contractor(s)/supplier(s) to furnish on request the information direct to the Codification Authority in the Sub-contractor(s)/supplier(s)' country, but the Contractor shall remain responsible for ensuring that the information is so furnished. In the event of a Sub-contract order being placed with a manufacturer in a non-NATO country, the Contractor shall be responsible for obtaining Technical Data from the Sub-contractor/supplier and furnishing it to the Purchaser.
- 32.7 Technical Data relating to any Sub-contractor's/supplier's items shall include but not be limited to the name and address of the true manufacturer(s), his/their true reference number(s), drawing or item Part number(s) and applicable data in addition to any Part or reference number(s) allocated by the Contractor, plus draft item identification(s) if required by the Codification Authority.
- 32.8 The Contractor shall provide the Technical Data required for codification of those items ordered with this Contract and also for the pertaining support items ordered with future contracts, including updating information regarding all agreed modifications, design or drawing changes made to the equipment or detailed Parts.
- 32.9 If the Contractor has previously supplied Technical Data (for the purpose stated in Clause 31.2), the Contractor is to state this fact and indicate to whom they were supplied and the Contractor shall not under normal circumstances be required to make a further supply of the Technical Data already provided. The Technical Data furnished by the Contractor and Sub-contractor(s)/supplier(s) are to be presented in accordance with the requirements for the preparation of item identification(s) as outlined in the Guide for Industry provided by the Codification Authority.
- 32.10 The Contractor should contact the Codification Authority for any information concerning the NATO codification system. This information is to be found at: ["http://www.nato.int/structur/ac/135/ncs\\_guide/e\\_guide.htm"](http://www.nato.int/structur/ac/135/ncs_guide/e_guide.htm)

**32.11 Markings**

- 32.11.1 All Deliverables under this Contract will identify the owner of the Deliverable and, if applicable, will prominently include notice of the existence of its warranty, its substance, its duration, and instructions to notify the Purchaser promptly if the Software is found to be defective. The markings should also be included in the operating and/or maintenance manuals or instructions accompanying such Software.
- 32.11.2 All Deliverables regardless of the media they are delivered onto



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and which are subject to export control restrictions shall be clearly marked indicating the type and nature of restriction as well as the national law imposing such restrictions. Nothing in this provision is intended to invalidate, void, or otherwise limit the rights of the Purchaser under this Contract.

**33. RELEASE FROM CLAIMS**

33.1 Prior to final payment under this Contract, the Contractor and each assignee under this Contract shall execute and deliver a release discharging the Purchaser, its officers, agents and employees from all liabilities, obligations and claims arising out of or under this Contract subject only to the following exceptions:

33.1.1 specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;

33.1.2 claims for reimbursement of costs (other than expenses of the Contractor by reason of his indemnification of the Purchaser against patent liability) including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this Contract relating to patents.

33.1.3 a patent infringement resulting from specific written instructions from the Purchaser under this Contract.

33.1.4 a patent infringement resulting from changes or additions to the goods and services subsequent to final delivery and acceptance under this Contract.

**34. ASSIGNMENT OF CONTRACT**

34.1 The Purchaser reserves the right to assign this Contract, in whole or in part, to another NATO body, agency or representative within NATO or NATO Nations. In such a case, the Purchaser shall notify the Contractor accordingly in writing.

34.2 NATO shall remain responsible for its obligations under the Contract and for the actions of the body, agency or representative to which this Contract may be assigned.

**35. TRANSFER AND SUB-LETTING**

35.1 The Contractor shall not give, bargain, sell, assign, sub-let or otherwise dispose of the Contract or any part thereof or the benefit or advantage of the

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Contract or any part thereof without the prior written consent of the Purchaser.

**36. PURCHASER DELAY OF WORK**

- 36.1 If the performance of all or any part of the Work is delayed or interrupted by an act of the Purchaser in the administration of this Contract, which act is not expressly or implicitly authorised by this Contract, or by the Purchaser's failure to act within the time specified in this Contract (or within a reasonable time if no time is specified), an adjustment shall be made for any increase in the cost of performance of this Contract caused by such delay or interruption and the Contract modified in writing accordingly.
- 36.2 Adjustment shall be made also in the delivery or performance dates and any other contractual provision affected by such delay or interruption. However, no adjustment shall be made under this Clause for any delay or interruption:
- 36.2.1 to the extent that performance would have been delayed or interrupted by any other cause, including the fault or negligence of the Contractor; or
  - 36.2.2 for which an adjustment is provided or excluded under any other provision of this Contract.
- 36.3 No claim under this Clause shall be allowed:
- 36.3.1 if the Contractor has failed to notify the Purchaser in writing of the act or failure to act, indicating that this act or failure to act will result in a delay or increased costs;
  - 36.3.2 for any costs incurred more than twenty (20) Days before the Contractor shall have notified the Purchaser in writing of the act or failure to act involved; and
  - 36.3.3 unless the monetary claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such delay or interruption, but not later than the date of final payment under the Contract.

**37. CONTRACTOR NOTICE OF DELAY**

- 37.1 In the event that the Contractor encounters difficulty in complying with the Contract schedule date(s) for whatever reason, including actual or potential labour disputes, the Contractor shall immediately notify the Contracting Authority in writing, giving pertinent details. This data shall be deemed to be informational in character and shall not be construed as a waiver by the Purchaser of any schedule or date, or of any rights or remedies provided by law or under this Contract.

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- 37.2 Notwithstanding the above the Contractor shall be deemed to be in delay without notice from the Purchaser and only by simple expiry of the due date.

**38. LIQUIDATED DAMAGES**

- 38.1 If the Contractor:

38.1.1 fails to meet the delivery schedule of the Work or any performance milestones specified in the Schedule of Work to this Contract, or any extension thereof, or

38.1.2 fails to obtain acceptance of the delivered Work as specified in the Contract, or, if no time for acceptance is specified in the contract within a reasonable time after work is delivered.

the actual damage to the Purchaser for the delay will be difficult or impossible to determine. Therefore, in lieu of actual damages the Contractor shall pay to the Purchaser, for each day of delinquency in achieving the deadline or milestone, fixed and agreed liquidated damages of .1% (one tenth of per cent) per day of the associated payment set forth in the Schedule of Payments provided in the Contract Special Provisions. If no Schedule of Payments is specifically set forth in the Contract Special Provisions, the liquidated damages will be assessed against the price of the applicable contract line item (CLIN) of the Schedule of Supplies, Services and Prices.

- 38.2 In addition to the liquidated damages referred to above, the Purchaser shall have the possibility of terminating this Contract in whole or in part, as provided in Clause 39 (Termination for Default). In the event of such termination, the Contractor shall be liable to pay the excess costs provided in Clause 38.5.
- 38.3 The Contractor shall not be charged with liquidated damages when the delay arises out of causes beyond the control and without the fault or negligence of the Contractor as defined in Clause 39.6 (Termination for Default). In such event, subject to the provisions of Clause 41 (Disputes), the Purchaser shall ascertain the facts and extent of the delay and shall extend the time for performance of the Contract when in his judgement the findings of the fact justify an extension.
- 38.4 Liquidated damages shall be payable to the Purchaser from the first day of delinquency and shall accrue at the rate specified in Clause 38.1 to 20% of the value of each line item individually not to exceed 15% of the value of the total Contract. These liquidated damages shall accrue automatically and without any further notice being required.
- 38.5 The rights and remedies of the Purchaser under this clause are in addition to any other rights and remedies provided by law or under this Contract.

**39. TERMINATION FOR DEFAULT**

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- 39.1 The Purchaser may, subject to Clause 39.6 below, by written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor, inclusive but not limited to:
- 39.1.1 fails to make delivery of all or part of the Work within the time specified in the contract or any agreed extension thereof;
  - 39.1.2 fails to make progress as to endanger performance of this Contract in accordance with its terms;
  - 39.1.3 fails to meet the technical requirements or the Specifications of the Contract;
  - 39.1.4 fails to comply with Clause 11 (Security);
  - 39.1.5 transfer this Contract without the Purchaser's prior written consent;
  - 39.1.6 breaches any provision of this Contract; or
- 39.2 In the case of any of the circumstances set forth in Clause 39.1 above, the Purchaser shall issue a letter to the Contractor stating that an actual or potential default exists and requiring a response from the Contractor within ten (10) Days that identifies:
- 39.2.1 in the case of late delivery of Work, when the Contractor shall deliver the Work and what circumstances exist which may be considered excusable delays under Clause 39.6.
  - 39.2.2 in the case of the other circumstances identified in Clause 39.1 above, what steps the Contractor is taking to cure such failure(s) within a period of ten Days (or such longer period as the Purchaser may authorise in writing) after receipt of notice in writing from the Purchaser specifying such failure and identifying any circumstances which exist which may be considered excusable under Clause 39.6.
- 39.3 The Purchaser shall evaluate the response provided by the Contractor or, in the absence of a reply within the time period mentioned in Clause 39.2, all relevant elements of the case, and make a written determination within a reasonable period of time that:
- 39.3.1 sufficient grounds exist to terminate the Contract in whole or in part in accordance with this Clause and that the Contract is so terminated;

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- 39.3.2 there are mitigating circumstances and the Contract should be amended accordingly; or
  - 39.3.3 the Purchaser will enter a period of forbearance in which the Contractor must show progress, make deliveries, or comply with the Contract provisions as specified by the Purchaser. The Purchaser may apply other remedial actions as provided by this Contract during such period of forbearance. This period of forbearance shall in no event constitute a waiver of Purchaser's rights to terminate the Contract for default.
- 39.4 At the end of the period of forbearance, which may be extended at the Purchaser's discretion, the Purchaser may terminate this Contract in whole or in part as provided in Clause 39.1 if the Contractor has not made adequate progress, deliveries or compliance with the Contract provisions which were the terms of the period of forbearance.
- 39.5 In the event the Purchaser terminates this Contract in whole or in part, as provided in Clause 39.1, the Purchaser may procure, upon such terms and in such manner as the Purchaser may deem appropriate, Work similar to those so terminated, and the Contractor shall be liable to the Purchaser for any excess costs for such similar Work; however, the Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.
- 39.6 Except with respect to the default of Sub-contractors, the Contractor shall not be held liable for a termination of the Contract for default if the failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of the Contractor.
- 39.6.1 Such causes may include, but are not restricted to, acts of God, acts of the public enemy, acts of the Purchaser in its contractual capacity, acts of sovereign governments which the Contractor could not reasonably have anticipated, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor.
  - 39.6.2 If the failure to perform is caused by the default of a Sub-contractor, and if such default arises out of causes beyond the control of both the Contractor and Sub-contractor, without the fault or negligence of either of them, the Contractor shall not be held liable for a termination for default for failure to perform unless the Work to be furnished by the Sub-contractor were obtainable from other sources in sufficient time to permit

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the Contractor to meet the required delivery schedule.

39.7 If this Contract is terminated as provided in Clause 39.1, the Purchaser, in addition to any other rights provided in this Clause and the Contract, may require the Contractor to transfer title and deliver to the Purchaser, in the manner and to the extent directed by the Purchaser:

39.7.1 any completed Work with associated rights ;

39.7.2 such partially completed Work, materials, Parts, tools, dies, jigs, fixtures, plans, drawings, information, and Contract rights (hereinafter called "Manufacturing materials") with associated rights as the Contractor has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated;

39.8 In addition to Clause 39.7, the Contractor shall, upon direction of the Purchaser, protect and preserve property in the possession of the Contractor in which the Purchaser has an interest.

39.9 Payment for completed Work delivered to and accepted by the Purchaser shall be at the Contract price.

39.10 Payment for manufacturing materials delivered to and accepted by the Purchaser and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Purchaser, failure to agree to such amount shall be a dispute within the meaning of Clause 41 (Disputes).

39.11 The Purchaser may withhold from amounts otherwise due to the Contractor for such completed Work or manufacturing materials such sum as the Purchaser determines to be necessary to protect the Purchaser against loss because of outstanding liens or claims of former lien holders.

39.12 If, after notice of termination of this Contract under the provisions of this Clause, it is determined for any reason that the Contractor was not in default under the provisions of this Clause, or that the default was excusable under the provisions of this Clause, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Clause 40 (Termination for the Convenience of the Purchaser).

39.13 If after such notice of termination of this Contract under the provisions of this Clause, it is determined for any reason that the Contractor was not in default under the provisions of this Clause and that the Parties agree that the Contract should be continued, the Contract shall be equitably adjusted to compensate for such termination and the Contract modified accordingly. Failure to agree to any such adjustment shall be a dispute within the meaning of Clause 41 (Disputes).

39.14 The rights and remedies of the Purchaser provided in this Clause shall not be

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exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**40. TERMINATION FOR THE CONVENIENCE OF THE PURCHASER**

- 40.1 The performance of Work under this Contract may be terminated by the Purchaser in accordance with this Clause in whole, or from time to time in part, whenever the Purchaser shall determine that such termination is in the best interest of the Purchaser.
- 40.2 Any such termination shall be effected by delivery to the Contractor of a written notice of termination, signed by the Contracting Authority, specifying the extent to which performance of Work under the Contract is terminated, and the date upon which such termination becomes effective.
- 40.3 After receipt of a Notice of Termination and except as otherwise directed by the Contracting Authority, the Contractor shall:
- 40.3.1 stop the Work on the date and to the extent specified in the notice of termination;
  - 40.3.2 place no further orders or Sub-contracts for Work, Parts, materials, services or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated;
  - 40.3.3 terminate all orders and Sub-contracts to the extent that they relate to the performance of Work terminated by the Notice of Termination;
  - 40.3.4 assign to the Purchaser, in the manner, at the times and to the extent directed by the Purchaser, all of the right, title and interest of the Contractor under the orders and Sub-contracts so terminated, in which case the Purchaser shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and Sub-contracts;
  - 40.3.5 settle all outstanding liabilities and all claims arising out of such termination of orders and Sub-contracts, with the approval or ratification of the Purchaser to the extent he may require, which approval or ratification shall be final for all the purposes of this Clause;
  - 40.3.6 transfer title and deliver to the Purchaser in the manner, at the times, and to the extent, if any, directed by the Contracting Authority of:

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- 40.3.6.1 the fabricated parts, work in process, completed work, Work, and other material produced as a part of, or acquired in connection with the performance of the Work terminated by the notice of termination, and
    - 40.3.6.2 the completed or partially completed plans, drawings, information, and other property which, if the Contract had been completed, would have been required to be furnished to the Purchaser;
  - 40.3.7 use his best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorised by the Contracting Authority, any property of the types referred to in Clause 40.3.6 above. However, the Contractor:
    - 40.3.7.1 shall not be required to extend credit to any Buyer; and
    - 40.3.7.2 may acquire any such property under the conditions prescribed by and at a price or prices approved by the Purchaser; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Purchaser to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work or paid in such manner as the Contracting Authority may direct;
  - 40.3.8 complete performance of such part of the Work as shall not have been terminated by the Notice of Termination; and
  - 40.3.9 take such action as may be necessary, or as the Purchaser may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the Purchaser has or may acquire an interest.
- 40.4 The Contractor may submit to the Purchaser a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorised by the Purchaser, and may request the Purchaser to remove such items or enter into a storage agreement covering the same; provided that the list submitted



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shall be subject to verification by the Purchaser upon removal of the items, or if the items are stored, within forty-five (45) Days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

- 40.5 After receipt of a notice of termination, the Contractor shall submit to the Purchaser his termination Claim for the Work covered by the notice of termination, in the form and with certification prescribed by the Purchaser. Such claim shall be submitted promptly but in no event later than six (6) months from the effective date of termination, unless one or more extensions are granted in writing by the Purchaser, upon request of the Contractor made in writing within such six-month period or authorised extension thereof. However, if the Purchaser determines that the facts justify such action, the Purchaser may receive and act upon any such termination claim at any time after such six-month period or any extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Purchaser may determine on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.
- 40.6 Subject to the provisions of Clause 40.5, the Contractor and the Purchaser may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the total or partial termination of Work pursuant to this Clause, which amount or amounts may include a reasonable allowance for profit on work done; provided that such agreed amount or amounts exclusive of settlement costs shall not exceed total Contract price as reduced by the amount of payments otherwise made and as further reduced by the Contract price of the Work not terminated. The Contract shall be amended accordingly and the Contractor shall be paid the amount agreed.
- 40.7 In the event of the failure of the Contractor and the Purchaser to agree as provided in Clause 40.6 upon the whole amount to be paid to the Contractor by reason of the termination of Work pursuant to Clause 40, the Purchaser shall pay to the Contractor the amounts determined by the Purchaser as follows, but without duplication of any amounts agreed upon in accordance with Clause 40.6 the total of:
- 40.7.1 for completed Work accepted by the Purchaser (or sold or acquired as provided in Clause 40.3 above) and not therefore paid for, a sum equivalent to the aggregate price for such Work computed in accordance with the price or prices specified in the Contract, appropriately adjusted for any saving of freight or other charges;
  - 40.7.2 the costs incurred in the performance of the Work terminated including initial costs and preparatory expense allocable thereto, but exclusive of any costs attributable

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to Work paid or to be paid for under Clause 40.7.1;

40.7.3 the cost of settling and paying claims arising out of the termination of work under Sub-contracts or orders, as provided in Clause 40.3.5, which are properly chargeable to the terminated portion of the Contract, exclusive of amounts paid or payable on account of Work or materials delivered or services furnished by Sub-contractors or vendors prior to the effective date of the notice of termination, which amounts shall be included in the costs payable under Clause 40.7.2; and

40.7.4 a sum, as profit on Clause 40.7.1 above, determined by the Purchaser to be fair and reasonable; provided, however, that if it appears that the Contractor would have sustained a loss on the entire Contract, had it been completed, no profit shall be included or allowed and an appropriate adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss; and

40.7.5 the reasonable costs of settlement, including accounting, legal, clerical and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination and settlement of Sub-contracts there under, together with reasonable storage, transportation, and other costs incurred in connection with the protection, or disposition of property allocable to this Contract.

40.8 The total sum to be paid to the Contractor under Clause 40.7 shall not exceed the total Contract price as reduced by the amount of payments otherwise made and as further reduced by the Contract price of Work not terminated.

40.9 Except for normal spoilage, and except to the extent that the Purchaser shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to the Contractor, as provided in Clause 40.7 above, the fair value, as determined by the Purchaser, of property which is destroyed, lost, stolen, or damaged so as to become undeliverable to the Purchaser, or to a buyer pursuant to Clause 40.3.7 above.

40.10 The Contractor shall have the right to dispute, under the Clause 41 (Disputes), any determination made by the Purchaser under Clauses 40.5 and 40.7, except that if the Contractor has failed to submit his claim within the time provided in Clause 40.5 and has failed to request extension of such time, the Contractor shall be foreclosed from his right to dispute said determination. In

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any case where the Purchaser has made a determination of the amount due under Clauses 40.5 and 40.7, the Purchaser shall pay the Contractor the following:

40.10.1 if there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Purchaser, or

40.10.2 if an appeal has been taken, the amount finally determined on such appeal.

40.11 In arriving at the amount due to the Contractor under this Clause there shall be deducted:

40.11.1 all unliquidated advance or other payments on account theretofore made to the Contractor, applicable to the terminated portion of this Contract;

40.11.2 any claim which the Purchaser may have against the Contractor in connection with this Contract; and

40.11.3 the agreed price for, or the proceeds of the sale of, any materials, Work, or other things acquired by the Contractor or sold, pursuant to the provisions of this Clause, and not otherwise recovered by or credited to the Purchaser.

40.12 If the termination hereunder is partial, prior to the settlement of the terminated portion of this Contract, the Contractor may file with the Purchaser, in accordance with Clause 16 (Changes), a request in writing for an equitable adjustment of the price or prices relating to the continued portion of the Contract (the portion not terminated by the notice of termination), and such equitable adjustment as may be agreed upon shall be made in such price or prices.

40.13 The Purchaser may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of this Contract whenever in the opinion of the Purchaser the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payment is in excess of the amount finally agreed or determined to be due under this Clause, such excess shall be payable by the Contractor to the Purchaser upon demand, together with interest calculated using the average of the official base rate(s) per annum of the deposit facility rate as notified by the European Central Bank or such other official source as may be determined by the Purchaser, for the period from the date the excess is received by the Contractor to the date such excess is repaid to the Purchaser, provided, however, that no interest shall be charged with respect to any such excess payment attributed to a reduction in the

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Contractor's claim by reason of retention or other disposition of termination inventory until ten days after the date of such retention or disposition or such later date as determined by the Purchaser by reason of the circumstances.

- 40.14 Unless otherwise provided for in this Contract, the Contractor, from the effective date of termination and for a period of three years after final settlement under this Contract, shall preserve and make available to the Purchaser at all reasonable times at the office of the Contractor, but without direct charge to the Purchaser, all his books, records, documents, computer files and other evidence bearing on the costs and expenses of the Contractor under this Contract and relating to the work terminated hereunder, or, to the extent approved by the Purchaser, photographs, micro-photographs, or other authentic reproductions thereof.

**41. DISPUTES**

- 41.1 Except to the extent to which special provision is made elsewhere in the Contract, all disputes, differences or questions which are not disposed of by agreement between the Parties to the Contract with respect to any matter arising out of or relating to the Contract, other than a matter as to which the decision of the Contracting Authority under the Contract is said to be final and conclusive, shall be decided by the Contracting Authority. The Contracting Authority shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor.
- 41.2 The Contracting Authority shall not proceed with the evaluation and decision in respect of any claim until and unless the Contractor has submitted the attestation as foreseen in Clause 18 (Claims), as well as the complete proof and evidence of the claim (either by submission or by identification of the relevant documentation).
- 41.3 The Contracting Authority's decision shall be final and conclusive unless, within 30 Days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Authority his decision to open arbitration proceedings in accordance with the Clause 42 (Arbitration). The burden of proof for both receipt and delivery of such documentation shall be by signed and dated registered mail receipt or by hand receipt as acknowledged and signed by the Contracting Authority.
- 41.4 Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the Contract, unless otherwise instructed by the Contracting Authority.

**42. ARBITRATION**

- 42.1 Within a period of thirty days from the date of receipt of the notification referred to in Clause 41.3 above, the Parties shall jointly appoint an arbitrator. In the event of failure to appoint an arbitrator, the dispute or disputes shall be

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submitted to an Arbitration Tribunal consisting of three arbitrators, one being appointed by the Purchaser, another by the other contracting party and the third, who shall act as President of the Tribunal, by these two arbitrators. Should one of the Parties fail to appoint an arbitrator during the fifteen days following the expiration of the first period of thirty days, or should the two arbitrators be unable to agree on the choice of the third member of the Arbitration Tribunal within thirty days following the expiration of the said first period, the appointment shall be made, within twenty-one days, at the request of the Party instituting the proceedings, by the Secretary General of the Permanent Court of Arbitration at The Hague.

