



NATO UNCLASSIFIED

Acquisition
Sarah.Hazebroek@ncia.nato.int

NCIA/ACQ/2016/0899
1 March 2016

To : See Distribution List

Subject : **INVITATION FOR BID – IFB-CO-14150-SMC-TA**

Provision of SMC Target Architecture for Implementation of Enterprise-Wide End-to-End SMC Capability

Reference(s) : A. AC/4-D(2002)002 (Final) dated 24th June 2002
B. AC/4(PP)D/27242
C. AC/4-DS(2014)0013
D. AC/4(PP)D/27242-ADD1
E. AC/4-DS (2015)0020
F. NCI Agency Notification of Intent (NOI), NCIA/ACQ/15/1444, dd. 14 December 2015

Dear Sir/Madam

1. Your firm is herewith invited to participate in an Invitation for Bid under BOA (BOA plus) procedure for the provision of Service Management and Control (SMC) Target Architecture and implementation of various SMC capabilities.
2. NATO intends placing one contract to cover the entire scope of the project. No partial bidding will be allowed.
3. The scope of the envisaged project is described in the prospective Contract (Book II), attached to this letter.
4. Contract award will be based on the proposal evaluated as the lowest price, technically compliant bid.
5. The reference for the Invitation for Bid is **IFB-CO-14150-SMC-TA** and all correspondence concerning the IFB should reference this number.
6. **THE CLOSING TIME FOR SUBMISSION OF BIDS IN RESPONSE TO THIS INVITATION FOR BID IS 14:00 HOURS (BRUSSELS TIME) ON 12 APRIL 2016.**
7. This Invitation for Bid consists of a Book I: Bidding Instructions, including Administrative Certificates and Bidding Sheets and a Book II: The Prospective Contract. The Prospective Contract contains the Signature Sheet, 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 thereto sets forth detailed specifications governing the performance requirements of the Contract.



NATO Communications
and Information Agency
Agence OTAN d'information
et de communication

Avenue du Bourget 140
1140 Brussels, Belgium

www.ncia.nato.int

NATO UNCLASSIFIED

8. The overall security classification of this bid is "NATO UNCLASSIFIED". This Invitation for Bid remains the property of the NCI Agency and shall be protected in accordance with the applicable national security regulations.
9. The successful Bidder will be required to handle and store classified information up to the level of "NATO RESTRICTED". In addition, Contractor personnel working on NATO sites will be required to hold individual security clearances of "NATO SECRET". Only companies maintaining such cleared facilities and the appropriate personnel clearances will be able to perform the resulting contract.
10. Bidders have the right to request IFB clarifications as outlined in Section 2.6 of the Bidding Instructions (Book I).
11. Bidders are requested to complete and return the enclosed acknowledgement of receipt within ten (10) days of receipt of this IFB, informing the NCI Agency of their intention to bid/not to bid. Firms are not bound by their initial decision, and if a firm decides to reverse their stated intention at a later date, it is requested to advise the NCI Agency via e-mail.
12. This Invitation for Bid does not constitute either a financial or contractual commitment at this stage. 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. The NCI Agency point of contact for all information concerning this IFB is:

NCI Agency
Avenue du Bourget, 140
1140 Brussels, Belgium
Attn: Sarah Hazebroek, Contracting Officer
E-mail: Sarah.Hazebroek@ncia.nato.int
14. As specified in the Bidding Instructions (Book I), Bidders will be required to declare a bid validity of six (6) months from closing date for receipt of bids.

FOR THE GENERAL MANAGER:



L.T. Herway
Chief of Contracts

Enclosures:
Attachment A: Acknowledgement of Receipt



ATTACHMENT A

ACKNOWLEDGEMENT OF RECEIPT OF INVITATION FOR BID

IFB-CO-14150-SMC-TA

Please complete and return within 10 days after receipt of the IFB
(via e-mail to sarah.hazebroek@ncia.nato.int and werner.goos@ncia.nato.int):

We hereby advise that we have received Invitation for Bid **IFB-CO-14150-SMC-TA**
on _____, together with all enclosures listed in the Table of Contents.

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: _____

Address: _____



Distribution List for IFB-CO-14150-SMC-TA

Prospective Bidders (sent separately in electronic version)

All NATO Delegations (Attn: Infrastructure Adviser) (Except Albania and Croatia).

Embassies in Brussels (Attn: Commercial Attaché):

Bulgaria
Canada
Czech Republic
Denmark
Estonia
France
Germany
Greece
Hungary
Italy
Latvia
Lithuania
Luxembourg
The Netherlands
Norway
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Turkey
United Kingdom
United States (electronic copy to brussels.office.box@mail.doc.gov)

NATO HQ

NATO Office of Resources

Management and Implementation Branch – Attn: Deputy Branch Chief

Director, NATO HQ C3 Staff

Attn: Executive Co-ordinator

SACTREPEUR

Att: Infrastructure Assistant



NATO Communications and Information Agency

INVITATION FOR BID

IFB-CO-14150-SMC-TA

BOOK I

BIDDING INSTRUCTIONS

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SECTION 1 INTRODUCTION

1.1. Purpose

- 1.1.1. The purpose of this solicitation is to invite Bids and to establish a Contract for the provision of Service Management and Control (SMC) Target Architecture and implementation of various SMC capabilities.

1.2. Scope

- 1.2.1. The NATO CI Agency (NCI Agency), as designated Host Nation is authorized to award a Contract to the successful bidder (hereinafter referred to as "Contractor").
- 1.2.2. The NCI Agency will oversee and actively contribute to the development of Service Management and Control Target Architecture and implementation of particular SMC capabilities as described further in Book I and Book II of the IFB, by the procurement of software and services under a single Contract resulting from a Basic Ordering Agreement Plus (BOA +) competition.

1.3. Overview of the Prospective Contract

- 1.3.1. The CO-14150-SMC-TA contract will provide consultancy services to support architectural development and implementation tasks to be delivered in customer premises. It will also provide the necessary software to implement some of the SMC capabilities designed during the architectural development work.
- 1.3.2. Following Source Selection, award of the Contract will be made on a Firm Fixed Price Basis to the lowest compliant Bidder (Lowest price, technically compliant).
- 1.3.3. The target for contract award is 2nd Quarter 2016.

1.4. Governing Rules, Eligibility, and Exclusion Provisions

- 1.4.1. This solicitation is an International Invitation for Bid (IFB) and is based on **BOA Plus** Competition. This IFB is issued in accordance with the procedures for Governing BOAs set forth in the NATO document AC/4-D(2002)002 (24 June 2002).
- 1.4.2. 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 **or** which have an active BOA with the NCI Agency.
- 1.4.3. This IFB will **not** be the subject of a public bid opening.

1.4.4. Lowest Compliant Bid Competition:

The evaluation method to be used in the selection of the successful Bidder under this solicitation will follow the BOA procedures AC/4-D(2002)002 dated 24 June 2002.

1.4.5. The Bid evaluation criteria and the detailed evaluation procedures are described in SECTION 4 .

1.4.6. The Bidder shall refer to the Purchaser all queries for resolution of any conflicts found in information contained in this document in accordance with the procedures set forth in paragraph 2.6 "Requests for IFB Clarifications".

1.5. Security

1.5.1. The security classification of this IFB document is "NATO UNCLASSIFIED".

1.5.2. However, contractor personnel that will work at NATO sites are required to possess a security clearance of "**NATO SECRET**". Contractor personnel without such a clearance, confirmed by the appropriate national security authority and transmitted to the cognisant NATO security officer in accordance with the specific instructions contained in this IFB, will be **denied access** to the site. Denial of such access by the Purchaser may