- 42.2 Regardless of the procedure concerning the appointment of this Arbitration Tribunal, the third arbitrator will have to be of a nationality different from the nationality of the other two members of the Tribunal.
- 42.3 Any arbitrator must be of the nationality of any one of the member states of NATO and shall be bound by the rules of security in force within NATO.
- 42.4 Any person appearing before the Arbitration Tribunal in the capacity of an expert witness shall, if he is of the nationality of one of the member states of NATO, be bound by the rules of security in force within NATO. If he is of another nationality, no NATO classified documents or information shall be communicated to him.
- 42.5 An arbitrator, who, for any reason whatsoever, ceases to act as an arbitrator, shall be replaced under the procedure laid down in Clause 42.1 above.
- 42.6 The Contractor agrees to submit to the Arbitration Tribunal only such issues, facts, evidence and proof which the Contractor had beforehand identified and submitted to the Contracting Authority for decision in accordance with Clause 41 (Disputes). The jurisdictional authority of the Arbitration Tribunal shall be restricted to consider only those identical issues, facts, evidence and proof so identified and submitted to the Contracting Authority.
- 42.7 The Purchaser likewise agrees to restrict its submissions only to the information on which the Contracting Authority based its decision and not to introduce new information and arguments which cannot reasonably be deduced or inferred from the written decision of the Contracting Authority in response to the original dispute.
- 42.8 The Arbitration Tribunal will take its decisions by a majority vote. It shall decide where it will meet and, unless it decides otherwise, shall follow the arbitration procedures of the International Chamber of Commerce in force at the date of signature of the present Contract.
- 42.9 The awards of the arbitrator or of the Arbitration Tribunal shall be final and there shall be no right of appeal or recourse of any kind. These awards shall

determine the apportionment of the arbitration expenses.

- 42.10 Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the Contract, unless otherwise instructed by the Contracting Authority.

**43. SEVERABILITY**

- 43.1 If one or more of the provisions of this Contract is declared to be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions shall not be affected. Each of the Parties shall use its best efforts to immediately and in good faith negotiate a legally valid replacement provision.

**44. APPLICABLE LAW**

- 44.1 This Contract shall be governed, interpreted and construed in accordance with the private contract law of the Kingdom of Belgium.

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**ANNEX 1 TO GENERAL PROVISIONS: PURCHASER'S PRICING PRINCIPLES****A. General**

1. With regard to all actions included in Clause 19," Pricing of Changes, Amendments and Claims", the Parties agree that the Purchaser's Pricing Principles contained herein shall govern.
2. As may be requested by the Purchaser, the Contractor shall provide documentation. that the standards or principles employed in the submission of cost or pricing data are in conformance with governing national policies and regulation. The Contractor, when submitting a price proposal based upon national standards and regulations, shall provide a point of contact within the national body governing such standards and regulations in order to allow Purchaser verification and audit.
3. Where such conformance cannot be demonstrated to the satisfaction of the Purchaser, the Purchaser's Pricing Principles will govern.
4. The Contractor shall clearly state whether national standards and rules or the Purchaser's Pricing Principles and formats are the basis for the price proposal.
5. Whether national standards or Purchaser pricing principles are applied, all cost and pricing data shall be verifiable, factual and include information reasonably required to explain the estimating process.
6. The Contractor shall also incorporate provisions corresponding to those mentioned herein in all sub-contracts, and shall require price and cost analysis provisions be included therein.

**B. Purchaser's Pricing Principles****1. Allowable cost**

A cost is allowable for consideration by the Purchaser if the following conditions are fulfilled:

- (a) it is incurred specifically for the Contract or benefits both the Contract and other work or is necessary to the overall operation of the business although a direct relationship to any particular product or service cannot be established and is allocated to them in respective proportion according to the benefit received;

- i. Direct Costs

A direct cost is any cost which can be identified specifically with a particular cost objective as generally accepted. Direct costs are not limited to items which are incorporated in the end product as material or labour.

- ii. Indirect Costs

An indirect cost is one which is not readily subject to treatment as a direct cost. When presented these costs shall be accumulated in logical cost groupings in accordance with sound accounting principles and the Contractor's established practices. An indirect cost may be allocated to more than one final cost objective. An indirect cost shall not be allocated to a final cost objective if other costs incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective. Such costs shall be presented as overhead rates and be applied to each related direct cost grouping.

- (b) The Contractor shall specify the allocation of costs to either of the cost groupings. The method by which costs are accumulated and distributed as part of direct or indirect costs cannot be modified during the duration of the Contract.
- (c) it is reasonable and expedient in its nature and amount and does not exceed that which would be incurred by an ordinary prudent person in the conduct of competitive business;
- (d) it is not liable to any limitations or exclusion as to types or amounts of cost items as set forth herein.
- (e) The Purchaser will review other costs presented against the contract and will determine if they would be allowable.

## 2. Unallowable Costs

In general all costs which cannot be shown by the contractor to be directly or indirectly of benefit to the Contract are totally unallowable. =Examples of such costs are, among others:

- (a) Advertising costs
- (b) Costs of remuneration, having the nature of profit sharing.
- (c) Costs of maintaining, repairing and housing idle and excess facilities.
- (d) Fines and penalties as well as legal and administrative expenses resulting from a violation of laws and regulations.
- (e) Losses on other contracts or on expected follow-on contracts
- (f) Costs incurred for the creation of reserves for general contingencies or other reserves (e.g. for bad debts, including losses).
- (g) Losses on bad debts, including legal expenses and collection costs in connection with bad debts.



- (h) Costs incurred to raise capital.
- (i) Gains and losses of any nature arising from the sale or exchange of capital assets other than depreciable property.
- (j) Taxes on profits.
- (k) Contractual penalties incurred.
- (l) Commissions and gratuities.
- (m) Interest on borrowings.

3. Rates and Factors

- (a) The Contractor shall inform the Purchaser of his rates and factors the basis upon which they were computed.
- (b) If the Contractor's rates and factors for similar contracts placed with national or international public services have not been established or approved by a government agency or an agency accepted by his government, the Contractor shall provide the necessary data to support the proposed rates.
- (c) The term "provisional " used in the title of a rate or factor means a tentative rate established for interim billing purposes pending negotiation and agreement to the final rate or factor.
- (d) A rate or factor is pre-determined if it is fixed before or during a certain period and based on (estimated) costs to be incurred during this period. An rate or factor is post-determined if it is fixed after a certain period and based on costs actually incurred during this period. Pre-determined rates or factors shall be agreed upon as final rates whenever possible; otherwise the provisions of paragraph 3c above shall apply pending agreement to post-determined rates or factors.
- (e) Such rates or factors shall be determined on the basis of Contractor's properly supported actual cost experience.
- (f) If the rates or factors of the Contractor for similar contracts placed by national or international public services have been established or approved by a government agency or an agency accepted by his government and the Contractor proposes the application of these rates, he shall state the name and address of the agency which has accepted or approved the rates and the period for which they were established. If he proposes rates which vary from the rates mentioned above, he shall furthermore provide a justification for the difference.

4. Profit/Benefit

- (a) Over the entire life cycle of a given acquisition, Profit and/or Benefit may be subject to negotiation.
- (b) Subcontracting profit/benefit amounts are dependent upon the size, nature and oversight needs of the subcontract(s) the prime contractor will use for work performance period.
- (c) Profit/benefit is considered by the Purchaser to be directly related to the anticipated risk of the Contractor during the performance of the Contract.



## **Leased Transmission Services - Revisited (LTX-R)**

### **Statement of Work (SoW)**

version 0.8  
14 Nov 2022

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NATO UNCLASSIFIED

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## SECTION 1 INTRODUCTION

- [1] The NATO Communications & Information Agency (NCI Agency), as the Service Management Authority of the NATO Enterprise, is responsible to design, acquire, integrate, deploy, deliver and operate secure, robust and modern digital communication infrastructure to multiple Alliance locations. NATO Points of Presence (PoPs) require assured network access in order to enable the exchange of information between the NATO Enterprise and national or multi-national elements, in support of the NATO Command, Control and Consultation process.
- [2] Guaranteed access to these PoPs demands high levels of availability, resilience and performance of the underlying transport services and their supporting infrastructure. These levels shall be commensurate with the operational role of the connected operational entities, the bandwidth and the availability requirements of all the other services running on top.

### 1.1 Purchaser's intent

- [3] The Revised Transmission Leased Services project, hereafter referred to as LTX-R, describes the enhanced Ethernet capability, interconnecting NATO Edge Nodes to the three NATO Core Nodes, which serve as the NATO Data Centre (DC) locations. Edge nodes are not co-located with Core nodes, while the latter ones (Core Nodes) are located as follows:
- a. Evere, Belgium
  - b. Mons, Belgium
  - c. Lago di Patria, Italy
- [4] The scope of the Service Provision between the NATO Core Nodes mentioned above, is covered under the standing Transport Core Services (TCS) and is not part of the present Statement of Work (SoW).
- [5] This SoW defines the scope and all technical requirements of LTX-R, with regards to interconnectivity, capacity, performance, availability and resiliency.
- [6] LTX-R will migrate and replace where applicable any existing interconnectivity and services already provided to the Purchaser via other contracts, in a fully controlled transition period, without impacting or affecting existing service operations.
- [7] LTX-R will ensure the proper design, transition, service operation, continual service improvement and life-cycle management of the provided services.
- [8] The number of NATO Edge Nodes and their capacity and availability requirements are linked to operational needs. They will be subject to reviews and may be subject to changes on a regular basis. LTX-R network access modifications, additions and changes shall be handled throughout the contract lifecycle.

- [9] LTX-R will ensure monitoring and performance reporting capabilities of the provided services.
- [10] LTX-R will rely on MEF-compliant Ethernet Transport services, delivered over Contractor Owned and Contractor Operated (CO-CO) infrastructure. Services will be terminated on NATO Owned and NATO Operated (NO-NO) equipment (Service Delivery Points) as point-to-point Ethernet Virtual Circuits (EVCs).

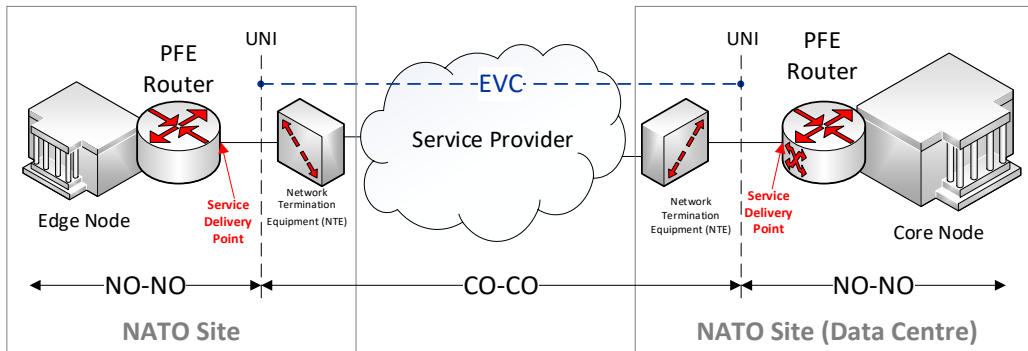


Figure 1. LTX-R CO-CO and NO-NO boundaries

## 1.2 Structure

- [11] The work under this Contract and the requirements under this SOW are organized in three areas/stages, as follows:
- (1) **Service Implementation**, applicable to the initial stage of the Contract, from Effective Date of Contract (EDC) up to Final Service Acceptance (FSA), and consisting of the following activities:
    - a. Service Requirements Review Meetings;
    - b. Site Surveys;
    - c. Service Design Acceptance;
    - d. Site Installation;
    - e. Service Testing;
    - f. Service Acceptance;
    - g. Service Implementation Documentation;
    - h. Service Implementation Review Meetings.
  - (2) **Project Management**, applicable during the Service Implementation stage of the Contract, from EDC up to FSA, with requirements covering the following:
    - a. Project Management;
    - b. Project Management Plan.
  - (3) **Service Delivery**, applicable to the main stage of the Contract, from FSA onwards, and encompassing the following recurring activities and processes, to be performed by the Contractor throughout the period of performance of the prospective Contract:

- a. Service Operation;
- b. Service Configuration Management;
- c. Risk Management;
- d. Continuous Service Improvement;
- e. Service Delivery Documentation;
- f. Service Performance Review Meetings;
- g. Service Cessation (when and if applicable);
- h. Service Extension (when and if applicable).

[12] Additional requirements are provided through the following appendices:

- a. Appendix A: Service Requirements;
- b. Appendix B: Service Level Agreement Framework;
- c. Appendix C: Security Requirements;
- d. Appendix D: Testing Requirements;
- e. Appendix E: Documentation Requirements
- f. Appendix F: Contract Document Requirements List (CDRL);
- g. Appendix G: Contract Execution Timeline;
- h. Appendix H: Breakdown of Subcontractors per Country (Template);

### 1.3 Milestones

[13] Delivery dates, relative to EDC (as Weeks After EDC, or WAEDC), and details for the various milestones and deliverables quoted in this document, are defined in the Schedule of Supplies and Services (SSS).

[14] The contract will be implemented in two stages, Service Implementation and Service Delivery. The main milestones and events within each stage are illustrated in the Figure 2 below and described hereafter (a more detailed representation is provided in Appendix G).

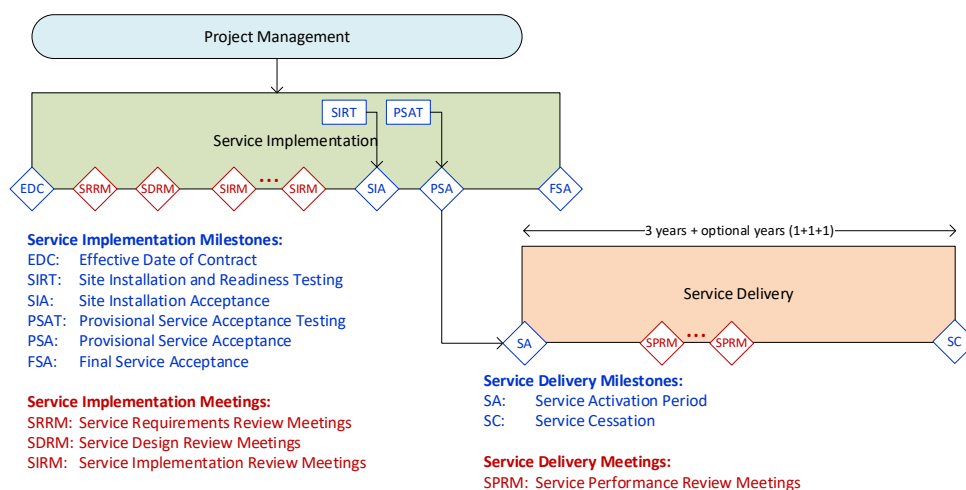


Figure 2. LTX-R Main Milestones

- [15] Under the Service Implementation stage, the following milestones exist:
  - a. Effective Date of Contract (EDC);
  - b. Site Installation Acceptance (SIA);
  - c. Provisional Service Acceptance (PSA);
  - d. Service Activation (SA) period starting date, after which the services are progressively transitioned to Service Operation.
- [16] Under the Service Implementation stage, meetings between the Purchaser and the Contractor will be as follows:
  - a. Service Requirements Review (SRR) Meeting (SRRM);
  - b. Service Design Review Meeting (SDRM);
  - c. Monthly Service Implementation Review Meetings (SIRM);
  - d. Ad-hoc Meetings as required.
- [17] Under the Service Delivery stage, the following milestones exist:
  - a. Service Activation (SA) period end date which equals the Final Service Acceptance (FSA) date, when all services have transitioned and fully operated;
  - b. Service Cessation (SC), at the end of the period of performance of the Contract, and including Contractor's infrastructure withdrawal, where required.
- [18] Under the Service Delivery stage, meetings between the Purchaser and the Contractor will be as follows:
  - a. Monthly Service Performance Review Meetings (SPRM);
  - b. Ad-hoc Meetings as required.

## 1.4 Documentation

- [23] The documentation products required under each of the three areas above are depicted in Figure 3 below and listed in detail in the CDRL of Appendix F.
- [24] Documentation products under the Project Management and Service Implementation stages are produced, updated and approved during the Project Management stage of the project, leading to Final Service Acceptance (FSA), and reviewed during Service Implementation Review Meetings (SIRM).
- [25] Documentation products under the Service Delivery area are continuously updated throughout the period of performance of the prospective Contract, and reviewed during the corresponding Service Performance Review Meetings.

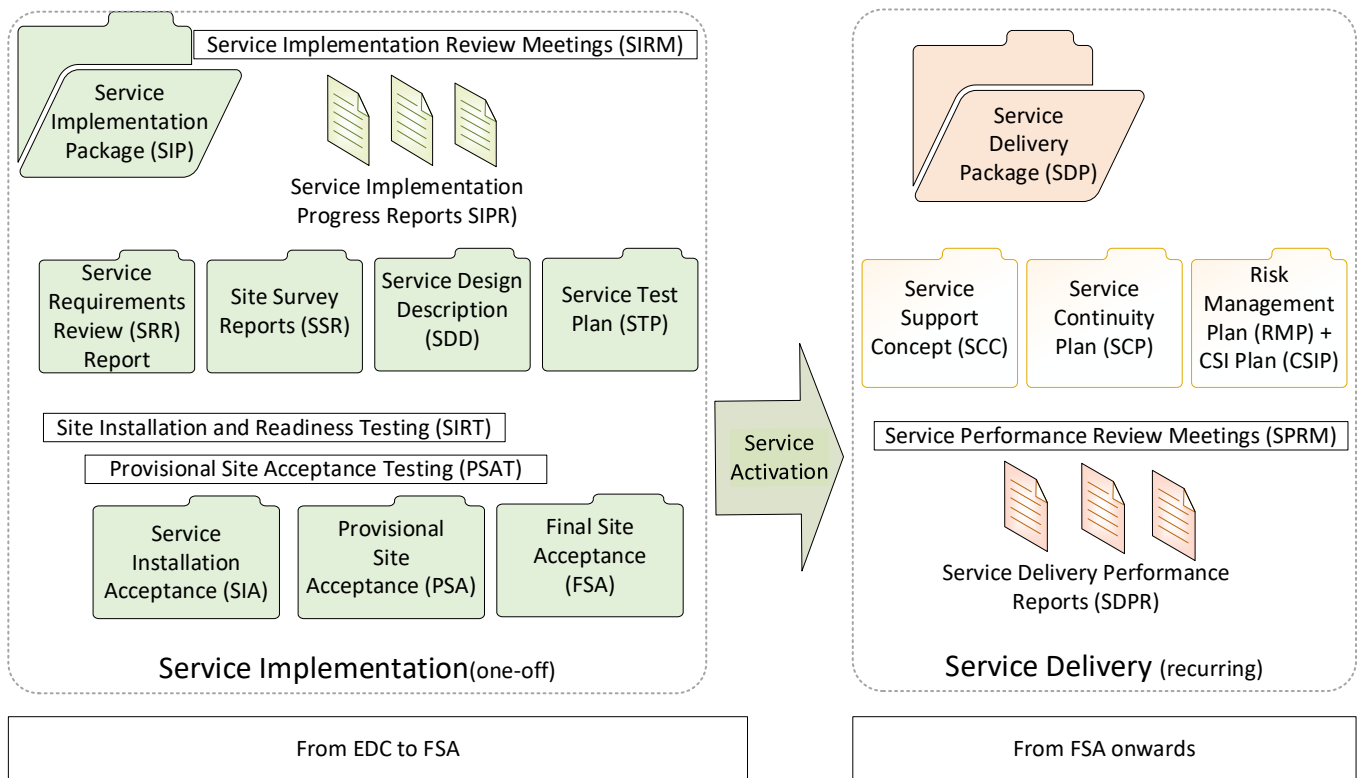


Figure 3. LTX-R Main Documentation Products

[26] The first draft of the documents contained in the Service Implementation Package (SIP) and the Service Delivery Package (SDP) are provided during the start of the implementation phase. The Final Draft and the Final versions of those documents are produced during the Service Implementation stage, before of the Site Installation Acceptance (SIA) and the Final Service Acceptance (FSA). The above concerns the following documents:

(1) For the Service Implementation Package (SIP):

- a. Service Design Description (SDD);
- b. Service Testing Plan (STP).

(2) For the Service Delivery Package (SDP):

- a. Service Support Concept (SSC);
- b. Risk Management Plan (RMP) including Continual Service Improvement Plan (CSIP);
- c. Service Continuity Plan (SCP).

[27] Any documentation products produced under this project will be subject of the review and acceptance process described in Appendix E.

- [28] All documents will be classified as NATO Unclassified information and will be marked accordingly, unless otherwise explicitly stated. In case the classification is higher, the Purchaser will be responsible to provide the necessary means to the Contractor for secure sharing of information.

## **1.5 Interpretation of the SoW**

- [28] The term "Contractor" shall be interpreted to include the entire Contractor/ Sub-contractors team. All requirements in this SoW, which would apply to a Contractor activity, shall apply equally to sub-contractor activities.
- [29] This SOW uses the term "node" to refer to the network infrastructure receiving services in the scope of this SoW. In this context, a node consists of the set of the Purchaser Furnished Equipment (PFE), which corresponds to the Protected Core Access (PCA) Routers (vendor neutral).
- [30] Requirements applicable to the Contractor are preceded by a requirement heading, consisting of a prefix, followed by a number. For example "[SI-1]". Requirements are formulated using the term "shall". Prefixes are as follows:
- a. Service Implementation: SI
  - b. Service Delivery: SD
  - c. Project Management: PM
  - d. Service Requirements: SVC
  - e. SLA Framework: SLA
  - f. Security Requirements: SEC
  - g. Testing Requirements: TST
  - h. Documentation Requirements: DOC
- [31] The Contractor shall comply with each and all Statement of Work items, which are referenced by a unique ID number in the document, each one of which, defining explicit responsibilities on the Contractor's side.
- [32] "Shall" and "Shall not" statements shall be interpreted as requirements and are contractually binding. "Should" and "Should not" statements shall be interpreted as requirements that hold a recommendation, to be ignored by the Contractor only with valid reasons agreed by the Purchaser. "May" statements shall be interpreted as optional requirements of which the Contractor shall decide whether to implement the requirement or not. "Will" statements are not requirements, but clarifications that explain intent on the part of the Purchaser.
- [33] The order of the SoW requirements shall not be interpreted to specify the order or the priority in which they must be carried out, unless explicitly stated.
- [34] With this SoW, the term "including" or "include/s" is never meant to be limiting - the list that follows is always non-exhaustive.



- [35] Any reference to “days” shall be interpreted as “calendar days”.
- [36] The term “Service” referenced further to terms such Service Activation, Provisional Service Acceptance etc, means the complete LTX-R Service offering by the Contractor and not a subset of it.
- [37] Schedule of Supplies and Services (SSS) and Bidding Sheets references can be used interchangeably in this SoW.

## SECTION 2 SERVICE IMPLEMENTATION

- [38] Service Implementation requirements address the activities to be performed by the Contractor to design and establish the services in the scope of this SoW.
- SI-1 The Contractor shall design, and implement LTX-R according to all Service Requirements addressed in this SoW, as per the required performance, capacity, resiliency and availability.
- SI-2 The scope of LTX-R sites, the capacity, resiliency and availability requirements, explicitly defined in the Schedule of Supplies and Services (SSS) document, shall be considered by the Contractor as a single point of reference.
- SI-3 The Contractor shall migrate and/or replace where applicable under coordination and contribution of the Purchaser, any of the existing services already provided to the Purchaser by other contracts for the same scope, in a fully controlled transition period, without impacting existing service operations.
- SI-4 The Contractor shall be responsible to deliver the Services to the Service Delivery Points on the NATO-Owned NATO-Operated PFE, identified during the Site Surveys and validated by the Purchaser.
- SI-5 Service Implementation activities shall encompass the following:
- (1) A review of the requirements formulated in this SOW, with focus on service requirements and service levels in accordance with Appendix A and Appendix B;
  - (2) Conducting and documenting surveys of the sites concerned;
  - (3) Service Design activities, encompassing the update of the Service Design Description (SDD);
  - (4) Site Installation and configuration activities, as required;
  - (5) Service Testing activities, encompassing the update of the Service Testing Plan (STP), Site Installation and Readiness Testing (SIRT) and Provisional Service Acceptance Testing (PSAT);
  - (6) Producing Service Implementation Progress Reports (SI PR) and conducting periodic Service Implementation Review Meetings (SIRM);
  - (7) Service Acceptance activities (Site Installation Acceptance, Provisional Service Acceptance, Final Service Acceptance).
- [32] Requirements pertaining to the above listed activities are provided in the paragraphs hereafter.

## 2.1 Service Requirements Review

- [33] The Service Requirements Review (SRR) aims at reviewing, clarifying and ensuring a common understanding of the Service Requirements and Service Level Agreement (SLA) framework and objectives, described in Appendix A and Appendix B respectively.
- SI-6 The Contractor shall organize and run an SRR meeting. The meeting location shall be NCIA Mons, Belgium, or any other location (even virtually), based on a mutual agreement.
- SI-7 No later than one (1) week before the SRR meeting, the Contractor shall submit any clarification requests to the Purchaser.
- SI-8 Following the SRR Meeting, the Contractor shall provide the SRR document within 1 week after the SRR meeting, with the confirmation and understanding of the Contractor of the requirements in the SoW, including the results of any clarification resulting from the SRR.

## 2.2 Site Surveys

- SI-9 The Contractor shall perform site surveys for all LTX-R sites in order to support the following activities during the implementation phase:
- (1) The installation of CO-CO infrastructure (hereafter referred to as Network Termination Equipment, NTEs, and all the Contractor's enabling and supporting infrastructure) in support of the implementation of the LTX-R service provisioning, and;
  - (2) The connection to NO-NO infrastructure interfaces (hereafter referred to as Purchaser Furnished Equipment, PFE), for service termination and service delivery purposes (Service Delivery Points).
- [34] The Purchaser will make available any existing site information, drawings, wiring assignments and referenced documents that may be useful to the Contractor.
- SI-10 The Contractor shall update and change this information as required, as well as add any other information required to fulfil his obligations under this Contract.
- SI-11 The Contractor shall provide the necessary details to request site access to the Purchaser, at least two (2) weeks in advance of each visit.
- SI-12 Following completion of any Site Survey (one or in bulk), a Site Survey Report (SSR) shall be prepared by the Contractor and submitted to the Purchaser within one (1) week of the relevant Site Survey.
- [35] The Purchaser will provide comments within one (1) week of receipt.
- SI-13 The Contractor shall incorporate those comments within one (1) week, and the Purchaser will approve the Site Survey Report within one (1) further week.

- SI-14 Given the increased number of sites, the Contractor shall schedule the Site Surveys in a way so that the timelines are fully respected.
- SI-15 The Site Survey Report shall, at each LTX-R site, identify and document the following:
- (1) Site access points for any last-mile Service Providers, covering both the intended option and all other available options (provided also in separate .kmz files);
  - (2) Details of provisioning of services by subcontracted last-mile Service Providers;
  - (3) Level of physical separation, SPoFs, bulk aggregation and protection;
  - (4) Rack location, AC power supply, cooling and environmental requirements for the Contractor equipment, up to the User-Network Interface (UNI) demarcation point on the PFE device;
  - (5) Location and floor plan layouts, cable routing, configuration, and cabling assignments for the above, in the form of site-specific drawings (one per site);
  - (6) Any civil works requirements pertaining to the termination of the Contractor transmission lines and their connectivity to the UNI demarcation point;
  - (7) Point of Contact(s) information for the site;
  - (8) List of activities required prior to and during service delivery, where falling under the responsibility of the Purchaser;
  - (9) List of activities required prior to and during service delivery, where falling under the responsibility of the Contractor.
- SI-16 Due to the level of captured details, the SSR documents shall be classified as NATO Restricted and shall be shared between the Contractor and Purchaser upon detailed coordination.

## **2.3 Service Design**

- SI-17 Following the completion of all Site Surveys and the acceptance of the Site Survey Reports (SSR) by the Purchaser, the Contractor shall produce and deliver a Service Design Description (SDD).
- SI-18 The SDD shall cover the following:
- a. Information on the Contractor network topology, technology and physical infrastructure, in terms of cables and termination points applicable to the LTX-R nodes, including Contractor-owned as well as any third party elements (identified as on-net and off-net, respectively).
  - b. The technical aspects of the services implementation, and their compliance to the Service Requirements in Appendix A, in the form of a Requirements Traceability Matrix (RTM);
  - c. Any technical details concerning any NTE equipment to be delivered for installation at the sites (site installation plans), and the interconnection with the

PFE equipment, in terms of interfaces, cable lengths, connectors, etc., presented as a table with all the interconnection details.

- d. Low Level Design per Ethernet Private Line (EPL), including proof of the resilience and diversity of the infrastructure supporting the implemented services (to include KMZ files);
- e. MEF-53-Ethernet-Services-Qualification-Questionnaire.xlsx<sup>1</sup>, in a fully filled-in state

- SI-19 The SDD shall provide evidence that all the required infrastructure is in place in order to meet or exceed the Operational Standards, Attributes and Levels in Appendix A and Appendix B.
- SI-20 The SDD shall contain the list of Contractor's baselined services, as Configuration Items.
- SI-21 The SDD shall further provide documented dependencies between services and service components, including a list of single points of failure, defined as elements that will reduce the level of resilience of the services offered, when failing or malfunctioning.
- SI-22 As part of the SDD, and in support of the Service Change Management process, the Contractor shall propose an Engineering Change Proposal (EPC) format based on the requirements in [NATO ACMP 2009, 2017].
- SI-23 The SDD shall be delivered in two stages:
  - a. Final Draft SDD, ahead of starting Site Installation Activities;
  - b. Final SDD, ahead of starting Site Installation and Readiness Testing, and as part of the Service Implementation Package.
- SI-24 The final SDD shall contain any amendments and/or additions resulting from the Site Installation activities and any other service implementation activities conducted outside the Purchaser's premises, where and if found relevant by the Contractor.
- SI-25 The Contractor shall prepare and organise, as detailed below, a formal SDD Review Meeting after the delivery of the Final Draft of the SDD, as part of the review and acceptance process described Appendix E.
- SI-26 The SDD Review meeting shall coincide with a Service Implementation Review Meeting (SIRM).
- SI-27 Only upon Draft SDD approval, Site Installation activities shall commence.

---

<sup>1</sup> Refer to <http://www.mef.net/resources/technical-specifications>.

- SI-28 Any discrepancies raised during the SDD Review Meeting, where traceable to deficiencies related to the design or to the understanding of the requirements, shall be amended following the review and acceptance process.
- SI-29 Any installation activities required to enable the LTX-R, at locations other than the LTX-R and TCS sites, shall be the sole responsibility of the Contractor to plan and conduct.

## **2.4 Site Installation**

- SI-30 The Contractor shall be responsible for the installation and operation of all the NTE between the User-Network Interface (UNI) of the LTX-R Nodes, i.e. UNI to UNI. This comprises both infrastructure outside as well as inside the Purchaser's premises.
- SI-31 At all sites, Site Installation activities shall consist of, but shall not be limited to:
- a. Last-mile fibre installation, verification and testing;
  - b. NTE installation, verification and testing.
- SI-32 The Contractor shall ensure that each LTX-R site, prior to the Contractor's shipment and installation, is able to accommodate and sustain the operation of the NTE for the duration of the Contract.
- SI-33 Site Installation activities shall abide by the Security Requirements contained in Appendix C.
- SI-34 The Contractor shall deliver the NTE to the Purchaser facilities.
- SI-35 The Contractor shall ensure that any requirements related to the delivery of such equipment are obtained from the Purchaser in advance of shipments.
- [36] The Purchaser will deliver AC power and cooling for the NTE to operate properly.
- SI-36 The Contractor shall be fully responsible for receipt and installation of all LTX-R equipment at each Purchaser site.
- SI-37 The Contractor shall be responsible for arranging all that is necessary to access the sites where equipment is handled or stored.
- SI-38 The packages in which supplies are transported shall, in addition to normal mercantile marking, show on separate nameplates fastened in a weather-proof, sealed envelope on the outside as well as inside of each box, the name of the project, Contract number, shipping address and Point of Contact details of the recipients.
- SI-39 The Contractor shall ensure all deliveries are tracked via a consignment tracking system used either by the Contractor or by the appointed freight-forwarder/carrier.

## 2.5 Service Testing

- SI-40 The Contractor shall provide a Service Testing Plan (STP) describing all the activities necessary to complete the entire test programme as outlined below, and in compliance with the generic Testing Requirements in Appendix D.
- SI-41 The STP shall be delivered in two stages:
- (1) Final Draft STP, together with the final draft SDD, ahead of starting Site Installation Activities;
  - (2) Final STP, ahead of starting Site Installation and Readiness Testing, and as part of the Service Implementation Package.
- SI-42 The STP shall indicate when Site Installation and Readiness Testing (SIRT) and Provisional System Acceptance Testing (PSAT) will be held.
- SI-43 The STP shall contain the corresponding SIRT and PSAT Test Cases and Test Procedures (including the Contractor's proposed Test Acceptance Criteria).
- SI-44 The STP shall contain a Verification Cross Reference Matrix (VCRM). The VCRM shall contain but not be limited to:
- a. Requirement Definition
  - b. Related Test Case Reference
  - c. Related Test Procedure Overview
  - d. Test Plan timelines
  - e. Roles and Responsibilities of the Test participants
  - f. Test Plan scope
  - g. Test expected results and success criteria
- SI-45 The Final Draft STP shall be delivered together with the Final Draft SDD, and shall be reviewed during the SDD Review meeting and undergo the review and acceptance process described in Appendix E.
- SI-46 The Contractor shall provide the Purchaser with information and assistance as may be necessary during the review and evaluation of the test procedures.

### 2.5.1 Site Installation and Readiness Testing

- [37] Site Installation and Readiness Testing (SIRT) is intended to verify that the NTE has been correctly installed and connected to the Contractor infrastructure, and it is ready to be connected to the PFE.
- SI-47 SIRT shall be conducted following NTE installation activities and ahead of requesting Site Installation Acceptance (SIA), at each site.

- [38] SIRT activities will be witnessed by the Purchaser and/or his representative at each of the Purchaser's sites where the NTE will be installed.
- SI-48 SIRT activities shall not involve any PFE. Any tests shall solely rely on the NTE and on test equipment provided and operated by the Contractor.
- SI-49 During SIRT, the Contractor shall demonstrate that the interfaces and specifications of the UNI meet the requirements in Appendix A, at each of the sites concerned.
- SI-50 In particular, each individual EPL shall be subject to the following performance test methodologies :
- 1) Enhanced RFC 2544 Test, for the benchmarking of the network elements;
  - 2) ITU.T Y.1564 SAM Test, for Ethernet service attributes verification;
  - 3) Layer 2 Control Protocol (L2CP) Transparency testing;
  - 4) 24 hours Soak Test;
  - 5) Any additional test to be performed as suggested by the Contractor.
- SI-51 Furthermore, during SIRT each individual EPL shall be subject to MEF 6.2 and MEF 10.3 compliance for the Service Attributes specified in Appendix A.
- SI-52 SIRT shall further abide by the following MEF specifications for Service Activation Testing (SAT) and troubleshooting:
- 1) MEF 46, Latching loopback protocol and Functionality, implemented in UNI and ENNI locations as required;
  - 2) MEF 48.1, Ethernet Service Activation Testing;
  - 3) MEF 49.0.1, SAT Control Protocol and PDU formats.
- SI-53 Following the completion of the SIRT, the Contractor shall produce a SIRT Report, in accordance with the requirements in Appendix D.
- SI-54 SIRT Entry Conditions shall be as follows:
- (1) Final version of the Service Implementation Package (SIP) containing the final versions of the SDD and STP. As part of the final STP, approved SIRT Test Cases and Test Procedures, including agreed test tools and Test Acceptance Criteria, for Site Installation Acceptance purposes;
  - (2) Final Draft of the Service Delivery Package (SDP) submitted by the Contractor;
  - (3) Final Draft of the SLA submitted by the Contractor;
  - (4) Purchaser's co-ordination and approval to commence testing.
- SI-55 SIRT Exit Conditions shall be as follows:
- 1) All Test Acceptance Criteria shall be passed successfully;



- 2) Formal records of any deviations from the requirements of the Contract that are not considered Critical for Site Installation Acceptance, but Deferments, or Omissions, in the scale of Test Deficiencies described in Appendix D;

- 3) SIRT Report submitted by the Contractor and approved the Purchaser.

SI-56 Upon meeting the SIRT Exit Conditions above, the Contractor shall proceed to connect the NTE to the PFE at each site, and prepare for the Provisional Service Acceptance Testing (PSAT, see below).

### **2.5.2 Provisional Site Acceptance Testing**

SI-57 Provisional Service Acceptance Testing (PSAT) shall be conducted, after declaring Site Installation Acceptance (SIA) at each of the LTX-R sites, and ahead of requesting Provisional Service Acceptance (PSA), network wide.

SI-58 PSAT shall be conducted following the connection and configuration of the services to the PFE at each site.

[39] The Purchaser will be responsible to prepare and configure the PFE for the interconnection with the NTE for PSAT purposes. Furthermore, the Purchaser will facilitate the performance of PSAT in coordination with the Contractor.

SI-59 PSAT shall be conducted by the Contractor exclusively interfacing PFE, connected to the NTE, with test tools provided and operated by the Contractor with the approval of the Purchaser.

SI-60 The Contractor, via the PSAT, shall demonstrate and prove the configuration and verification of the SLA Key Performance Indicators (KPI) via their performance management tools.

SI-61 The Contractor, via the PSAT shall demonstrate the diagnostic and fault management procedures for the end-to-end service delivery, to include the management domain of any subcontracted third party.

SI-62 The Contractor, via the PSAT shall verify that all the Service Requirements are met, with all LTX-R sites involved, and that all the PFE infrastructure is connected to the NTE. This shall involve repeating some of the tests performed under SIRT.

SI-63 Following the completion of the PSAT, the Contractor shall produce a PSAT Report, in accordance with the requirements in Appendix D.

SI-64 PSAT Entry Conditions shall be as follows:

- (1) Site Installation Acceptance (SIA) per site;
- (2) Approved PSAT Test Cases and Test Procedures, including agreed test tools and Test Acceptance Criteria, for Provisional Service Acceptance purposes;
- (3) All OAM elements identified in the SDD have been established;
- (4) Final SLA submitted by the Contractor;

- (5) Purchaser's co-ordination and approval to commence testing.

SI-65 PSAT Exit Conditions shall be as follows:

- (1) All Test Acceptance Criteria defined in the STP shall be passed successfully for all sites;
- (2) Formal records of any deviations from the requirements of the Contract that are not considered Critical for Provisional Service Acceptance, but are labelled as Deferrals, or Omissions, in the scale of Test Deficiencies described in Appendix D;
- (3) PSAT Report submitted by the Contractor and approved by the Purchaser.

## 2.6 Service Acceptance

[40] Service Acceptance will be conducted in three steps, as follows:

- (1) Site Installation Acceptance (SIA) of all sites, following successful SIRT (i.e. Exit Conditions are met);
- (2) Provisional Services Acceptance (PSA) of all sites, following successful PSAT of all sites (i.e. Exit Conditions are met);
- (3) Final Services Acceptance (FSA), following successful resolution of any deficiencies recorded during any stage.

[41] Site Installation Acceptance (SIA) per site will be declared upon:

- (1) Successful SIRT, i.e. SIRT Exit Conditions are met;
- (2) Approval of the SIRT Report by the Purchaser;
- (3) Approval of the Final Service Implementation Package (SIP) by the Purchaser;
- (4) Approval of the Final Draft of the Service Delivery Package (SDP) by the Purchaser;
- (5) Approval of the Final Draft of the SLA by the Purchaser.

[42] Provisional Service Acceptance (PSA), will be declared upon:

- (1) Successful PSAT, i.e. PSAT Exit Conditions are met;
- (2) Approval of the PSAT Report by the Purchaser;
- (3) Approval of the Final SLA by the Purchaser.

[43] Final Services Acceptance (FSA) will be declared upon:

- (1) The successful resolution of any deficiencies recorded and carried from SIA and PSA;
- (2) Successful and complete migration of all services at all sites during the Service Activation (SA) period;
- (3) The submission and approval of the final version of the Service Delivery Package.

- SI-66 Following the declaration of SIA, the Contractor shall have 30 days to fix any deficiencies labelled as Deferments during the SIRT.
- SI-67 Selected SIRT tests shall be repeated ahead of requesting PSA, at no additional cost to the Purchaser, to verify any remedial actions applied to Deferments carried from SIA. Any such tests shall have the results documented by the Contractor in a PSA Report. The report shall include any additional information deemed required by the Contractor to support the declaration of PSA.
- SI-68 After a successful PSA, the Contractor shall define the Service Activation at each site, inside the Service Activation (SA) period, the end of which shall be no later than 2 weeks before the Final Service Acceptance date
- SI-69 Following the declaration of PSA, the Contractor shall have 30 days to fix any deficiencies labelled as Deferments during the PSAT, ahead of FSA.
- SI-70 Selected PSAT tests shall be repeated ahead of requesting FSA, at no additional cost to the Purchaser, to verify any remedial actions applied to Deferments carried from PSA.
- SI-71 Any such test shall have the results documented by the Contractor in an SA Report.
- SI-72 The report shall include any additional information deemed required by the Contractor to support the declaration of FSA.
- [44] In any of the cases above, Deferments that are not completed by the due date will be promoted to Critical by the Purchaser, and thus become blocking for the corresponding acceptance to be granted, unless the due date is modified by mutual agreement between the Contractor and the Purchaser.
- SI-73 The Contractor, after the agreement of Purchaser, shall declare the start of the Services Activation (SA) period, following declaration of PSA by the Purchaser.
- [45] SIA, PSA and Service Activation (SA) meetings will be convened and chaired by the Purchaser when he considers that the deliverables are ready for acceptance. Services Acceptance meetings will be conducted remotely via conference calls (VTC), at the Purchaser's discretion to choose the collaboration platform.
- SI-74 The Contractor shall arrange the taking, typing and distribution of the minutes of the SIA, PSA and FSA meetings.

## **2.7 Service Implementation Documentation**

- SI-75 The Contractor shall compile a Service Implementation Package (SIP) and generate Service Implementation Progress Reports (SIPR), in support of the corresponding Service Implementation Review Meetings (SIRM).

### 2.7.1 Service Implementation Package

SI-76 In support of Site Installation Acceptance (SIA), the Contractor shall submit the Service Implementation Package (SIP), consisting of (refer to the Figure 4 below):

- (1) The final versions of the SDD and the STP;
- (2) Certificates of compliance to standards as required in Appendix A.

SI-77 During the Service Delivery stage, the SIP and its constituent documents shall be kept up-to-date, as and if the network evolves, by following Service Change Management process.

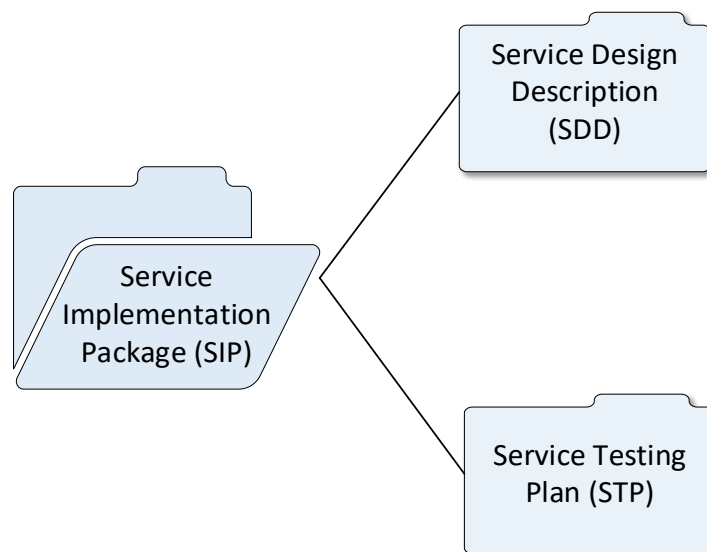


Figure 4. LTX-R Contents of the Service Implementation Package (SIP)

### 2.7.2 Service Implementation Progress Reports

[46] The Service Implementation Progress Reports (SIPR) is the mechanism by which the Contractor and the Purchaser will track progress, identify and resolve risks and issues during the Service Implementation stage of the Contract.

SI-78 The Contractor shall submit their SIPR monthly, two (2) weeks before of the second SIPM, starting two (2) weeks after EDC, and up to PSA.

SI-79 The Contractor shall present the SIPR to the Purchaser during the monthly Service Implementation Review Meetings (SIRM).

SI-80 The SIPR shall summarise the progress since the previous one, on accomplishments, schedule of deliveries against progress, difficulties encountered and resolution of any issues raised in previous SIRM.

SI-81 The SIPR shall include, but shall not be limited to:

- (1) Overall project progress: the activities performed and works completed during the preceding reporting period;
  - (2) Follow-ups from previous reports;
  - (3) Work planned for the next period, including products to be completed during the next period;
  - (4) Tolerance Status (Costs, Delays and Performances);
  - (5) A list of Change Proposals, if and where applicable, with the current status;
  - (6) An up-to-date Project plan (Gantt chart);
  - (7) An up-to-date Issue Log and Risk log;
  - (8) An Agenda for the upcoming meeting and, if necessary, include a summary of items to be discussed.
- SI-82 The Issue and Risk Logs shall list all potential and active issues and any management, technical, schedule risks, rated high or medium, affecting any factor relevant to the Service Implementation activities, and note any significant forecasted changes in these issues and risks during the period between Service Implementation Review Meetings (SIRM) (see below).

## **2.8 Service Implementation Review Meetings**

- SI-83 In order to monitor progress and act upon risks and issues, the Contractor shall attend monthly Service Implementation Review Meetings (SIRM) with the Purchaser during the Service Implementation stage of the Contract.
- SI-84 SIRM shall be chaired by the Contractor's Project Manager, and take place monthly.
- SI-85 The SIRM shall be mainly conducted virtually (conference calls, VTC) or conducted on the premises of the Contractor. 3 SIRM shall be conducted on the premises of the Purchaser.
- SI-86 The first SIRM shall be conducted as a Kick-off Meeting (KoM), maximum two (2) weeks after EDC, and coincide with the Service Requirements Review (SRR) Meeting.
- [47] SIRM may be postponed by the Purchaser without financial credit.
- SI-87 The normal SIRM agenda proposed by the Contractor to the Purchaser for approval shall include (non-exhaustive list):
- (1) Minutes of previous SIRM;
  - (2) The Contractor's presentation of the SIPR;
  - (3) The joint review of the schedule;
  - (4) Review of project risks and issues;
  - (5) Review of actions from previous meetings;

(6) Any other business.

- [48] The Purchaser will confirm in writing the specific agenda with the Contractor one (1) week prior to each meeting.

## SECTION 3 SERVICE DELIVERY

- SD-1 Throughout the period of performance of the Contract, the Contractor shall operate the service and provide all levels of support, while complying with the Service Delivery requirements below, structured along those service management process here described, according to the ISO/IEC 20000 as a standard, and the best practices according to the IT Infrastructure Library (ITIL).
- [49] These processes are not intended to interfere with any service management processes used internally by the Contractor, but to define the way the Contractor, as a Service Provider, interacts and interfaces with the Purchaser, as the Service Consumer, under this Contract.
- SD-2 The Contractor shall provide the following key staff roles for Service Delivery stage of the Contract:
- (1) Service Delivery Manager;
  - (2) Technical Lead/Designer;
  - (3) Service Desk Director.
- SD-3 The Contractor shall provide full access to their own maintained public portal, via which the maintenance, storage and update of all documents and meeting minutes up to NATO Unclassified classification under this SoW will be managed, starting from EDA until 3 months after the Service Cessation.
- SD-4 The Contractor, shall ensure that all Services activated during the Service Activation (SA) period, are fully supported under the Service Delivery period, and all related Service Delivery costs commence only when the Services are fully provided.

### 3.1 Service Operation

- SD-5 The following Service Operation processes are considered relevant and shall be implemented throughout the period of performance of the Contract, in accordance with the requirements below:
- (1) Service Monitoring;
  - (2) Event Management;
  - (3) Incident Management;
  - (4) Problem Management;
  - (5) Service Desk.

#### 3.1.1 Service Monitoring

- SD-6 The Contractor shall provide, as part of the delivered services, direct access to real time monitoring tools to the Purchaser, in support of the Service Monitoring activities described here below.

- SD-7 The Contractor shall monitor service availability and performance per link and per LTX-R node location, with the time granularity of at least 1'.
- SD-8 Monitoring results shall be accessible to the Purchaser through a monitoring portal on a continuous basis, 24x7, and shall allow the monitoring of real time detailed link status and KPIs under this SoW by the Purchaser.
- SD-9 Monitoring measurements shall be used for the performance and availability calculations in the SLA.
- SD-10 Monitoring measurements shall not consume more than 1% of the actual EPL bandwidth rate.
- SD-11 The provided monitoring portal shall enable the Purchaser to access all information related to the performance of the provided LTX-R.
- SD-12 The Contractor shall provide and maintain daily based, KPI data as required in the Service Requirements of Appendix A and Service Levels of Appendix B, from Service Activation (SA) onwards, and for a rolling window of 18 months as a minimum.
- SD-13 The monitoring tools shall allow generation of on demand reports based on the KPIs and periods of performance.
- SD-14 The monitoring tool shall allow generation of reports to support Root Cause Analysis (RCA) by the Contractor, for incident and problem tickets.

### **3.1.2 Event Management**

- SD-15 The Contractor's shall implement automated event management tool(s) that allow proactive service monitoring and trouble ticket generation.
- SD-16 The Contractor shall provide the Purchaser access to the Event Management toolset.

### **3.1.3 Incident Management**

- SD-17 The Contractor shall apply an Incident Management process, in order to restore Service Operations as quickly as possible with the least possible impact.
- SD-18 As required by the Purchaser and/or on Contractor's own initiative, managerial support escalation shall be triggered in case incidents cannot be resolved through the established Incident Management process.
- SD-19 The Contractor shall remediate any security aspects identified by the Purchaser during the lifecycle of services.
- SD-20 Security incidents affecting service performance or availability shall count as Critical incidents and shall be accounted as downtime.
- SD-21 The Contractor shall provide proof of full Service Restoration after critical incidents by performing selective tests, upon the request from the Purchaser.



### **3.1.4 Problem Management**

SD-22 The Contractor Problem Management process shall receive the Problem Ticket from the Purchaser's Enterprise Service Operations Centre (ESOC) and shall perform the following tasks (not limited to):

- (1) Identification of the root cause of the issue;
- (2) Identification of workarounds;
- (3) Identification and initial planning of possible short, medium and long-term solutions (e.g. workarounds, patches, etc.);
- (4) Create Problem Analysis Report and Change Request including schedule of implementation;
- (5) Perform the Change Request review and implementation (if required).

### **3.1.5 Service Desk**

SD-23 The Contractor's Service Desk shall be available on a 24/7 including bank holidays basis and liaise with the Purchaser's Enterprise Service Operations Centre (ESOC).

SD-24 The Contractor shall proactively notify the Purchaser of any issues that may affect the services provided, no later than 15 minutes upon the realization of such issue.

SD-25 The Contractor shall notify immediately the Purchaser's ESOC if any operational issue with the Service Desk system arises during the Contract period.

SD-26 The Contractor shall provide, as part of the delivered services, access to an IT Service Management (ITSM) System to the Purchaser.

SD-27 The Contractor's ITSM system shall include Incident Management, Problem management and Change Management modules, allowing monitoring the lifecycle management of all issues and changes related to the services provided under this SoW, starting with PSA, up to Service Cessation.

SD-28 The Contractor's ITSM system shall enable the Purchaser to access all information related to the services under this SoW.

SD-29 The Contractor's ITSM system shall include all subcontractor relevant information when applicable i.e., as soon as any third party is involved in the service delivery, information relevant to the service shall be accessible through the Contractor's ITSM system.

SD-30 The Contractor shall provide ITSM system access to the Purchaser's ESOC, ensuring the submission of critical Incidents identified by the Purchaser.

SD-31 Incident tickets shall be opened immediately after issues are reported by the Purchaser, or have been proactively detected by the Contractor.

SD-32 Incident tickets shall be opened for any outages and degraded services.

SD-33 The Contractor's Service Desk personnel shall include as key-data in the Contractor's Incident ticket, the Purchaser's Circuit Number and the Purchaser's Incident ticket

number, referencing the service and the issue. The Contractor's trouble ticketing system shall permit searching on these data.

- SD-34 The Contractor shall inform the Purchaser of the Contractor's Incident ticket number.
- SD-35 The Contractor shall keep the Purchaser informed at regular intervals of 60 minutes of the progress that is being made in repairing the fault.
- SD-36 Incident tickets shall be closed when the Service has been restored and the Purchaser has agreed, upon receiving a Reason For Outage (RFO) and Final Fix Action (FFA) report allowing the tracking and documenting of the fault as well as the fix actions.
- SD-37 The Contractor shall provide a Root Cause Analysis for any Problem Ticket raised and on Purchaser's request, in any other cases.
- SD-38 The Contractor shall inform the Purchaser giving as much advance warning as possible, but in any case, a minimum of four (4) calendar weeks' notice, of any scheduled works that may affect the services provided, giving the expected duration of such outages, and impact assessment. The Contractor shall confirm the start of the downtime to the Purchaser, 60 minutes prior to the scheduled downtime.
- SD-39 The Contractor shall put in place a system of managerial escalation. This escalation process can be invoked by the Purchaser when the assessment is made that additional resources or expedite for the rectification of a fault is needed.

### **3.2 Service Configuration and Change Management**

- SD-40 Changes to the Service Requirements documented in Appendix A of this SoW, changes to the SLAs and to other documented agreements, as well as changes to the design documented in the Service Implementation Package (SIP), shall be controlled by the Service Change Management process and shall remain aligned and relevant with the delivered services.
- SD-41 Any change implemented through the Service Change Management process shall be preceded by the delivery of a revised version of all affected documents provided within the SIP, describing the extent and nature of the changes to the original technical solution.
- SD-42 Any changes to the Contractor's baselined services as baselined in the SDD (handled as Configuration Items (CI)) shall be processed as either Class I or Class II Engineering Change Proposals (ECP), as defined in the attached NCI Agency Instruction AI 16.32.02 (Instructions for The Preparation of Engineering Change Proposal Utilizing NCI Agency Form ECP).
- SD-43 The Contractor shall apply configuration control procedures in the preparation, submission for approval, implementation and handling of ECPs to baselined CIs.
- SD-44 Class I and II ECPs shall have to be mutually agreed upon by the Contractor and Purchaser.
- SD-45 Extensions to the target times for processing Class I ECPs shall be mutually agreed upon by the Contractor and Purchaser.

- SD-46 If the Purchaser's representative does not concur in the classification, Class I ECP procedures shall be applied by the Contractor and the ECP, and then formally submitted to the Purchaser for approval or rejection.
- SD-47 The Contractor shall appropriately reflect in the technical documentation all design changes by the issue of appropriate changes or revisions.
- SD-48 The Contractor shall perform, handle and prepare Requests for Deviation (RFD) and Requests for Waiver when required and in line with the Purchaser's requirements, as defined in the attached AI 16.32.03 (Instructions for The Preparation of Request for Deviations/Waivers (RFD/W) Utilizing NCI Agency Form RFD/W).
- SD-49 The Contractor shall issue Deficiency Reports (DR) for reporting, tracking and resolving any deficiencies arising during service design, service transition and service operation processes.
- SD-50 The Contractor shall share the Price Quotations related to any changes requested by the Purchaser the soonest possible but no later than three (3) weeks, counting from the official Purchaser's request date.
- SD-51 Under special conditions such as crisis or urgent circumstances, the Contractor shall adhere to the urgent timelines set by the Purchaser, in order to deliver Price Quotations and requested Services. For those exceptional requirements, a separate one-off costed entry is added in the SSS, in order to cover contingent events and requests, which shall require expedited procedures and faster deliverables.

### **3.3 Risk Management**

- SD-52 Risk Management activities shall be undertaken by the Contractor to identify the risks to the performance and availability of services by taking into consideration applicable business plans, service requirements, SLAs and risks.
- SD-53 These risks shall be documented and periodically updated in the Risk Register of the Risk Management Plan (RMP), part of the Service Delivery Package (SDP).
- SD-54 Besides the periodic updates to the RMP in the SDP, the Contractor shall include, in the Service Delivery Performance Report (SDPR), a Risk Management section that:
- (1) Lists all active risks rated high or medium;
  - (2) Notes any significant forecasted changes in these risks, during the period between Service Performance Review Meetings (SPRM);
  - (3) Identifies the mitigation actions for risks that have a medium to high probability of occurrence or have a medium to high impact.

### **3.4 Continuous Service Improvement**

- SD-55 The Contractor shall monitor trends and performance against service targets at planned intervals and provide the Purchaser with documented records of causes of nonconformities and opportunities for improvement.

- SD-56 In case the SLA targets are not met on a consistent or even intermittent manner, the Contractor shall implement Service Improvements at no cost to the Purchaser, in order to meet SLA targets.
- SD-57 The Contractor shall periodically conduct and document maturity assessments against the service delivery, process activities and roles associated with the process activities to demonstrate areas of improvement or, conversely, areas of concern.
- SD-58 The Contractor shall periodically review and document existing deliverables for relevance, while conducting external and internal service reviews to identify Continuous Service Improvement (CSI) opportunities based on services, processes, and technology availability and evolution.
- [50] During the Service Delivery stage, the Purchaser will continuously assess the need and drivers for services evolution at strategical level to facilitate next generation of similarly contracted services and their evolution.
- SD-59 The Contractor shall provide periodic reports on expected lifetime of delivered services and underlying supporting systems and technology to facilitate long term evolution of services.
- SD-60 The Contractor shall develop, maintain and update, as a minimum on a yearly basis (or when requested by the Purchaser), a Continual Service Improvement Plan (CSIP), tailored on the scope of the present SoW, which will indicate suggestions or recommendations for Service Improvements, on the resilience as well as on the capacity and performance of the LTX-R (Resiliency, Performance and Capacity Study) with costed options, including suggestions for minimizing Single Point of Failures (SPoF).

### **3.5 Service Cessation**

- [51] Service Cessation occurs at expiration or termination of the Contract, i.e. end of LTX-R delivery.
- SD-61 As part of the Service Cessation activities, the Contractor shall be responsible to withdraw all NTE equipment previously installed and operated in the Purchaser's premises.
- SD-62 At least six (6) months before Service Cessation activities begin, the Contractor shall submit a Service Cessation and Withdrawal Plan (SCWP) describing the planned activities in detail.
- SD-63 NTE withdrawal shall be completed within 30 days following deactivation of services.
- SD-64 Service Cessation activities shall not involve any additional cost to the Purchaser.

### **3.6 Service Extension**

- [52] Service Extension will occur upon the Purchaser exercising Options in the Contract for additional years.

- [53] Service Extension will require the entire infrastructure and service delivery framework created under the basic Contract to remain in place, in order to assure continuity of services beyond the initially contracted period of performance.
- [54] The intent to exercise options for additional years will be communicated formally to the Contractor by the Purchaser not later than twelve (12) months before the planned Service Cessation.

### 3.7 Service Delivery Documentation

SD-65 The Contractor shall produce a Service Delivery Package (SDP) and generate Service Delivery Performance Reports (SDPR), in support of the corresponding Service Performance Review Meetings.

#### 3.7.1 Service Delivery Package

SD-66 The SDP shall be delivered in two stages:

- (1) Final Draft SDP, in support of the Site Installation Acceptance (SIA);
- (2) Final SDP, in support of the Final Service Acceptance (FSA).

SD-67 The SDP shall consist of the following documents:

- (3) Service Support Concept (SSC);
- (4) Risk Management Plan (RMP), including Continual Service Improvement Plan (CSIP);
- (5) Service Continuity Plan (SCP).

SD-68 The Contractor shall update the SDP yearly or upon any changes, with any changes to the documents listed above.

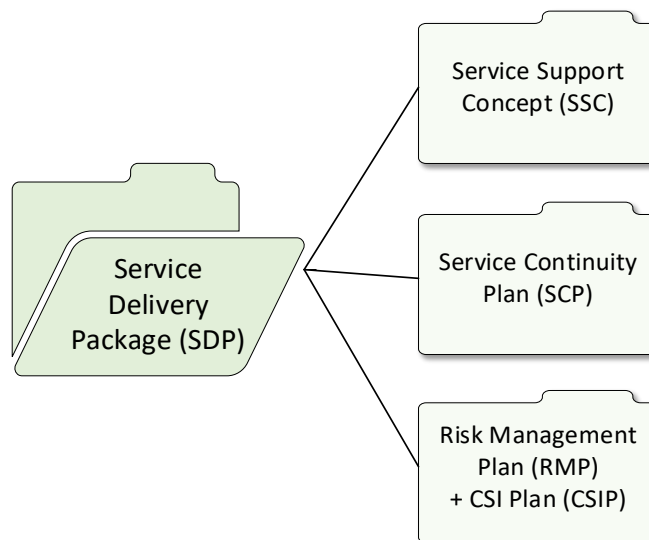


Figure 5. LTX-R Service Delivery Package (SDP) contents

- SD-69 The Service Support Concept (SSC) shall describe the procedures, metrics and controls used for the delivery, configuration control, reporting and monitoring of the services throughout the lifetime of the Contract and focussing on how the requirements conveyed by the SLA will be met.
- SD-70 With the SSC, the Contractor shall address:
- (1) The Contractor's support organization, responsibilities and procedures;
  - (2) Operations, Administration and Maintenance concept, to include any logistics support where relevant, and all dependencies including dependencies for break and fix support sub-contracts;
  - (3) Planning of technical support (on-call, on-site);
  - (4) The Service Change Management process;
  - (5) The Event Management, Service Desk, Incident Management and Problem Management processes;
  - (6) The breakdown of the subcontractors per country, as per the template of Appendix H.
- SD-71 The Risk Management Plan (RMP) shall describe how the Contractor will perform risk management throughout the entire lifecycle of the services delivered under this Contract. As part of the RMP, the Contractor shall establish and maintain a Risk Register.
- SD-72 The Risk Register shall contain all the risks inherited from the Risk Log used during the Service Implementation stage, as well as any new risks impacting the Service Delivery stage.
- SD-73 The Risk Register shall rate each risk as High, Medium, or Low, based on its probability of occurrence, and the impact on the performance and continuity of the LTX-R Services.
- SD-74 The RMP shall include also the Continual Service Improvement Plan (CSIP) which will constitute a Resiliency, Performance and Capacity Study with costed options, including suggestions for minimizing Single Point of Failures (SPoF), and minimizing identified issues related to capacity and performance.
- SD-75 The Service Continuity Plan (SCP) shall identify those activities intended to deliver the minimum agreed service levels over time, in response to contingencies. In particular, this process shall define and update the contingency management and recovery actions to restore any LTX-R services affected by outages or performance degradation.
- SD-76 The Contractor shall update the SDP, including the SSC, the SCP and the RMP, at minimum on a yearly basis, throughout the period of performance of the Contract.

### **3.7.2 Service Level Agreement**

- SD-77 The Contractor shall provide a draft Service Level Agreement (SLA), to be discussed during the Kick-off Meeting (KoM), and shall be refined through subsequent Service Implementation Review Meetings (SIRM), leading to:

- (1) Final Draft SLA approved ahead of SIA;
  - (2) Final SLA approved ahead of the start of the Service Activation Period.
- SD-78 Requirements for the draft SLA are provided in Appendix B, as a framework consisting of thresholds and boundaries, which the Contractor shall abide by.
- SD-79 During the Service Activation Period (SA) and mainly after FSA, the SLA shall be part of the Contract and be usable as a standalone document by the Purchaser.
- SD-80 The SLA can refer to the Contract General and Special Provisions, but shall not change any of these provisions. Where special agreements are needed to clarify the Contract Provisions the SLA shall include such clarifications.

### **3.7.3 Service Delivery Performance Reports**

- SD-81 During the Operations and Continuous Service Improvement (CSI) phases, the Contractor shall issue to the Purchaser a monthly Service Delivery Performance Report (SDPR), delivered maximum one (1) week after the end of each reported month, in advance of the next Service Performance Review Meeting (SPRM).
- SD-82 In the SDPR, the Contractor shall report all the KPIs and performance metrics defined in this SoW, under an SLA section of the report.
- SD-83 The Contractor shall propose the format for the reporting, and update it, based on the Purchaser's review during the first SPRM.
- SD-84 The report shall be accessible by the Purchaser, through the Contractor's portal.
- SD-85 The report shall include but shall not be limited to:
- (1) A summary dashboard;
  - (2) Tables with frames received, frames transmitted, bytes transmitted, bytes received and frame drops, positive jitter, negative jitter and round trip delay, per EPL, grouped by LTX-R nodes;
  - (3) Description and number of the incidents;
  - (4) Date/hour at which the incident was raised;
  - (5) Earlier appearance of the incidents;
  - (6) Checks and actions attempted in order to rectify the incident;
  - (7) Description of item to be replaced if applicable;
  - (8) Date and Time services were restored;
  - (9) Average Response Time;
  - (10) Incident resolution time;
  - (11) List of problems, status and resolution times;
  - (12) Service Credits calculation.
- SD-86 The SDPR shall detail the fault occurrences during the preceding month with respect to the services contracted. It shall describe each fault, showing the total downtime for

each fault and whether or not deviations from the link availability or node reachability targets were incurred.

- SD-87 The SDPR shall also detail the Service Availability and Performance details for each service contracted.
- SD-88 If applicable, the Contractor shall calculate the resulting service credits for discussion during the next Service Performance Review Meeting.
- SD-89 The Contractor shall prepare the reporting information in the form of spreadsheets (Microsoft Excel), text (Microsoft Word), diagrams (Microsoft Visio), or presentations (Microsoft PowerPoint) as appropriate.
- SD-90 The SDPR shall include an executive level summary detailing the services delivery, availability, and their continuous improvement during the reporting period.
- SD-91 The SDPR shall include updated Risk Plan, if applicable.

### **3.8 Service Performance Review Meetings**

- SD-92 In order to analyse the Service Availability and Performance, and to determine the credits to be applied derived from the Service Delivery Performance Reports (SDPR), the Contractor shall attend a monthly Service Performance Review Meeting (SPRM) with the Purchaser, throughout the Service Delivery stage of the Contract.
- [55] The Purchaser reserves the right to increase or decrease the intervals between meetings or to call a meeting off.
- [56] Monthly SPRM will by default be conducted either by physical presence or through conference calls (VTC) at NATO UNCLASSIFIED level.
- [57] SPRM will be scheduled and chaired by the Purchaser's relevant Service Delivery Manager (SDM) during the Service Delivery stage.
- SD-93 The SDPR shall detail the fault occurrences per availability and performance during the preceding month with respect to the Services contracted. It shall describe each fault and whether or not the target time to restore was met, as well as the percentage of faults cleared within the target time.
- SD-94 The SDPR shall also detail the Service Availability and Service Degradation for each service contracted. The Service Availability percentage shall be provided based on the downtime of the supplied services.
- SD-95 Downtime of services shall be agreed upon by the Contractor and by the Purchaser's Operational Teams, and will be based on technical data gathered by the Contractor's test and monitoring tools.
- SD-96 If applicable, the Contractor shall calculate the resulting service credit for discussion during the Contract Performance Meeting, further agreed by the Purchaser.
- SD-97 Specific agreements on service credits made at the SPRM shall be documented and signed by duly authorized Contractor's and Purchaser's respective representatives at the meeting.



SD-98 The Contractor shall prepare the reporting information in the form of spreadsheets (Microsoft Excel), text (Microsoft Word) or diagrams (Microsoft PowerPoint / Visio) as appropriate.

SD-99 The Contractor shall prepare one page executive dashboard for the SPRM.

### **3.9 Roles and Responsibilities**

SD-100 The Contractor shall establish a Service Delivery team for the purpose of performing and managing the efforts necessary to fully comply with the responsibilities under this Contract.

SD-101 The Contractor shall formally inform the Purchaser of the nominated Service Delivery Manager and any changes in this responsibility during the Contract.

SD-102 The Contractor shall formally inform the Purchaser of the appointed complete Service Delivery Team composition including, but not limited to: responsibilities, roles, names and point of contact details.

SD-103 The Contractor shall provide all the necessary workforce and resources to conduct and support the management and administration of his activities in order to meet the overall objectives of the Contract.

SD-104 The Contractor shall provide direct support to the Purchaser for performing all activities directly related to the Service Delivery and which are in support of normal daily system operating activities.

SD-105 As part of the monitoring and control function, the Contractor shall advise the Purchaser at all times of potential problems and schedule risks.

SD-106 The Contractor shall provide the following key personnel for Service Delivery stage of the Contract, with competencies and experience ensuring the fulfilment of the present SoW:

- (1) Service Delivery Manager;
- (2) Technical Lead;
- (3) Service Operations Manager (or equivalent) including Risk Management;
- (4) Business/Client Director (or equivalent);
- (5) Quality Assurance Manager.

SD-107 For each of the roles above, the Contractor shall nominate an individual, who shall be committed to that role through the duration of the stage, or replaced by someone with equivalent or higher qualifications, if circumstances demand.

[58] The Purchaser has the right to refuse any proposed staff member or substitution as not meeting the qualifications and request the Contractor to offer another qualified individual in lieu thereof.

SD-108 For each of the roles above, the Contractor shall provide sufficient information on the individual(s) skills and experience (CVs) for the Purchaser to conduct his own

assessment of the individual's profile, in terms of alignment with the skill levels being sought under this Contract.

SD-109 The Contractor shall establish the service delivery organisation members who are interacting directly with the Purchaser (including Purchaser's personnel at the sites subject of this procurement) and/or contributing to any written deliverables under this Contract, shall have a thorough knowledge of the English language.

## SECTION 4 PROJECT MANAGEMENT

[59] The Project will be managed by the Contactor and will be subject to review by the Purchaser, who will be represented by the Purchaser's Project Management Team.

[60] The Project Management activities are applicable to the Service Implementation phase of this SoW up until the Final Service Acceptance (FSA) date.

### 4.1 Purchaser's Project Management Approach

[61] The Purchaser will manage the project using the PRINCE2 project management methodology. Under this methodology, the Purchaser controls the project through, and acts as the chair of a Project Board.

[62] A Project Board will be organised by the Purchaser. The Project Executive may call Project Board meetings where it becomes evident that the project will fail to meet its objectives in terms of time, performance, quality or cost.

PM-1 The Contractor shall nominate a management-level representative to the Project Board who:

- (1) Shall not be the Contractor's Project Manager;
- (2) Shall attend Project Board meetings held during the Contract execution as requested by the Project Executive;
- (3) Shall have authority to commit or acquire the required supplier resources.

PM-2 The role of the Contractor representative to the Project Board will be:

- (1) Ensuring that the required resources for the project are made available in accordance with the Project Plan;
- (2) Assessing the viability of delivered products on time;
- (3) Providing a coordinated Supplier view.

PM-3 For all the Project Management meetings conducted under this Contract, the Contractor shall be responsible for producing minutes/records of these meetings and providing a draft copy for Purchaser comments within one (1) week of each meeting.

[63] The Purchaser will then provide comments and/or corrections made against the draft copy to the Contractor within one (1) week of receipt.

PM-4 The Contractor shall incorporate comments and/or corrections and return a final copy of the minutes to the Purchaser within one (1) week of receipt of the Purchaser's comments and/or corrections.

PM-5 The Purchaser shall have one (1) further week to notify the Contractor in writing, of any comments made against the minutes/records. If there are no comments, the minutes/records will be taken as accepted by the Purchaser

PM-6 The Contractor shall not consider the minutes as the basis for changes to the terms and conditions or Scope of Work of the Contract in the absence of a formal Contract Amendment.

[64] Ad Hoc Working Meetings outside the cycle of Service Implementation may be called subject to mutual agreement on request of either the Purchaser or the Contractor to resolve problems, clarify programme requirements or to review progress. The Purchaser will then provide comments and/or corrections made against the draft copy to the Contractor within two (2) days of receipt.

## **4.2 Contractor's Project Management Plan**

PM-7 The Project Management Plan (PMP) shall define how the Contractor intends to manage this project during the Service Implementation stage, by addressing at minimum the following elements:

- (1) A description of the management structure of the Contractor's Project Team, indicating its relationships within the company structure;
- (2) A list of personnel assigned to the Contractor's Project Team Organisation and the related information appropriate to this Project (i.e. education, language skills, experience to include previous experience with international organization and/or national military projects, security clearance, structured methodology roles) in accordance with the Roles and Responsibilities described below;
- (3) A description of Contractor / sub-Contractor (or any third party) relationship including controls, performance supervision such as, but not limited to, provision for regular progress review meetings and periodic progress and performance reporting;
- (4) A Project Control and Work Plan describing the required level of effort, procedures and implications from the Purchaser for installation, testing, activation of services, and performance of the LTX-R. This plan shall consider all aspects of project management and control and shall demonstrate how all the critical dates defined in the Contract will be met;
- (5) A GANTT and PERT charts showing detailed and high level schedules with the critical path, and associated resources and dependencies (shall be developed using latest version of Microsoft Project application) and be available to the Purchaser upon request;
- (6) The Risk Log applicable to the Service Implementation stage, to evolve into the Issue and Risk Log of the Service Implementation Progress Reports (SIPR).

PM-8 The PMP shall contain sufficient detail to allow the Purchaser to assess the Contractor's plans and capabilities in implementing the entire Project in conformance with the requirements specified.

PM-9 The PMP shall demonstrate how the Contractor will meet service support requirements during the implementation phase of the Contract.

PM-10 In the PMP, the Contractor shall propose and optimize the overall Site Installation schedule for the Contract and shall respect the target dates, for the implementation of the services under this SoW.

- PM-11 After approval by the Purchaser, any new version of the Project Management Plan (PMP) shall constitute the unique Contractor's reference for the project implementation.
- PM-12 The Contractor shall submit an Initial PMP, ahead of the start of the Site Surveys.
- PM-13 Pending the approval by the Purchaser of the Initial PMP, the draft PMP (including the Purchaser's suggested changes, if any) shall constitute the Contractor's reference for the project implementation.
- PM-14 The Contractor shall submit the Final PMP, ahead of the start of the Site Installations.
- [65] Provided that all comments and/or corrections are incorporated by the Contractor, the Purchaser will formally approve the Final PMP during a Services Implementation Progress Meeting (SIPM).
- [66] The Purchaser's acceptance of the final version of the PMP does not constitute Purchaser's approval of the Contractor's plan, but signifies that the Purchaser considers the plan to be a logical and satisfactory approach to the management of the required activities, based upon the information provided. This approval in no way relieves the Contractor from its responsibilities to meet the requirements stated in this Contract. The requirements of the Contract supersede the statements of the PMP in case of any conflict, ambiguity or omission.
- PM-15 The Contractor shall submit a new version of the PMP anytime that any technical, management or contractual change is foreseen or necessary as a result of any alteration in the Project Implementation or supplemental agreement made to the Contract.
- PM-16 The Contractor, after the explicit approval of the Purchaser, shall have the ability to adopt the timelines and activities during the Implementation Stage, in order to ensure that the final critical milestone of the Final Service Acceptance (FSA) date is fully met, without any additional cost for the Purchaser. This entails that any financial risks and costs derived from standing service contracts between the Purchaser and other contractors, caused by not meeting the FSA milestone date, shall be attributed against and absorbed by the Contractor.

### **4.3 Roles and Responsibilities**

- PM-17 The Contractor shall establish a Project Management organisation for the purpose of performing and managing the efforts necessary to fully comply with the responsibilities under this Contract.
- PM-18 The Contractor shall formally inform the Purchaser of the nominated Project Manager and any changes in this responsibility during the Contract.
- PM-19 The Contractor shall formally inform the Purchaser of the appointed complete Project Team composition including, but not limited to: responsibilities, roles, names and point of contact details.
- PM-20 The Contractor shall provide all the necessary workforce and resources to conduct and support the management and administration of his activities in order to meet the overall objectives of the Contract.

- PM-21 The Contractor shall provide direct support to the Purchaser for performing all activities directly related to the network transition and which are in support of normal daily system operating activities.
- PM-22 During the Service Implementation stage, all events shall be planned and controlled by the Contractor in accordance with the approved PMP.
- PM-23 As part of the monitoring and control function, the Contractor shall advise the Purchaser at all times of potential problems and schedule risks.
- PM-24 The Contractor shall provide the following key personnel for Service Implementation stage of the Contract, with competencies and experience ensuring the fulfilment of the present SoW:
- (1) Project Manager;
  - (2) Deputy Project Manager;
  - (3) Technical Lead/Designer;
  - (4) Service Implementation Manager;
  - (5) Site Installation Team Leaders;
  - (6) Test Director;
  - (7) Quality Assurance Manager.
- PM-25 For each of the roles above, the Contractor shall nominate an individual, who shall be committed to that role through the duration of the stage, or replaced by someone with equivalent or higher qualifications, if circumstances demand.
- [67] The Purchaser has the right to refuse any proposed staff member or substitution as not meeting the qualifications and request the Contractor to offer another qualified individual in lieu thereof.
- [68] For each of the roles above, the Purchaser will appoint an individual within similar qualifications within the Purchaser's Project Team. Communications concerning each role's subject will directly take place between these individuals, with Project Managers and other roles on copy, as required.
- PM-26 For each of the roles above, the Contractor shall provide sufficient information on the individual(s) skills and experience (CVs) for the Purchaser to conduct his own assessment of the individual's profile, in terms of alignment with the skill levels being sought under this Contract.
- PM-27 The Contractor shall establish the project organisation members who are interacting directly with the Purchaser (including Purchaser's personnel at the sites subject of this procurement) and/or contributing to any written deliverables under this Contract, shall have a thorough knowledge of the English language.

## **APPENDIX A. SERVICE REQUIREMENTS**

### **A.1 Introduction**

- SVC-1 The Contractor shall be responsible for providing and implementing terrestrial Ethernet Transport services compliant with the Metro Ethernet Forum (MEF 2.0 or 3.0), at agreed capacity and availability, as depicted in SSS, between the LTX-R nodes and Core Nodes.
- SVC-2 Each of the LTX-R locations shall be provided with demarcation interfaces as required. These interfaces correspond to the User Network Interface (UNI).
- SVC-3 LTX-R nodes shall be provisioned with a bandwidth profile equal to UNI interface speed and optional capability for lower bandwidth profiles.
- SVC-4 The Contractor shall be responsible to provide and ensure the bulk access and 1+1 protection of LTX-R links at the Core sites.

### **A.2 Standards**

- SVC-5 In implementing and delivering LTX-R, the Contractor shall comply with the below listed frameworks and standards:
- (1) ISO/IEC 20000-1:2018 Information technology - Service management - Part 1: Service management system requirements
  - (2) ISO 9001 Quality Management Systems
  - (3) ISO/IEC 27001 - Information security management systems
  - (4) Information Technology Infrastructure Library (ITIL) v4
  - (5) Metro Ethernet Forum (MEF) 3.0 or 3.0 services and technology
- SVC-6 Compliance shall be supported by the appropriate certification for both the services, their operation, administration and maintenance, as well as their underlying supporting infrastructure and subcontractors.

### **A.3 Service Attributes**

- SVC-7 Ethernet services shall be compliant with the MEF (Metro Ethernet Forum) recommendations MEF 9 and MEF 14. In particular:
- (1) Compliance for MEF standards shall be demonstrated by providing a MEF conformity certificate to the Purchaser.
  - (2) MEF Compliance shall be verified and notified to the Purchaser after each major system or software change throughout the contract execution.
- SVC-8 Ethernet services shall be compliant with:
- (1) IEEE 802.3-2005 recommendations.

- (2) ITU-T Rec. G.8261 that defines aspects about the architecture and the wander performance of SyncE networks
- (3) ITU-T Rec. G.8262 that specifies Synchronous Ethernet clocks for SyncE
- (4) ITU-T Rec. G.8264 that describes the specification of Ethernet Synchronization Messaging Channel (ESMC) Physical interfaces shall comply with interface standards available at the NATO termination devices (e.g. Protected Core Access, Customer Edge Devices), which are to be determined based on the site survey.

SVC-9 Ethernet services shall support the Layer 2 Control Protocols (L2CP) listed in the Table 1 below.

Layer 2 Control Protocol (L2CP)	Protocol Identifier	L2CP Destination Addresses	Treatment	Operational Importance
Link Aggregation Control/Marker Protocol (LACP)	EtherType: 0x8809 Subtypes: 0x01, 0x02	01-80-C2-00-00-00 01-80-C2-00-00-02 01-80-C2-00-00-03	Pass L2CP Frames at all UNI's	Medium
802.3 Operations, Administration, and Maintenance (Link OAM)	EtherType: 0x8809 Subtype: 0x03	01-80-C2-00-00-02	Pass L2CP Frames at all UNI's	Critical
Ethernet Synchronization Messaging Channel (ESMC)	EtherType: 0x8809 Subtype: 0x0A	01-80-C2-00-00-02	Pass L2CP Frames at all UNI's	Critical
Precision Time Protocol Peer-Delay (PTP)	EtherType: 0x88F7	01-80-C2-00-00-0E	Pass L2CP Frames at all UNI's	Critical
Ethernet Local Management Interface (E-LMI)	EtherType: 0x88EE	01-80-C2-00-00-07	Pass L2CP Frames at all UNI's	Medium
Link Layer Discovery Protocol (LLDP)	EtherType: 0x88CC	01-80-C2-00-00-00 01-80-C2-00-00-03 01-80-C2-00-00-0E	Pass L2CP Frames at all UNI's	Critical
Virtual Station Interface Discovery and Configuration Protocol (VDP)	EtherType: 0x8940 Subtype: 0x0001	01-80-C2-00-00-00	Pass L2CP Frames at all UNI's	Low
Port Extender Control and Status Protocol (PE-CSP)	EtherType: 0x8940 Subtype: 0x0002	01-80-C2-00-00-03	Pass L2CP Frames at all UNI's	Low
Port-Based Network Access Control	EtherType: 0x888E	01-80-C2-00-00-00 01-80-C2-00-00-03 01-80-C2-00-00-0E	Pass L2CP Frames at all UNI's	Medium
802.3 MAC Control: PAUSE	EtherType: 0x8808 Subtype: 0x0001	01-80-C2-00-00-01	Pass L2CP Frames at all UNI's	Critical
802.3 MAC Control: Priority Medium Control (PFC)	EtherType: 0x8808 Subtype: 0x0101	01-80-C2-00-00-01	Pass L2CP Frames at all UNI's	Critical



Layer 2 Control Protocol (L2CP)	Protocol Identifier	L2CP Destination Addresses	Treatment	Operational Importance
802.3 MAC Control: Multipoint MAC Control	Ethertype: 0x8808 Subtype: 0x0002-0x0006	01-80-C2-00-00-01	Pass L2CP Frames at all UNI's	Medium
802.3 MAC Control: Organization Specific Extensions	Ethertype: 0x8808 Subtype: 0xFFFE	01-80-C2-00-00-01	Pass L2CP Frames at all UNI's	Critical
Rapid/Multiple Spanning Tree Protocol (RSTP/MSTP)	LLC Address: 0x42	01-80-C2-00-00-00 01-80-C2-00-00-08	Pass L2CP Frames at all UNI's	Low
Shortest Path Bridging (SPB)	LLC Address: 0xFE	01-80-C2-00-00-2E 01-80-C2-00-00-2F	Pass L2CP Frames at all UNI's	Low
Multiple MAC Registration Protocol (MMRP)	EtherType: 0x88F6	01-80-C2-00-00-20	Pass L2CP Frames at all UNI's	Critical
Multiple VLAN Registration Protocol (MVRP)	EtherType: 0x88F5	01-80-C2-00-00-21 01-80-C2-00-00-0D	Pass L2CP Frames at all UNI's	Low
Multiple Stream Registration Protocol (MSRP)	EtherType: 0x22EA	01-80-C2-00-00-0E	Pass L2CP Frames at all UNI's	Low
Multiple ISID Registration Protocol (MIRP)	EtherType: 0x8929	01-80-C2-00-00-00	Pass L2CP Frames at all UNI's	Low

Table 1. LTX-R Layer 2 Control Protocols (L2CP)

SVC-10 In case one or more of the L2CP protocols are not supported, or are found to deviate from the specification during the testing activities in the Service Implementation stage, Test Deficiencies (Appendix D) will be raised and graded, based on the Operational Importance in the last column of the Table 1 above, as per the Table 2 below.

Operational Importance	Test Deficiency
<b>Critical:</b> Essential before service acceptance and activation	Critical
<b>Medium:</b> Not essential for initial service acceptance and activation but needs to be fixed within 30 days, otherwise it is promoted to Critical	Deferment
<b>Low:</b> Not essential for initial service acceptance and activation	Deferment

Table 2. LTX-R Operational Importance of Deviation during Testing Activities

SVC-11 Service jumbo frames with an MTU  $\geq$  9026 shall be supported

SVC-12 No service multiplexing at the UNI shall be applied.

SVC-13 No bundling at the UNI shall be applied (or All-to-One bundling shall be supported on the UNI).

SVC-14 CE-VLAN ID preservation shall be supported on the UNI.

SVC-15 CE-VLAN CoS Preservation shall be supported on the UNI.

SVC-16 Services frames at the UNI shall be mapped to a single E-Line service.

SVC-17 An Ingress Bandwidth Profile shall be provisioned with the following attributes:

- (1) Committed Information Rate CIR for each E-Line equal to UNI speed,
- (2) Committed Burst Size CBS equal to 1/1000 of CIR,
- (3) Excessive Information Rate EIR equal to 0,
- (4) Excessive Burst Size EBS equal to 0,
- (5) ColorMode and Colorblind,
- (6) Coupling Flag CF=0,
- (7) L2CP and Spanning tree protocols STP/RSTP/MSTP shall be tunnelled,
- (8) L2CP PAUSE (802.3) shall be discarded,
- (9) L2CP/LAMP shall be peered,
- (10)L2CP LINK OAM shall be peered,
- (11)L2CP Port Authentication shall be tunnelled,
- (12)L2CP /ELMI shall be peered,
- (13)L2CP/ LLDP shall be peered,
- (14)L2CP / GARP/MRP shall be tunnelled,
- (15)Unicast / Multicast and Broadcast shall delivered unconditionally.

SVC-18 Ethernet services shall be delivered over 10/25/100 Gigabit Ethernet interfaces, including any additional hardware, software and licenses required to upgrade the PCR, so that these interfaces are implemented, delivered and operated as part of the service.

## **A.4 Operation, Administration and Management**

SVC-19 Service OAM requirements shall be met as per MEF 17 (or its equivalent functionality shall be indicated instead).

SVC-20 Service OAM shall provide the capability for a service aware NE to discover other service-aware NEs supporting the same E-Line inside a Service Provider OAM Domain.

SVC-21 Service OAM shall provide the capability to monitor the Connectivity Status of a Maintenance Entity.

SVC-22 Service OAM shall provide the capability to monitor the Connectivity Status of a Maintenance Entity Group.

- SVC-23 Service OAM shall provide the capability to detect a change in Connectivity Status within a configurable time interval. This configurable time interval shall be more than the network restoration time.
- SVC-24 Service OAM shall provide the capability to verify the existence of a connectivity fault inside a Service Provider OAM Domain.
- SVC-25 Service OAM shall provide the capability to transmit Service OAM frames at any permissible priority.
- SVC-26 Service OAM shall provide capability to estimate Frame Loss for Service Frames with the level of Bandwidth Profile conformance determined to be Green and associated with a particular CoS instance between the UNIs of an E-Line during a time interval T inside a Service Provider OAM Domain.
- SVC-27 Service OAM shall provide the capability to estimate two-way Frame Delay experienced by Service Frames with the level of Bandwidth Profile conformance determined to be Green and associated with a particular CoS instance between the UNIs of an E-Line during a time interval T inside a Service Provider OAM Domain.
- SVC-28 Service OAM shall provide the capability to measure the difference between the one-way Frame Delay estimates of a pair of Service Frames with the level of Bandwidth Profile conformance determined to be Green and associated with a particular CoS instance between the UNIs of an E-Line. The pair of Service OAM frames are inserted exactly  $\Delta t$  time units apart within the time interval T, where both  $\Delta t$  and T are configurable.
- SVC-29 Service OAM frames shall follow the same path across the MEN as the Service frames in an E-Line.
- SVC-30 Service OAM shall provide OAM capabilities without dependency on underlying Transmission Layer technologies and OAM capabilities.
- SVC-31 Security management functions shall be delivered as per MEF 15 or indicate its equivalent functionality to support the prevention and detection of improper use of network resources and services, for the containment of and recovery from theft of services or other breaches of security, and for security administration.
- SVC-32 E-Line services shall allow the Purchaser to implement its own OAM capabilities transparently and independent of the Contractor's management domain.

## APPENDIX B. SERVICE LEVEL AGREEMENT FRAMEWORK

### B.1 Implementation

SLA-1 The Contractor shall deliver LTX-R with physical interfaces that comply with interface standards available at the NATO termination devices (e.g. Protected Core Access, Customer Edge Devices), which are to be determined based on the site survey.

### B.2 Performance Requirements

SLA-2 The following performance KPIs per EVC shall be committed, where P equals 1ms per integer multiple of 125 km distance between the LTX-R node and the Core node which is connected to (crow fly distance):

Service Status	Frame Delay (FD)	Frame Delay Variation (FDV)	Frame Loss (FL)
<b>Available</b>	$FD \leq 15ms + P$	$FDV \leq 15ms$	$FL \leq 10^{-6}$
<b>Degraded</b>	$15ms + P < FD < 15ms + P + 20ms$	$15ms < FDV < 30ms$	$10^{-6} < FL < 10^{-5}$
<b>Severely Degraded</b>	$FD \geq 15ms + P + 20ms$	$FDV \geq 30ms$	$FL \geq 10^{-5}$

Table 3. LTX-R Performance KPIs

### B.3 Capacity Requirements

SLA-3 LTX-R links shall adhere to the capacity requirements, as detailed and described in the SSS.

SLA-4 The Service Status per LTX-R node is considered:

Service Status	Allocated capacity (AC) on each UNI of each LTX-R node
<b>Available</b>	$AC \geq \text{contracted capacity}$
<b>Degraded</b>	$\text{contracted capacity} > AC > 95\% \text{ of contracted capacity}$
<b>Severely Degraded</b>	$95\% \text{ of contracted capacity} > AC > 90\% \text{ of contracted capacity}$
<b>Unavailable</b>	$AC \leq 90\% \text{ of contracted capacity}$

Table 4. LTX-R Capacity KPIs

### B.4 Service Availability and Resiliency Requirements in conjunction with Capacity Requirements

SLA-5 The Contractor shall ensure LTX-R node service availability targets on a monthly basis, as depicted in the SSS.

SLA-6 The Contractor shall ensure that in case of dual homed LTX-R nodes, the links are fully physically separated (including the last miles) and terminated to different Core nodes, which means that any incident on one physical path cannot impact the service provision of more than one LTX-R links.

- SLA-7 The Contractor shall distribute the end-points of each LTX-R node connected to the respective core nodes, as described in the SSS.
- SLA-8 The Contractor shall ensure that end-to-end physical separation is achieved so that a failure on the infrastructure supporting one LTX-R link, does not impact the service provision of another LTX-R link.
- SLA-9 The Contractor shall monitor the delivered LTX-R links in real time and shall report disruption of services through an automatic and electronic monitoring tool.
- SLA-10 Per-Link Service Availability shall be equal or higher than 99.7%, measured 24x7 over a period of one month, for the connectivity provided by a single EPL between the LTX-R node and a Core node (Figure 6). This means that the LTX-R node Service Availability (Reachability) for the single-homed LTX-R nodes shall be at minimum 99.7% and the LTX-R node Service Availability (Reachability) for the dual-homed LTX-R nodes shall be greater than 99.99%.
- SLA-11 The Contractor shall ensure all requirements of availability, capacity and resiliency of the SSS are met at the same time.

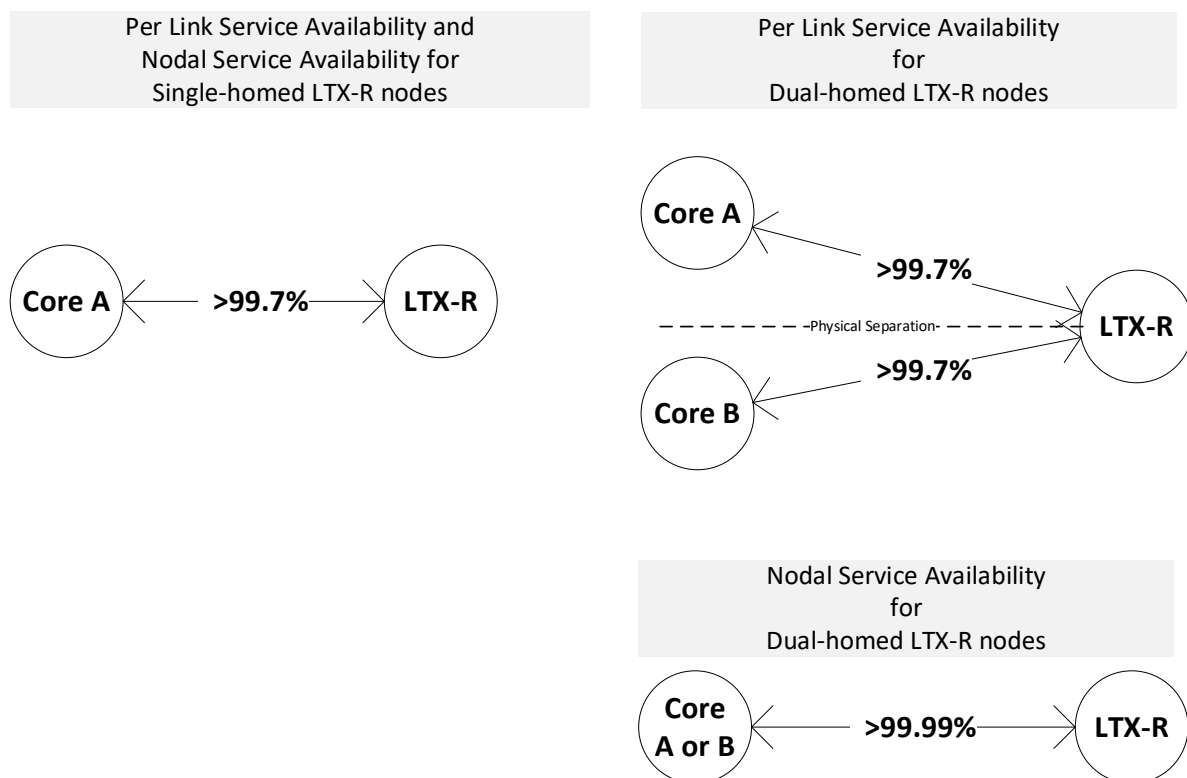


Figure 6. LTX-R Service Availability Requirements

SLA-12 The Service Status per LTX-R node is considered as follows:

Service Status	Service Availability ( <b>AV</b> ) of each LTX-R node
<b>Available</b>	<b>AV</b> ≥contracted LTX-R Service Availability
<b>Unavailable</b>	<b>AV</b> <contracted LTX-R Service Availability

Table 5. LTX-R Availability KPIs

SLA-13 In more detail, LTX-R shall support **at the same time**, guaranteed node service availability requirements in conjunction with guaranteed capacity requirements for different types of nodes/sites, as follows (and as detailed at the SSS\*):

LTX-R Node Type	Guaranteed Node Service Availability	Dual ( <b>D</b> ) or Single ( <b>S</b> ) homed	Guaranteed Capacity
<b>Tier 1</b>	≥99.99%	D	2 Gbps
<b>Tier 2</b>	≥99.99%	D	1 Gbps or 100 Mbps*
<b>Tier 3</b>	≥99.70%	S	1 Gbps or 100 Mbps*

Table 6. Availability and Capacity Requirements

SLA-14 The Contractor shall ensure that the capacity requirements fulfil full-duplex capacity (both directions).

## B.5 Mean Time To Restore (MTTR)

SLA-15 The Contractor shall ensure LTX-R Service Incident Resolution, according to the prioritization of each site, as detailed at the SSS. All sites are prioritised as H=High or as N=Normal.

SLA-16 The Contractor shall ensure the Incident Resolution times in case of Service Degradation or Service Unavailability, as follows:

LTX-R Site Priority	Maximum Incident Restoration Target
Normal	6hrs
High	4hrs

Table 7. LTX-R MTTR KPIs

## B.6 Service Credits

SLA-17 Performance, capacity, availability and MTTR credits shall apply to deviations in Service Delivery targets caused by continuous or intermittent degradation of the KPIs of one or more EPL of the LTX-R scope.

SLA-18 Service credits shall not be applicable to the following circumstances:

- 1) Approved Service Interruptions during Contractor's planned maintenance
- 2) Service interruptions due to Purchaser's activities

## 3) Service interruptions due to changes requested by the Purchaser

**B.6.1 Service Performance Credits (FD, FDV, FL)**

SLA-19 For Frame Delay, Frame Delay Variation and Frame Loss, a breach of the applicable thresholds in Table 3 by one or more of these parameters, either intermittently or continuously, shall trigger service credits, expressed as a percentage of the pro-rata daily charges (corresponding to the total accumulated period of Service degradation on a daily basis) associated with the services delivered to the affected LTX-R node, as follows:

Service Performance Status	Service Credit
<b>Degraded</b>	50%
<b>Severely Degraded</b>	100%

Table 8. LTX-R Service Performance Credits

**B.6.2 Service Capacity Credits**

SLA-20 A breach of the applicable thresholds in Table 4, either intermittently or continuously, shall trigger service credits, expressed as a percentage of the pro-rata daily charges (corresponding to the total accumulated period of Service degradation on a daily basis) associated with the services delivered to the affected LTX-R node, as follows:

Service Capacity Status	Service Credit
<b>Degraded</b>	25%
<b>Severely Degraded</b>	90%
<b>Unavailable</b>	100%

Table 9. LTX-R Service Capacity Credits

**B.6.3 Service Availability Credits**

SLA-21 The following formula shall be applied to calculate the maximum agreed monthly Time of Unavailability of Services per LTX-R node (**TU**):  $TU = (1 - AV\%) \times 30 \times 24 \times 60 \text{ min}$ , where **AV** is the agreed Availability target as per the SSS. For example, for a LTX-R node with agreed availability target AV=99.99%, the maximum in-tolerance monthly Time of Unavailability **TU**=(1-99.99%)\*30\*24\*60=4.32 minutes.

SLA-22 The daily TU shall be represented as **TUd**.

SLA-23 The Total actual daily time of unavailability (**Td**) will represent the cumulative downtime per LTX-R node, in units of full minutes, for each day.

SLA-24 For service availability, a breach of the applicable thresholds in Table 6 during a daily measurement period, shall trigger service credits, expressed as a percentage of the daily costs associated with the services delivered to the affected LTX-R node, as follows:

Availability Status	Service Credit
<b>Td</b> <TUd	0%
TUd< <b>Td</b> <TUd+1hr	10%
TUd+1hr< <b>Td</b> <TUd+3hr	20%
TUd+3hr< <b>Td</b> <TUd+6hr	40%
TUd+6hr< <b>Td</b> <TUd+12hr	80%
TUd+12hr < <b>Td</b> <TUd+18hr	95%
<b>Td</b> >TUd+18hr	100%

Table 10. LTX-R Service Availability Credits

### B.6.4 MTTR Service Credits

SLA-25 A breach of the applicable Incident Restoration thresholds, per Incident, in Table 7 shall trigger service credits, expressed as a percentage of the daily charges associated with the services delivered to the affected LTX-R node, as follows.

LTX-R Site Priority	MTTR	Service Credit
Normal	<b>MTTR</b> <6hrs	0%
	6hrs< <b>MTTR</b> <12hrs	20%
	12hrs< <b>MTTR</b> <18hrs	40%
	<b>MTTR</b> >18hrs	60%
High	<b>MTTR</b> <4hrs	0%
	4hrs< <b>MTTR</b> <8hrs	20%
	8hrs< <b>MTTR</b> <12hrs	40%
	<b>MTTR</b> >12hrs	60%

Table 11. LTX-R MTTR Service Credits

### B.6.5 Service Credits precedence, order and limits

SLA-26 The precedence for each kind of Service Credits, shall be as follows:

- 1) Service Performance Credits and Service Capacity Credits are applicable for the same period of service degradation with maximum credits of 100%. This means that both type of credits can be applied at the same time by addition of the respective credit values, but no more than 100%.
- 2) Service Availability Credits have precedence on both the Service Performance Credits and Service Capacity Credits. This means that when there is a total loss of Services, the Service Performance Credits and Service Capacity Credits are not applied.



- 3) MTTR Service Credits are applied on top of the other applicable Service Credits,  
and the accumulated daily Credit Value can exceed the value of 100%.

## APPENDIX C. SECURITY REQUIREMENTS

### C.1 Introduction

SEC-1 In the performance of all works, on NATO's premises and/or theatres of operations under this Contract it shall be the Contractor's responsibility to ascertain and comply with all applicable NATO security regulations related to physical security, force protection and any other local applicable security rule.

### C.2 Requirements

SEC-2 Any such contractor and /or subcontractors' personnel employed under this Contract that will require access to locations, such as sites and headquarters, where classified material and information up to and including "NATO Secret" are handled, shall be required to have NATO security clearance up to this level. All Contractor staff involved in Project Management, Service Implementation and Service Delivery shall be security cleared to the same level, at the time of EDC.

SEC-3 It shall be the Contractor's responsibility to obtain the necessary clearances and to have such clearances confirmed to the Purchaser by the relevant national security authority for the full period of the Contract.

SEC-4 Contractor personnel requiring access to NATO Secret information or to other similarly classified information shall possess valid security clearance of NATO Secret.

SEC-5 Failure to obtain or maintain the required level of security for Contractor personnel for the period of performance of this Contract shall not be grounds for any delay in the scheduled performance of this Contract and may be grounds for termination under the Clause 'Termination for Default' of the Contract General Provisions.

SEC-6 All NATO classified material entrusted to the Contractor shall be handled and safeguarded in accordance with applicable security regulations.

SEC-7 The Contractor shall note that there may be restrictions regarding the carriage and use of electronic device (e.g. Laptops, PDA, Phones, Memory Sticks) in NATO locations. The Contractor shall be responsible for satisfying and obtaining from the appropriate site authorities the necessary clearance to bring any such equipment into the facility. The Contractor shall provide documentation that he has obtained approval to use any equipment which is part of the management segment.

SEC-8 The Contractor shall comply with all security measures as are prescribed by the Purchaser and the national security authority or designated security agency of each of NATO countries in which the Contract is being performed. The Contractor shall be responsible for the safeguarding of classified information, documentation, material and equipment entrusted to him or generated by him in connection with the performance of the Contract.

SEC-9 In particular the Contractor shall undertake to:

- (1) appoint an official responsible for supervising and directing security measures in relation to the Contract and communicating details of such measures to the Purchaser on request;
- (2) maintain, preferably through the official responsible for security measures, a continuing relationship with the national security authority or designated security agency charged with ensuring that all NATO classified information involved in the Contract is properly safeguarded;
- (3) abstain from copying by any means, without the authorisation of NATO, the national security authority or designated security agency, any classified documents, plans, photographs or other classified material entrusted to him, or parts thereof;
- (4) furnish, on request, information to the national security authority or designated security agency pertaining to all persons who will be required to have access to NATO classified information;
- (5) maintain at the work site a current record of its employees at the site who have been cleared for access to NATO classified information. The record should show the date of issue, the date of expiration and the level of clearance;
- (6) deny access to NATO classified information to any person other than those persons authorised to have such access by the national security
- (7) limit the dissemination of NATO classified information to the minimum number of persons ("need to know basis") as is continuous with the proper execution of the Contract
- (8) comply with any request from the national security authority or designated security agency that persons entrusted with NATO classified information sign a statement undertaking to safeguard that information and signifying their understanding both of their obligations under national legislation affecting the safeguarding of classified information, and of their comparable obligations under the laws of the other NATO nations in which they may have access to classified information;
- (9) report to the national security authority or designated security agency any breaches, suspected breaches of security, suspected sabotage, or other matters of security significance which would include any changes that may occur in the ownership, control or management of the facility or any changes that affect the security arrangements and security status of the facility and to make such other reports as may be required by the national security authority or designated security agency, e.g. reports on the holdings of NATO classified material;
- (10) apply to the Purchaser for approval before Sub-contracting any part of the work, if the Sub-Contract would involve that the Sub-contractor would have access to NATO classified information, and to place the Sub-contractor under appropriate security obligations no less stringent than those applied to his own Contract;

- (11) undertake not to utilise, other than for the specific purpose of the Contract, without the prior written permission of the Purchaser or his authorised representative, any NATO classified information furnished to him, including all reproductions thereof in connection with the Contract, and to return all NATO classified information referred to above as well as that developed in connection with the Contract, unless such information has been destroyed, or its retention has been duly authorised with the approval of the NATO. Such NATO classified information will be returned at such time as NATO or his authorised representative may direct;
- (12) classify any document produced with the highest classification of NATO classified information disclosed in that document.

## APPENDIX D. TEST REQUIREMENTS

### D.1 Introduction

[69] This section outlines the generic Testing Requirements applicable to the implementation and acceptance of any Contract deliverables related to testing.

- TST-1 All testing shall be the responsibility of the Contractor who shall provide the personnel, documentation, equipment, test data and facilities required for installation, commissioning and execution of the test.
- TST-2 The Contractor shall be entirely responsible for the coordination and performance of all tests, unless otherwise indicated in this SOW, and shall ensure that an adequate number of Contractor's engineers and technicians are present to ensure the timely completion of all tests.

### D.2 Test Principles

- TST-3 All deliverables supplied by the Contractor under this Contract shall be tested to meet the requirements of this Contract.
- TST-4 The Contractor shall provide the necessary duly calibrated test equipment, tools and any other items required for the satisfactory completion of all tests, and the recording of their results. This shall include but not be limited to the following:
- (1) Traffic Generators;
  - (2) Performance Measurement instruments;
  - (3) Protocol Analysers;
  - (4) Installation tools;
  - (5) Test Cases and Test Procedures, including Test Acceptance Criteria;
  - (6) Any services/resources required to achieve test configuration.
- TST-5 The Contractor shall assign and provide a Test Director and Test Operators and the Purchaser and/or his Designated Representative will attend and witness the testing.
- TST-6 The Purchaser shall have the right to demand repetition of tests, proof of the validity of the test equipment calibration, and performance of reasonable additional tests to clarify doubtful or marginal results.
- TST-7 The Contractor shall make available to the Purchaser, all facilities, information and assistance necessary to permit a valid interpretation of the test results.
- TST-8 The Test Environment shall be under the control of the Purchaser during the testing period. Prior to the commencement of the tests, the Test Environment shall be baselined and no changes to hardware, software, firmware and/or configuration shall be introduced by the Contractor unless explicitly authorised in writing by the Purchaser. Failure to do so by the Contractor shall render the complete testing null and void.

### **D.3 Test Procedures**

TST-9 Test Procedures shall be prepared as per ISO 29119 Test Specification.

TST-10 Each Test Procedure shall, as a minimum, include, but not be limited to the following topics:

- (1) Scope.
- (2) Approach.
- (3) Testing Environment with a block diagram of the test layout.
- (4) List of all required test equipment.
- (5) A detailed step-by-step procedure written so that the procedure can be clearly understood and followed by the Test Group.
- (6) Objectives and expected test results with permissible test limits (Test Acceptance Criteria).
- (7) Test data sheet(s).
- (8) Verification Cross Reference Matrix (VCRM).
- (9) Observations summary sheets.
- (10) Signature Sheets.

TST-11 Modification of inaccurate or inadequate Test Procedures and any subsequent work arising as a result shall be carried out at the Contractor's expense.

TST-12 Any changes learned from the application of the Test Procedure shall be incorporated into the relevant Test Procedure by the Contractor. If only minor parts are affected, then it shall be sufficient to up-date and re-issue those pages plus cover sheet with amendment instructions. Should major changes in contents or page re-numbering be needed, then the complete section shall be re-issued by the Contractor. All changes shall be made with the agreement and approval of the Purchaser.

### **D.4 Test Data Sheets**

TST-13 The test data sheets shall contain as a minimum space for insertion of:

- (1) Test location and date;
- (2) Name and Organisation details for Test Director, Contractor and Purchaser Representative;
- (3) Service type, including equipment and serial number(s);
- (4) Test procedure reference number and issue number;
- (5) Type and serial numbers of test equipment employed;
- (6) Test results;
- (7) Observations;
- (8) Comments.

- (9) Signature of the official representatives of the Contractor and the Purchasers representative.
- (10) Exported electronic test reports from respective testing tools.

## **D.5 Test Failure Procedure**

- TST-14 If the tests to be performed do not terminate in accordance with the completion criteria relevant to the test being performed (i.e. failures) the subject test(s) will be withdrawn from the testing suit and a preliminary investigation into the cause of the failure shall be carried out and an observation report shall be provided by the Contractor.
- TST-15 Testing may resume with the next test after the withdrawal of the failed tests, if the successful termination of the withdrawn tests is not a prerequisite to the following tests. This shall be subject to the approval of the Purchaser.
- TST-16 The point at which testing of the withdrawn test(s) is to recommence will be proposed by the Contractor who shall provide the reasons for his proposal and details of remedial action taken in a written reply to the observation(s) raised. Either at that time, or subsequently, it will be subject to the endorsement by the Purchaser.
- TST-17 The procedure shall permit other test series to be carried out should the Contractor propose that it is practical to continue testing, while a particular test has been withdrawn for investigation.
- TST-18 In the event that a particular series of tests meet the criteria after more than one attempt at any test, the Purchaser may request the repeat of the test(s) relating to that specification paragraph.
- TST-19 The results of all tests required to verify that the services provided under this Contract meet the specified requirements shall be recorded. Any failure to complete a test successfully shall be recorded as deficiency and shall be subject to the deficiency procedure. The Purchaser reserves the right to request specific tests at no additional cost to the Purchaser.

## **D.6 Test Reports**

- TST-20 The Contractor shall provide a draft of Test Reports for Purchaser review immediately after execution of the test. The draft Test Report may be submitted with hand-written entries in the Test Result Fields in the Test Data Sheets and in the Observation Sheets.
- TST-21 The Contractor shall provide an immediate Test Report after completion of the tests and shall provide a detailed Test Report, which fully documents the outcome of the test within 5 (five) working days of completion of the respective test procedures.

## **D.7 Test Deficiencies**

- [70] A deficiency is a formal record of any aspect that could jeopardise successful completion of the Contract.

[71] Deficiency Classification is the classification, which the Purchaser assigns to a Deficiency. The categories for classification are defined as:

- (1) Critical: Deviation from the specification, which must be rectified prior to the completion of the corresponding testing activity, in order to declare acceptance;
- (2) Deferment: A deviation from the specification, which may be rectified before or after the corresponding test activity can be declared as completed by the Purchaser, and acceptance can be declared.
- (3) Omission: A deviation from the specification where it is agreed that no remedial action is necessary.

TST-22 Deficiencies shall be recorded in accordance with the following procedure. The Contractor shall submit all deficiencies to the Purchaser for endorsement of the clearance action taken.

TST-23 A Deficiency shall be recorded when identifying any aspect that could jeopardise successful completion of the Contract. These aspects shall include but not be limited to:

- (1) A design shortage or deficiency revealed in any design, implementation or test specification.
- (2) Any shortage or deficiency revealed by inspection or application of testing procedures.
- (3) Any comment raised by the Contractor concerning any aspect of the Contract.
- (4) Any comment raised by the Purchaser or his designated representative concerning any aspect of the Contract.

TST-24 Deficiency sheets shall be maintained by the Contractor and shall record the following information:

- (1) The serial number of the deficiency sheet.
- (2) The deficiency.
- (3) Sufficient information to define the context of the deficiency in terms of the articles to which it applies, the state of articles (including any appropriate environmental details, as applicable), and the date of the deficiency.
- (4) The authorised personnel endorsing the deficiency.
- (5) Any clearance action taken, such as repair and testing, a specification modification, receipt of a written reply from the Contractor etc., as applicable.
- (6) The authorised personnel endorsing the clearance and the date of clearance.



## **APPENDIX E. DOCUMENTATION REQUIREMENTS**

### **E.1 Introduction**

[72] This section outlines the generic Documentation Requirements applicable to the development of any documentation deliverables under this Contract:

DOC-1 All documentation deliverables to be provided within the scope of this Contract shall be prepared and delivered in accordance with the following requirements:

DOC-2 The documentation shall contain the following information:

- (1) Title.
- (2) Document Number.
- (3) Amendment Sheet.
- (4) Issue Number and Date of Issue.
- (5) Table of Contents - this shall be broken down to list sections / chapters, major paragraphs, sub-paragraphs together with title and page.
- (6) List and titles of drawings, illustrations, tables and abbreviations.
- (7) Main text.
- (8) Glossary and symbols legend.

DOC-3 Any project management documentation deliverables shall include the associated electronic files, MSP, Word, Excel, etc., both native format and exported to Acrobat PDF format.

DOC-4 The documentation produced under this Contract shall be limited to NATO UNCLASSIFIED content and shall be delivered to the Purchaser's Project Office by e-mail and shall be directly uploaded to the Contactor-run portal, acting as an electronic information repository.

DOC-5 Any information which will be above NATO UNCLASSIFIED shall be delivered to the Purchaser's Project Office via the appropriate way defined by the Purchaser.

### **E.2 Format Criteria**

DOC-6 All documentation provided to the Purchaser shall be written in English with spelling and usage based on the Concise Oxford English Dictionary, 11th edition.

DOC-7 The convention to be used for numbers appearing in textual documents is for a comma to be the thousands separator and a period to be the decimal separator (e.g., 1,365,276.24).

DOC-8 The convention to be used for dates appearing in free text (eg quoting dates of meetings) is day-month-year (eg 25 May 2022).

DOC-9 Documentation shall neither be marked with corporate logos nor contain warnings limiting the rights to use or reproduction.

DOC-10 Every page shall include a header and footer indicating the highest classification of content on that page using one of the following labels: NATO RESTRICTED (sensitive information identifying a named location or security assessment), or NATO UNCLASSIFIED.

DOC-11 The document's cover page's header and footer shall reflect the highest classification of content in the document.

DOC-12 All project documentation shall contain a version number appropriate to the major / minor concept (e.g. 1.0, 1.1, 1.2, 2.0, 3.0) where the first number represents a major release or significant change to the content while the second number represents a smaller change (e.g. spelling corrections, formatting or minor adjustments). This version number shall appear on each page of the document.

DOC-13 The document file name shall not contain any variable information, like maturity (e.g. DRAFT), version number, etc.

DOC-14 The Contractor shall submit all project management documentation (e.g., plans, schedules, reports, etc.) as electronic copies in MS Office format (version compatible with fielded Purchaser products) to the Purchaser for review and comment.

DOC-15 The documentation shall be provided in electronic editable version.

### **E.3 Publication Criteria**

DOC-16 The individual pages in the documentation shall be DIN A-4 size.

DOC-17 The pages of the documentation shall be consecutively numbered.

DOC-18 The scale of all vector-based drawings shall be quoted, where applicable.

DOC-19 In all cases where documentation has been developed for this Contract, documentation shall be uploaded to a portal determined by the Purchaser. In addition to the textual elements of the documentation, wherever diagrams, drawings, or other such non-textual documentation such as project scheduling information is included, the Contractor shall also deliver these non-textual elements in the native format compatible with, the Purchaser's software.

DOC-20 "Soft copies" of the documentation composed and compiled by the Contractor shall follow the NCI Agency naming convention AI 06.00.01

DOC-21 The principal software packages currently in use by the Purchaser are the latest version of:

- (1) Microsoft Office Professional;
- (2) Microsoft Project;
- (3) Microsoft Visio Enterprise and
- (4) Adobe Acrobat.

DOC-22 All the electronic, optical or soft copies shall display the label of highest level of the classification of its contents.

DOC-23 The Header and/or Title of the directory structure of the documentation provided in soft copies should bear a reminder of the highest classification level of its contents.

DOC-24 For all deliverable documents, versions of the document shall be delivered to the Purchaser in their native electronic file format as prepared by the Contractor. Where the native format is not one of the above supported software packages, a conversion of the document shall be provided that is readable by one of the above packages, with full ability to edit and to copy text and diagrams from the document. Passwords and other document protection mechanisms shall not be used.

## **E.4 Contract Document Requirements List (CDRL)**

DOC-25 The Contractor shall maintain and provide to the Purchaser a Contract Document Requirements List (CDRL) as part of the PMP. The CDRL shall contain the status of all documentation to be provided under the Contract: Title, reference, quantity and status (i.e. draft, approved, revision level. etc.). A final version of the CDRL shall be delivered to the Purchaser prior to Final Acceptance.

DOC-26 The initial CDRL provided by the Purchaser is presented in Appendix F.

DOC-27 The Contractor shall also maintain version control of all documentation submitted throughout the Contract life cycle.

DOC-28 The Contractor shall deliver the documents in the CDRL as per the Schedule of Supplies and Services, and shall remain responsible for producing any required changes to the documentation during the warranty period. These shall always be in the form of change pages; pen and ink corrections shall not be acceptable.

DOC-29 The Contractor shall submit documentation, intended for review and approval by the Purchaser, with each modification identified through the change tracking feature or otherwise marked.

DOC-30 Documentation shall be provided in English and in electronic format, both in PDF (OCR) format and in an editable Microsoft Office/Visio format.

DOC-31 Each page shall contain the appropriate security classification of the documentation stamped or typewritten in the centre at the top and bottom of each page.

## **E.5 Documentation Review and Acceptance**

[73] Documents delivered in two stages (i.e. final draft, final) will be specified to be so in this SOW. The process described below applies to each of the stages, and to any document listed in the CDRL.

[74] Upon receiving the document, the Purchaser will have up to two (2) weeks to review (one (1) week being the target).

[75] The outcome of the review will be uploaded to the Customer portal, as a commented version of the original document

[76] If required, the Purchaser or the Contractor will call an Ad-hoc meeting to discuss the comments and to agree on the modifications to be performed

DOC-32 The Contractor shall introduce the agreed modifications, and deliver the next version of the document within the following two (2) weeks (one (1) week being the target).

[77] Unless otherwise specified in the Schedule of Supplies and Services (SSS), the Purchaser will formally accept and approve the document within one week, at which point the document will be subject of configuration control through the Service Change Management procedures.

[78] The Purchaser may exceptionally agree to use the initial version of the document, ahead of the modifications and final approval, in support of, and in order to avoid delays on, any activities relying on the document.

## APPENDIX F. CONTRACT DOCUMENT REQUIREMENTS LIST

[79] The following Table 11 and Table 12 contain the Contract Document Requirements List (CDRL) corresponding to the requirements in this Statement of Work. Delivery dates are provided in the Schedule of Supplies and Services (SSS).

### F.1 CDRL for Service Implementation Stage (from EDC to FSA)

Item	Document Name
1	Service Requirements Review (SRR) Report
2	Site Survey Reports (SSR)
3	Service Design Description (SDD)
4	Service Testing Plan (STP)
5	Service Implementation Package (SIP)
6	Service Implementation Readiness Testing (SIRT) Report
7	Provisional Service Acceptance Testing (PSAT) Report
8	Service Implementation Progress Reports (SIPR)
9	Service Level Agreement (SLA)
10	Project Management Plan (PMP)

Table 12. LTX-R Contract Document Requirement List for Service Implementation

### F.2 CDRL for Service Delivery Stage (from FSA to SC)

Item	Document Name
1	Service Support Concept (SSC)
2	Service Continuity Plan (SCP)
3	Risk Management Plan (RMP)
4	Service Delivery Performance Reports (SDPR)
5	Service Cessation and Withdrawal Plan (SCWP)

Table 13. LTX-R Contract Document Requirement List for Service Delivery

## APPENDIX G. CONTRACT EXECUTION TIMELINES

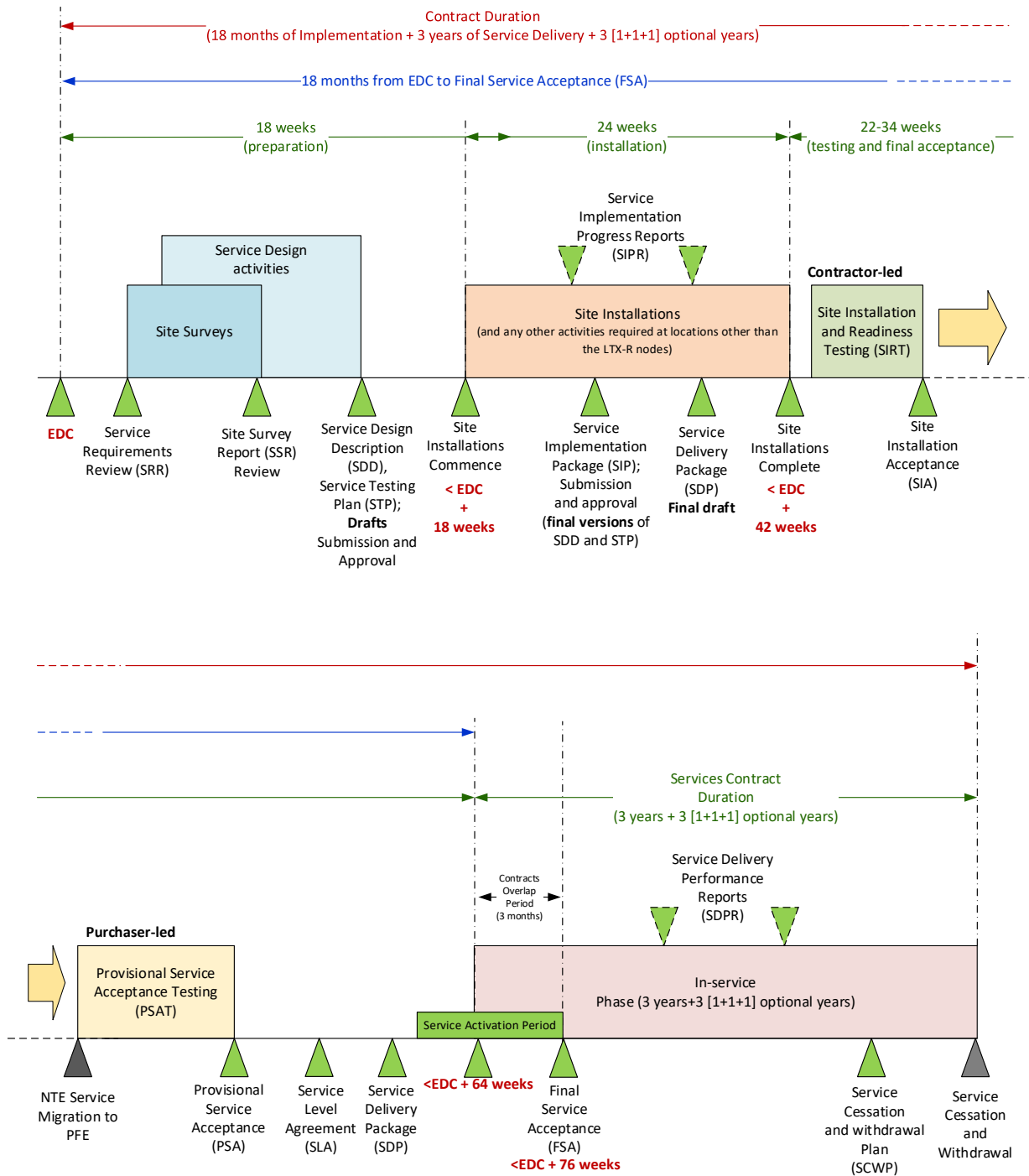


Figure 7. LTX-R Contract Execution Timelines

## APPENDIX H. BREAKDOWN OF SUBCONTRACTORS PER COUNTRY (TEMPLATE)

[80] The following Table 13 shows the subcontractors of the Contractor, showing additional information of the corresponding percentage of the LTX-R scope broken-down per country.

#	Country	Subcontractor Name	% part of the LTX-R scope per country
1	Country A	Subcontractor A	x%
		Subcontractor B	
2	Country B	Subcontractor C	y%
		Subcontractor D	
		Subcontractor A	
		Subcontractor E	
3	Country C	Subcontractor F	z%
...	...	...	...

Table 14. Template of Subcontractors list per Country



**AGENCY INSTRUCTION**

**AI 16.32.02**

**INSTRUCTIONS FOR THE PREPARATION OF ENGINEERING CHANGE PROPOSAL (ECP)  
UTILIZING NCI AGENCY FORM ECP**

Effective date: 01/10/2022 (*Precise date as per Approver's e-signature date*)

Revision No: Original

Issued by: Deputy Chief of Acquisition \_\_\_\_\_

Approved by: Chief of Acquisition \_\_\_\_\_



### Table of Amendments

Amendment No	Date issued	Remarks

### Author Details

Organization	Name	Contact Email/Phone
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## **AI 16.32.02 INSTRUCTIONS FOR THE PREPARATION OF ENGINEERING CHANGE PROPOSAL (ECP) UTILIZING NCI AGENCY FORM ECP**

### **1 REFERENCES**

- A. AD 01.01 Agency Policy on Management and Control of Directives, Notices, Processes, Procedures and Instructions (latest applicable)
- B. AD 03.03 Security (Security of Information), dated 3 July 2014;
- C. PDED 16.30 ACQ-IPS (Acquisition - Integrated Product Support) (latest applicable)
- D. STANAG 4427 Edition 2 - Configuration Management in System Life Cycle Management
- E. STANAG 4427 Edition 3 - Configuration Management in System Life Cycle Management, dated 18 December 2014
- F. ACMP-7 NATO Configuration Management Guidance on the Application of ACMP 1 – 6, dated February 2007
- G. ACMP-2009-SRD-51 Edition A Version 1 - NCI Agency CM tools, dated March 2017

### **2 PURPOSE**

This document of Instructions (INSTR) provides guidance on the preparation of ECP utilizing the NCI Agency form ECP.

### **3 APPLICABILITY**

This INSTR applies to both all elements of the Agency and Agency's contractors.

### **4 SCOPE**

#### **4.1 In Scope**

This INSTR was developed to provide:

- a) Detailed information on the preparation of ECP managed internally to the Agency; and
- b) A vehicle by which the Agency can contractually invoke ECP preparation requirements on contractors.

#### **4.2 Out of Scope**

The preparation of ECP for which it is not required a coordination with the Agency (e.g. ECP generated by the contractors on a product not yet handed over to the Agency).

### **5 BACKGROUND**

#### **5.1 Origin of the ECP form**

The ECP template referred to in these instructions is a modified version of the template that can be found in ACMP-7 of STANAG 4427 Ed. 2.

The proposed ECP template is also proposing a simplified approach with respect to (w.r.t.) what is reported in STANAG 4427 Ed. 3 (ACMP-2009-SRD 51.2).

The ECP Template is made of numbered blocks and this document offers a guided procedure to correctly fill the template block by block.

#### **5.2 Use of ECP forms**

Any data which cannot be included in the space allotted on the form shall be included in attachments and referenced in the block.

A specific table to report all the attachments and enclosures is reported in Page 6 of the ECP template. The attachments and enclosures shall be considered as integral part of the ECP and shall be included with the proposal (see paragraph 5.3).

### 5.3 Supporting Data

In addition to the information required here, the ECP package shall include supporting data.

Supporting data, augmented with exhibits, sketches and drawings should be used to facilitate understanding of the description and the impact of the proposed change. All supporting data shall be referenced in the ECP forms (Page 6 of the template).

### 5.4 Local Reproduction

Local reproduction of ECP forms is authorized.

## 6 PREPARATION OF THE ECP FORM

### 6.1 ECP Page 1

#### ***Block 1 - Originator Name & Address***

Enter the name and address of the originator (e.g. contractor, PM, etc.) submitting the ECP.

#### ***Block 2 - NCAGE Code***

Enter the NCAGE code for the organization submitting the ECP.

#### ***Block 3 - Class of ECP***

Enter II or I for the applicable ECP Class as defined in the ACMPs.

#### ***Block 4 - ECP Number***

Once an ECP number is assigned to the first submission of a change proposal, that number shall be retained for all subsequent submissions of that change proposal. Unless otherwise authorized by the PM, one of the following methods of assigning ECP numbers may be used:

- c) ECP numbers shall run consecutively commencing with number 1, for the entire company or corporation, or ECP numbers may be assigned in a separate series for each system that the contractor is producing.
- d) When an ECP is split into a basic ECP and related ECP, the basic ECP shall be identified with the number prescribed above and each related ECP shall be identified by the basic number plus a separate dash number. The number of characters in the ECP number, dash number, type, amendment and revision identification shall not exceed 15.
- e) Other systems may be used provided the ECP number is unique for any corporation or company, and the 15-characters limitation in b. above are not exceeded.

#### ***Block 5 - Project Manager***

Enter the name and address of the NCI Agency PM to which the ECP is being submitted.

#### ***Block 6 - ECP Date***

Enter the submittal date of the ECP.

#### ***Block 7 - ECP Priority***

The contractor shall recommend a priority to the PM and select Emergency, Urgent or Routine.

#### ***Block 8 - ECP Type***

Select preliminary or formal.

**Block 9 - Title of Change**

Enter a brief title to identify the component or system affected by the ECP. Do not include the description of or the need for the change as these questions are addressed in Blocks 20 and 21.

**Block 10 - System Designation**

Enter the appropriate system designation.

**Block 11 - Revision**

If an ECP is being revised, enter the proper identification of the revision, i.e., R1 for the first revision; Rx (x = 2, 3, etc.) for subsequent revisions (the date submitted shall be the date of the revised ECP).

**Block 12 - Baseline Affected**

Select the box according to the baseline affected.

**Block 13 - Configuration Identification Documentation Affected**

Select the box "yes" or "no", as applicable, to indicate whether the proposed engineering change will affect any configuration identification documentation. If specifications or drawings cited in the contract are affected by the ECP, their identity by the NCAGE code of the design activity, document number, revision letter and the Specification Change Notice (SCN) or Notice of Revision (NOR) number of the SCN or NOR being submitted, shall be submitted on an attached sheet (ref. to ECP template page 6).

**Block 14 - Test Plans Affected**

Select the box "yes" or "no", as applicable, to indicate whether the proposed engineering change will affect any test plans. Submit the appropriate information on an attached sheet (ref. to 42f and to ECP template page 6).

**Block 15 - Other Systems/Configuration Items Affected**

Select the box "yes" or "no", as applicable, to indicate whether there is an interface effect with other systems or CI. If other systems or CI are affected, identify these other systems or CI affected on an attached list (ref. to ECP template page 6) and/or supply the necessary details in Blocks 30 and 32 on ECP Form page 2.

**Block 16 - Configuration Item Name and Number**

Enter the Product Lifetime Management PLM tool assigned CI name and number, if applicable, or authorized name and number of the CI affected by the ECP.

**Block 17 - Contract N°**

Enter the number of the current contract, or in the case of a PM proposed change, the task number under which the ECP will be funded and implemented.

**Block 18 - In Production**

The "yes" box shall be selected if deliveries have not been completed on the contract(s). The "no" box shall be marked if the deliveries have been completed. This block is not always applicable to software. If not applicable, so indicate.

**Block 19 - Lowest Assembly Affected**

For an Hardware Configuration CI (HWCI), an appropriate complete descriptive name of the lower items affected [part(s)] shall be given here in the nomenclature box (19.a) without resorting to such terms as "numerous bits and pieces". Part numbers shall be entered in the Part No. box (19.b) and applicable NATO Stock Number (NSN) shall be entered in the NSN box (19.c). Attached lists may be

used when necessary. For a Computer Software (CSCI), an appropriate complete descriptive name of the lower items affected shall be given in the nomenclature box (i.e. enter the name of each computer software component and computer software unit affected) (19.a). Enter the identification number or designating mnemonic for each affected computer software component and unit in the Part No. box (19.b). As applicable, enter the NSN for each affected computer software component and unit in the NSN box (19.c).

#### ***Block 20 - Description of Change***

The description of the proposed change shall include the purpose and shall be given in sufficient detail to adequately describe what is to be accomplished. It shall be phrased in definitive language such that, if it is repeated in the contractual document authorizing the change, it will provide the authorization desired. A description as to which part of the item or system is being changed shall be provided. Supplemental drawings and sketches shall be provided to the extent necessary to clearly portray the proposed change. If the proposed change is an interim solution, it shall be so stated. If additional space is needed, use continuation pages for details but provide an overview in this block.

#### ***Block 21 - Need for Change***

Explain in detail the nature of the defect, failure, incident, malfunction, etc. substantiating the need for the change. Full utilization shall be made of available failure data (if applicable). If a new capability is to be provided, improvements in range, speed, performance, endurance, striking power, defensive or offensive capabilities, etc. shall be described in quantitative terms. Correspondence establishing requirements for the change and any testing accomplished prior to the submission shall be identified and summarized. If the ECP is being submitted in response to a NCI Agency PM (initiated) request for change, cite that authority herein. Additional pages may be added as required.

#### ***Block 22 - Production Effectivity by Serial Number***

- a) **Hardware.** Enter the contractor's estimated production effectivity point for the production items, including serial number, or other item identification (e.g., block or lot number as approved by the NCI Agency PM). Partial production installation of a change shall not be accomplished, unless specifically authorized by the NCI Agency PM. In determining the effectivity point for the proposed change, the contractor shall consider, in addition to the time factors, the availability of all support elements affected and the most economical point of introduction consistent with all the salient factors involved. The earliest production incorporation is not necessarily the singular or most important factor in the establishment of a proposed change effectivity point. The effectivity point will be based on concurrent availability of all logistics support elements and materials affected by the change to the item. Firm production effectivities should be indicated where the NCI Agency PM has so directed, or where the contractor has introduced a change into production, assuming related risks; and
- b) **Software.** Identify the CSCI version number into which the change will be incorporated. Where applicable, the effectivity of the end item CI and End Item (System) into which the capability represented by the new version of the software is proposed to be incorporated shall also be provided. If the impact of the ECP merits the release of a new software version, Block 20 of the ECP submittal shall include a recommendation to this effect. Serial numbers may be used in lieu of version numbers if approved by the NCI Agency PM.

#### ***Block 23 - Effect on Production Delivery Schedule***

State the estimated delivery schedule of items incorporating the change, either in terms of days after contractual approval, or by specific dates contingent upon contractual approval by a specified date. Indicate if there will be no effect on the delivery schedule. For a complex ECP, or for related ECP, this delivery date will be repeated on the milestone chart, page 7, together with the schedule for other interrelated actions.

### ***Block 24 - Retrofit***

- a) **Recommended Item Effectivity.** When the contractor recommends that the engineering change be accomplished to items already delivered to the NCI Agency PM by retrofit, the quantities and serial (or lot) numbers of accepted items in which the change will be incorporated by retrofit shall be entered in Block 24a, or in a referenced enclosure (ref. to ECP template Page 6). A statement regarding the effectivity to items currently in production shall be based upon the estimated approval date of the ECP.
- b) **Estimated Kit Delivery Schedule.** State estimated kit delivery schedule by quantity and date. When special tooling for retrofit is required for PM use, reference an enclosure in Block 24b on which is specified the dates of availability of tools, jigs and test equipment required in conjunction with the kits to accomplish the change.
- c) **Retrofit Plan Required.** State whether or not a retrofit plan is required and checking the appropriate box. If required this shall be incorporated in the schedule in page 7 of the ECP template.

**Note:** This block shall apply to CSCI if the change is part of a hardware or equipment change and implementation of the CSCI change is per a hardware retrofit schedule, or the fielded version of the software is to be replaced. If the CSCI change is part of a larger hardware or equipment change and incorporation of the CSCI change is per hardware retrofit schedule, that information will be included here either directly or by reference.

### ***Block 25 - Costs/Savings Under Contract***

Enter the total estimated costs/savings impact of the ECP on the contract for the subject CI. This figure normally will be the same as that in column (5), line E, of page 4 (savings shall be shown in parentheses).

**Note:** This shall be mandatorily reported for NCI Agency PM initiated change requests only. For contractor initiated ECPs the relevant costs or savings can be omitted.

### ***Block 26 - Estimated Net Total Costs/Savings***

Enter the total estimated costs/savings impact of the basic and all related ECP, including other costs/savings to the PM. This figure normally will be the same as that in Column (4), Line E, of page 5.

**Note:** This shall be mandatorily reported for NCI Agency PM initiated change requests only. For contractor initiated ECPs the relevant costs or savings can be omitted.

### ***Block 27 - Submitting Activity Authorized Name and Signature***

An authorized official of the activity entered in Block 1 (e.g. the Contractor's PM) shall affix his signature over his typed name in this block. This indicates the ECP has the official sanction of the submitting activity.

### ***Block 28 - Title***

The authorized official who signs block 27 shall enter his title in this block.

### ***Block 29 - Purchaser Approval/Disapproval***

The NCI Agency PM will approve or disapprove ECP by marking Block 29a and will provide concurrence or non-concurrence in the classification of Class II changes by marking Block 29b. The PM will also complete Blocks 29c and 29d (ECP approval or disapproval date).

## **6.2 ECP Page 2**

This page is to be completed only if the proposed change affects the system specification or item development specification(s). If a separate product function specification is used, the effects of

changes proposed after the Product Baseline (PBL) has been established on such a specification shall be described either on page 3 of the ECP Form or on enclosures referenced therein.

**Note:** Originator Name & Address, ECP N° and Date are the same of blocks 1, 4 and 6 respectively.

***Block 30 - Other Systems Affected***

Insert data when Block 15 of page 1 of the ECP form is checked "yes".

***Block 31 - Other Contractors/Organizations Affected***

Identify the other contractors or organizations which will be affected by this engineering change.

***Block 32 - Configuration Items and Documentations Affected***

Enter the names and numbers of all CI, maintenance and operator training equipment, and support equipment affected.

***Block 33 - Effects on Performance Allocations & Interfaces in System Specification.***

Describe in this block the changes in performance allocations and functional interfaces defined in the system specification.

***Block 34 - Effects on Employment, Integrated Logistic Support, Training and Operational Effectiveness or Software***

- a) **Hardware.** Describe the effects of the proposed change on employment, deployment, logistics, and/or personnel and training requirements, which have been specified in the approved system specification, including any changes or effects on the operability of the system. In particular, there shall be an entry detailing any effect on interoperability.
- b) **Software.** The following information shall be entered as applicable to the degree of design development of the CSCI at the time of ECP submission:
  1. Identify any required changes to the data base parameters or values, or to data base management procedures;
  2. Identify and explain any anticipated effects of the proposed change on acceptable computer operating time and cycle-time utilization;
  3. Provide an estimate of the net effect on computer software storage; and
  4. Identify and explain any other relevant impact of the proposed change on utilization of the system.

***Block 35 - Effects on Configuration Items Specifications***

The effect of the proposed change on performance shall be described in quantitative terms as it relates to the parameters contained in the CI development specifications.

***Block 36 - Developmental Requirements and Status***

- a) **Hardware.** When the proposed engineering change requires a major revision of the development programme (e.g., new prototypes, additional design review activity, tests to be accomplished), the nature of the new development project shall be described in detail, including the status of projects already begun.
- b) **Software.** The contractor shall identify the scheduled sequence of computer program design/development/test activities that will be required. For ECP which are initiated following completion of Preliminary Design of the CSCI, or of the new version of CSCI, specific information shall be entered in this block to identify significant requirements for computer program redesign, reassembly, recompiling, recoding, retest, special installation, adaptation, checkout, or live environment testing, as applicable, and to identify the specific impact of these factors on existing schedules for completion of development. Changes to CSCI specification data and source code listings shall be



included. The impact of the software change on hardware design and input/output cabling shall also be detailed.

### ***Block 37 - Trade-Offs and Alternative Solutions***

A summary of the various solutions considered shall be included with an analysis showing the reasons for adopting the solution proposed by the ECP.

### ***Block 38 - Date by Which Contractual Authority is Needed***

Enter the date contractual authority will be required in order to maintain the established schedule.

## **6.3 ECP Page 3**

**Effects on Product Configuration Identification, Logistics and Operations.** Certain information required on this page may have already been required on page 1 or 2. When this information has already been supplied, a cross-reference to such information will be adequate.

**Note:** Originator Name & Address, ECP N° and Date are the same of blocks 1, 4 and 6 respectively.

### ***Block 39 - Effect on Product Configuration Identification or Contract***

The effects on the approved CI specifications shall be described by reference to the SCN, NOR or other enclosure(s) which cover such proposed text changes in detail. The effects on performance, weight, etc., which are covered in the enclosure(s), shall be indexed by proper identification adjacent to the factor affected. The effects on drawings, when not completely covered on page 1, shall be described in general terms by means of a referenced enclosure. Such enclosure may consist of a list of enclosed NOR if submittal of an NOR for each drawing affected is a requirement of the contract. Address nomenclature change when applicable. Proper box shall be checked in first column.

### ***Block 40 - Effect on Integrated Logistics Support (ILS) Elements***

1. Checking all the appropriate boxes shall indicate the effects of the engineering change on logistic support of the item(s). These effects shall be explained in detail on an enclosure indexed by appropriate identification adjacent to the subject under discussion. The information required shall indicate the method to be used to determine the Integrated Logistic Support Plans and items which will be required for the support of the new configuration as well as retrofitting previously delivered items to the same configuration.
2. The following shall be covered as applicable (proper box shall be checked in first column):
  - a) Effects on schedule and content of the ILS plan;
  - b) Impact on maintenance concept and plans for the levels of maintenance and procedures;
  - c) System and or CI Logistics Support Analysis (LSA) tasks to be accomplished and LSA data requiring update wherever it exists in the contract;
  - d) Extension/revision of the interim support plan;
  - e) Spares and repair parts that are changed, modified, obsolete or added, including detailed supply data for interim support spares;
    - a. NOTE: Failure to include detailed supply data will delay ECP processing.
  - f) Revised or new technical manual/programming tapes;
  - g) Revised or new facilities requirements and site activation plan;
  - h) New, revised, obsolete or additional support equipment (SE), test procedures and tapes. For items of SE and trainers which require change, furnish a cross reference to the related ECP, and for any related ECP not furnished with the basic ECP, furnish a brief description of the proposed change(s) in SE and trainers;
  - i) Qualitative and quantitative personnel requirements data which identify additions or deletions to operator or maintenance manpower in terms of personnel skill levels, knowledge and numbers required to support the CI as modified by the change;

- j) New operator and maintenance training requirements in terms of training equipment, trainers and training programs for operator and maintenance courses. This information should include identification of specific courses, equipment, technical manuals, personnel, etc. required to set up the course at either the contractor or PM facility;
- k) See paragraph i above for instruction;
- l) See paragraph j above for instruction;
- m) Any effect on contract maintenance that increases the scope or dollar limitation established in the contract; and
- n) Effects on packaging, handling, storage and transportability resulting from changes in materials, dimensions, fragility, inherent environmental or operating conditions.

***Block 41 - Effect on Operational Employment***

Checking the appropriate factors and providing details by enclosures shall indicate the effects of the engineering change of CI utilization. Quantitative values shall be used whenever practicable but are required when reliability and service life are impacted. Survivability includes nuclear survivability. Proper box shall be checked in fifth column.

***Block 42 - Other Considerations***

Checking the appropriate factors and providing details by enclosures shall indicate the effects of the engineering change on other aspects/considerations.

The effects of the proposed engineering change on the following shall be identified on an enclosure indexed by appropriate identification adjacent to the factor affected:

- a) Interfaces having an effect on adjacent or related items, (output, input, size, mating connections, etc.);
- b) Government Furnished Equipment (GFE) or Government Furnished Data changed, modified or obsolete;
- c) Physical constraints (removal or repositioning of items, structural rework, increase or decrease in overall dimensions);
- d) Computer programs requiring a change to an existing program, resources or addition of a new program;
- e) Rework required on other equipment not included previously which will effect the existing operational configuration;
- f) Additional or modified system test procedures required;
- g) Any new or additional changes having an effect on existing warranties or guarantees; and
- h) Changes or updates to the parts control program.

***Block 43 - Alternative Solutions***

A summary of the various alternative solutions considered, including the use of revised operation or maintenance procedures, revised inspection or servicing requirements, revised part replacement schedules, etc., shall be included. The contractor shall provide an analysis of the alternatives, identify the advantages and disadvantages inherent in each feasible alternative approach, and show the reasons for adopting the alternative solution proposed by the ECP.

***Block 44 - Development Status***

When applicable, the contractor shall make recommendations as to the additional tests, trials, installations, prototypes, fit checks, etc., which will be required to substantiate the proposed engineering change. These recommendations shall include the test objective and test vehicle(s) to be

used. The contractor shall indicate the development status of the major items of GFE that will be used in conjunction with the change and the availability of the equipment in terms of the estimated production incorporation point.

***Block 45 - Recommendations for Retrofit***

When applicable, the contractor shall make recommendations for retrofit of the engineering change into items already delivered to the PM with substantiating data, any implications thereto, and a brief description of the action required. Where retrofit is not recommended, an explanation of this determination shall be provided. Reference shall be made to any enclosure required to state recommended retrofit effectivity (see Block 24a on page 1).

***Block 46 - Work-Hours per Unit to Install Retrofit Kits.***

Complete Blocks 46a through 46d to show the amount of work, which must be programmed for various activities to install retrofit kits. Estimate work-hours to install retrofit kits when system is undergoing overhaul or preventative maintenance cycle as much as possible.

***Block 47 - Work-Hours to Conduct System Tests After Retrofit***

Enter the work-hours required to test the system or the item following installation of the retrofit kit.

***Block 48 - This Change Must Be Accomplished.***

Where previously approved engineering changes must be incorporated in a specific order in relation to the proposed change, such order should be specified.

***Block 49 - Is Contractor Field SVC Engineering Req'd?***

Check applicable box. If "yes" (i.e. contractor field service engineering is required) attach proposed program for contractor participation.

***Block 50 - Out of SVC Time***

Estimate the total time period from removal of the equipment from operational service until equipment will be returned to operational status after being retrofitted.

***Block 51 - Effect of this ECP and Previously Appr. ECPs on Item***

The contractor shall summarize the cumulative effect upon performance, weight, electrical load, etc., of this ECP and previously approved ECP when design limitations are being approached or exceeded. Consequences of ECP disapproval may be stated in this block or in a referenced enclosure.

***Block 52 - Date Contractual Authority Needed For***

The contractor shall provide the date by which contractual authority to proceed is needed to maintain the estimated effectiveness specified in the ECP and to provide concurrent ILS and logistics support item deliveries. The contractor should consider the targets for decision allowing additional time for review, mailing and other incidental handling and processing requirements.

**6.4 ECP Page 4**

**Note:** Originator Name & Address, ECP N° and Date are the same of blocks 1, 4 and 6 respectively.

Page 4 of the ECP form is intended as the summary of the estimated net total cost/savings impact of a single ECP. In Blocks 53A through D, each cost factor associated with the ECP shall be considered as to whether such cost or portion thereof under the subject contract is recurring or nonrecurring. Enter the cost savings in columns (1) and (4), as applicable, using entries in the "unit" and "quantity" columns when appropriate. Savings shall be enclosed with parentheses. Other costs/savings to the PM resulting from approval of this ECP shall be entered in column (6) to the extent these costs can be determined by the contractor. This estimate of cost impact will be used for planning purposes and for a cost

reduction or value engineering ECP analysis as to the net saving that would result. Firm cost proposals shall be submitted together with the appropriate cost breakdown. If an ECP affects items being delivered to more than one multinational participant, a separate page 4 shall be filled out for the quantities to be delivered to each participant. Unless otherwise prescribed, costs of special tooling, scrap, redesign, etc. shall be divided between the participants on the basis of the percent of items furnished to each. The cost analysis applicable to each participant shall be appropriately labelled at the top of the form.

Specifically for CSCIs, page 4 shall be used if the costs/savings can be clearly identified in addition to all impact factors identified in the relevant blocks of the ECP form, pages 1 and 2 (and to be reported as part of Block 21). A separate page, if further detailing CSCI cost estimates and impact factors shall be attached to the ECP form (ref. page 6 of the ECP template).

**Block 53A. Production Costs/Savings**

Enter the estimate of costs/savings applicable to production of the CI resulting from incorporation of the change. Enter the projected life cycle costs/savings applicable to the planned production and spares buys of the item that are not yet on contract in the block entitled CI in column (6). Show redesign costs for the CI in the block titled "engineering, engineering data revisions" when the item is in production. Enter the subtotal of production costs (both non-recurring and recurring) in the fifth column.

**Block 53B. Retrofit Costs**

Enter the estimate of costs applicable to retrofit of the item, including installation and testing costs. Show design costs of the retrofit kit and data revision costs strictly related to retrofit when the CI is in production; show all redesign and data revision costs when the item is not in production. Costs of modifications required to existing GFE and subsequent testing also shall be shown. Enter the subtotal of retrofit costs in the fifth column.

**Block 53C. Integrated Logistic Support Costs/Savings**

Enter the estimated cost of the various elements of ILS applicable to the item covered by the ECP. On the line titled "interim support," estimated costs shall be entered based upon the period of time between initial installation/operation of the item (aircraft, tank, etc.) as modified by the ECP and PM attainment of support capability. Such "interim support" costs shall include costs estimates of contractor recommended/provided spares and repair parts, special support equipment, training equipment and personnel training program. On the line titled "maintenance manpower" shall be entered the estimated costs/savings for the contracted maintenance support for the remainder of existing maintenance contracts. Other ILS costs/savings associated with ILS elements for which appropriate titles do not appear in Block 53C may be entered in place of a factor not used unless such costs are covered on page 5 or in related ECP. Enter the subtotal of ILS costs/savings in column (5).

**Block 53D. Other Costs/Savings**

If there are other costs/savings under the contract which do not fall under the production, retrofit or ILS headings, enter the total of such costs/savings in Block 53D, column (5). If there are other costs/savings to the PM which do not fall under the production, retrofit or ILS headings or under Block 53G, "coordination changes by PM, enter the total of such costs/savings in Block 53D, column (6).

**Block 53E. Subtotal Costs/Savings**

Enter the subtotals of columns (1), (4), and (5) on this line. The subtotal in column (5) shall be the sum of columns (1) and (4). This subtotal under the contract then shall be entered on the line so titled in column (6) and on page 1, Block 26.

**Block 53F. Coordination of Changes with Other Contractors**

This term applies to interface changes to items other than GFE, and changes to GFE being covered under 53B. If such coordination changes are covered by related ECP and summarized on page 5, the estimated costs thereof, shall not be entered in Block 53F. However, if page 5 is not required, or if costs of certain coordination changes are not tabulated on page 5, an estimate of such costs shall be entered in Block 53F when available.

**Block 53G. Coordination Changes by PM**

Enter in this block an estimate of the cost to the PM of interface changes which must be accomplished in delivered items (aircraft, ships, facilities, etc.) to the extent such costs are not covered in Block 53B or on page 5.

**Block 26. Estimated Net Total Costs/Savings**

Enter the sum of the preceding four lines of column 6 and on page 1, Block 26.

**6.5 ECP Page 5**

This page identifies the estimated costs/savings summary, related ECP. Page 5 is intended as the summary of the estimated net total cost/savings impact of both the package of related ECP and other associated new requirements, which are needed to support the modified items. A few revised requirements for ILS, such as ILS plans and maintenance concept do not appear as headings on page 4. When only a single ECP is involved, these additional costs for revision of ILS plans, etc. should be shown on page 4 under the ILS heading, and page 5 may be omitted.

**a. Responsibility for Preparation:**

- (1) **Prime Contractor.** The prime contractor shall summarize the costs/savings of all related ECP for which he is responsible, on page 5. If there is no system-integrating contractor, the prime contractor submitting the basic ECP shall include the costs/savings of related ECP being submitted by other affected contractors to the extent such information is available.
- (2) **System Integrating Contractor.** When a system integrating contractor (or coordinating contractor) has contractual responsibility for coordination of ECP, such system integrating contractor shall summarize the costs/savings of related ECP of the several primes involved in an interface or interrelated ECP on page 5 of the ECP form and shall attach this page to the ECP package.

**b. Summarization Techniques.**

- (1) The costs of certain related ECP are entirely ILS costs. Thus costs of ECP for trainers, other training equipment and SE shall be listed in total under the "ILS costs" heading. Other ECP (applicable to weapons, aircraft, tanks, sub-systems thereof, etc.) shall be split into the four subtotals of "production," "retrofit," "ILS," and "other costs" for entry on page 5. The sum of the four subtotals attributed on page 5, column (3), to an individual ECP should agree with the subtotal of costs/savings under contract, line e, and column (5) of page 4 of that ECP. Cost breakdowns should be arranged in such manner that costs/savings are neither included more than once on the summary nor omitted. The purpose of the grouping on the cost summary is to arrive at a total ILS cost, as well as a net total cost of all actions, for the complete group of related ECP.

**c. Software changes only.**

- (1) This form shall not apply in the case where all related ECP being summarized refer to software changes only.

**Note:** Originator Name & Address, ECP N° and Date are the same of blocks 1, 4 and 6 respectively.

#### ***Block 54A. Production Costs/Savings***

Enter the ECP number in column (2) and in columns (3) and (4) the production subtotals from columns (5) and (6) respectively, of Block 53A of each ECP applicable to weapons, aircraft, tanks, subsystems thereof, etc. (Note that total costs of ECP on trainers and training equipment are entered in Block 54C.)

#### ***Block 54B. Retrofit Costs***

Retrofit costs may be charged by the PM to production funds or maintenance funds or may be split between the two. The type of funds used depends upon the PAP phase in the items life cycle. If the originator of page 5 is aware of the costing method, then, retrofit costs shall be entered in, or split between, Blocks 54B and 54.C.1, as appropriate. If such practice is unknown, enter in Block 54B the ECP number and the retrofit subtotals from the columns (5) and (6) of Block 53B for each applicable ECP.

#### ***Block 54C. ILS Costs/Savings***

Enter retrofit costs in Block 54.C.1, if appropriate. Enter in Block 54.C.2 the ILS subtotals from Columns (5) and (6) of Block 53c of each ECP applicable to weapons, aircraft, tanks, subsystems thereof, etc. As stated in 50.2, enter costs of ECP for ILS items in Blocks 54.C.3, 4, 5 and 6. Enter costs of revision or preparation of ILS plans for the CI or complete system in Block 54.C.7. Enter in Block 54.C.9 costs of revision of the interim support plan to the extent such costs have not already been covered under Block 53C of page 4 of the applicable ECP. Enter in Blocks 54.C.10 through 54.C.18 the costs of all new requirements for ILS not covered by ECP, such costs being broken down into nonrecurring and recurring costs, as appropriate, and totalled in column (3).

#### ***Block 54D. Other Costs/Savings***

Enter in Block 54D the sum of the "other costs" totals from column (5) and (6) of Block 53D of each ECP applicable to weapons aircraft, tanks, subsystems thereof, etc.

Subtotals of Columns. Enter the subtotals of columns (3) and (4) on this line. The subtotal under contract(s) shall then be entered on the line so titled in Column (4).

#### ***Block 54E. Estimated Net Total Costs/Savings***

Enter the sum of the proceeding two lines of column (4).

### **6.6 ECP Page 6**

Page 6 of the ECP form is used to list all the documents/enclosures that are part of the ECP.

**Note:** Originator Name & Address, ECP N° and Date are the same of blocks 1, 4 and 6 respectively.

#### ***Block 55. LIST of Enclosures (from other pages) – Documentation subject to variation:***

For each attached document/enclosure the following data shall be provided:

- a) 55.a - Document Unique Identifier (DUN)
- b) 55.b - Originator NCAGE
- c) 55.c - Document Title
- d) 55.d - Enclosure n. (coherent with the reference made throughout the rest of the ECP template pages).

### **6.7 ECP Page 7**

Page 7 of the ECP form is used to provide the ECP Implementation Schedule.

**Note:** Originator Name & Address, ECP N° and Date are the same of blocks 1, 4 and 6 respectively.

***Block 56. ECP Implementation Schedule (GANTT)***

Enter here the Implementation schedule of the ECP with relative dates based on the ECP approval date.

The schedule shall include, for any involved project phase (design, implementation, retrofit etc.), CI (HW, SW, FW), document and logistic Support aspect (e.g. training, spare parts, tools etc.), sufficient details to assess the duration of the change activities; operational impacts shall be minimized to the maximum extent.

## **ANNEX A – ECP FORM**

See “AI 16.32.02 - Annex A ECP form.docx”.



## APPENDIX 1 – ABBREVIATIONS

A Consolidate list of all abbreviations that can be found in this document of INSTR is reported here below:

Abbreviation	Description
ACMP	Allied Configuration Management Publications
CI	Configuration Item
CSCI	Computer Software CI
DUN	Document Unique Identifier
ECP	Engineering Change Proposal
FW	Firmware
GFE	Government Furnished Equipment
HW	Hardware
HWCI	HW CI
ILS	Integrated Logistics Support
INSTR	Instructions
LSA	Logistics Support Analysis
NCAGE	NATO Cage code
NOR	Notice of Revision
NSN	NATO Stock Number
PAP	Phased Armaments Programming
PBL	Product Baseline
PLM	Product Lifetime Management
PM	Program Manager
SCN	Specification Change Notice
SE	Support Equipment
SW	Software



**AGENCY INSTRUCTION**

**AI 16.32.03**

**INSTRUCTIONS FOR THE PREPARATION OF REQUEST FOR DEVIATIONS/WAIVERS (RFD/W)  
UTILIZING NCI AGENCY FORM RFD/W**

Effective date: 03/11/2022 (*Precise date as per Approver's e-signature date*)

Revision No: Original

Issued by: Deputy Chief of Acquisition \_\_\_\_\_

Approved by: Chief of Acquisition \_\_\_\_\_

### Table of Amendments

Amendment No	Date issued	Remarks

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## AI 16.32.03 INSTRUCTIONS FOR THE PREPARATION OF REQUEST FOR DEVIATIONS/WAIVERS (RFD/W) UTILIZING NCI AGENCY FORM RFD/W

### 1 REFERENCES

- A. AD 01.01 Agency Policy on Management and Control of Directives, Notices, Processes, Procedures and Instructions (latest applicable)
- B. AD 03.03 Security (Security of Information), dated 3 July 2014;
- C. PDED 16.30 ACQ-IPS (Acquisition - Integrated Product Support) (latest applicable)
- D. STANAG 4427 Edition 3 - Configuration Management in System Life Cycle Management, dated 18 December 2014
- E. ACMP-2009-SRD-51 Edition A Version 1 - NCI Agency CM tools, dated March 2017

### 2 PURPOSE

This document of Instructions (INSTR) provides guidance on the preparation of RFD/W utilizing the NCI Agency form RFD/W, where:

- A **deviation** is a specific, written authorization, granted prior to the manufacture of a configuration item, to depart from a particular performance or design requirement of the specification, drawing or other document for a specific number of units or a specified period of time. A deviation differs from an engineering change in that an approved engineering change requires corresponding revision of the documentation defining the affected item, whereas a deviation does not contemplate revision of the applicable specification or drawing.
- A **waiver** is a written authorization to accept a configuration item, which during production or after having been submitted for inspection, is found to depart from specified requirements, but nevertheless is considered suitable for use "as is" or after rework by an approved method.

### 3 APPLICABILITY

This INSTR applies to both all elements of the Agency and Agency's contractors.

### 4 SCOPE

#### 4.1 In Scope

This INSTR was developed to provide:

- a) Detailed information on the preparation of RFD/W managed internally to the Agency; and
- b) A vehicle by which the Agency can contractually invoke RFD/W preparation requirements on contractors.

#### 4.2 Out of Scope

The preparation of RFD/W for which it is not required a coordination with the Agency (e.g. RFD/W generated by the contractors on a product not yet handed over to the Agency) is out of scope of this INSTR.

### 5 BACKGROUND

#### 5.1 Origin of the RFD/W form

The proposed RFD/W template is also proposing a simplified approach with respect to (w.r.t.) what is reported in STANAG 4427 Ed. 3 (ACMP-2009-SRD 51.2).

The RFD/W Template is made of numbered blocks and this document offers a guided procedure to correctly fill the template block by block.

## 5.2 Local Reproduction

Local reproduction of RFD/W forms is authorized.

## 6 DETAILED REQUIREMENTS

Detailed instructions for completion of the NATO RFD/W Form.

### ***Block 1 – RFD/W Date***

Enter the date RFD/W prepared in the format DD-Mon-YYYY, e.g. 01-Jan-2022.

### ***Block 2 - Procuring Activity Number (PAN)***

To be used by the procuring activity for entry of internal processing number if required.

### ***Block 3 – RFD/W N.***

Enter the originator internal RFD/W or tracking number if required.

### ***Block 4 - Title of RFD/W***

Enter a title to describe the Deviation/Waiver.

### ***Block 5 – RFD/W Priority***

Enter the RFD/W Priority (check the appropriate box).

### ***Block 6 – RFD/W Application In***

Enter the applicability of this form to either Deviation or Waiver.

### ***Block 7 - Baseline affected***

Enter the affected baseline (check the appropriate box).

### ***Block 8.a-c - System Information***

Enter the System/Configuration item nomenclature, Part Number and NATO Cage (NCAGE) Code.

### ***Block 9 - Affected Item Nomenclature***

Enter the affected part/assembly/configuration item nomenclature.

### ***Block 10 - Part Number(s) of Affected Item***

Enter the affected part/assembly/configuration item Part Number and NCAGE Code.

### ***Block 11.a - Other External System Affected***

If the proposed change impacts another system (e.g., interfacing system, training device, and test sets), check yes in this field, otherwise check no.

### ***Block 11.b, c, d - List Other Systems or Configuration Items Affected***

If block 11.a. is checked yes, list other systems affected Part Numbers, NCAGE Codes, Nomenclature.

### ***Block 12.a-c - Classification of Defects***

Enter the defect classification, defect no. (if applicable) and the document used to define or classify the defect (if applicable).

### ***Block 13 - Description of Deviation/Waiver***

Describe the nature of the proposed departure from the technical requirements of the configuration documentation. Marked drawings or other documents should be included when necessary to describe the deviation/waiver.

**Block 14 - Need for Deviation/Waiver**

Explain why it is not possible to comply with the configuration documentation within the specified delivery schedule. Also, if applicable, explain why a deviation/waiver is proposed in lieu of a permanent design change.

**Block 15 - Corrective Action Taken**

Describe action to prevent a future recurrence.

**Block 16 - Effect on performance, function, reliability, durability, integrated logistics support**

The deviation/waiver shall be analyzed to determine if it affects any factors listed on NCI Agency Form Engineering Change Proposal (ECP), Page3. Describe any effect on these factors.

Add also a brief description.

**Block 17 – Recurring Deviation/Waiver**

If the same deviations/waivers have been requested previously, check yes here.

**Block 18 - Effectivity**

Describe the effectivity over which this deviation/waiver applies. May be listed by quantity, lot number(s), serial number(s) or date(s), or a combination thereof.

**Block 19 - Per Unit Cost Impact**

Enter the estimated cost impact of the variance. If cost decrease, enclose quantity in parentheses.

**Block 20 - Total Cost Impact**

Enter the total cost impact of the affected deviation/waiver. If cost decrease, enclose quantity in parentheses.

**Block 21 - Effect on Delivery Schedule if Rejected**

Describe the effect on the delivery schedule if the deviation/waiver is rejected.

**Block 22.a-c - Contract Information**

Enter the contractor name, contract number and line item of the affected item

**Block 23.a.c - Contracting Officer**

Enter the procuring activity's contracting officer name, telephone and e-mail.

**Block 24.a.e - Originator Information**

Enter the originator, name and title, address, NCAGE Code, email and telephone number of the originator of the request for deviation/waiver.

**Block 25.a-c - Submitting Activity**

An authorized official of the activity entered in Block 24 shall sign in this block and enter name and title and email.

**Block 26.a-d - Recommendation**

This block will be completed by the activity making a recommendation to the Configuration Change Authority, including name and title, approval (Y/N) and signature.

**Block 27.a-d - Disposition**

This block will be completed by the Configuration Change Authority authorized to make the decision on the request for deviation/waiver, including name and title, approval (Y/N) and signature.

## **ANNEX A – RFD/W FORM**

See “Annex A RCDW form.docx”.



## APPENDIX 1 – ABBREVIATIONS

A Consolidate list of all abbreviations that can be found in this document of INSTR is reported here below:

Abbreviation	Description
ECP	Engineering Change Proposal
NCAGE	NATO Cage code
PAN	Procuring Activity Number
RFD	Request For Deviation
RFW	Request For Waiver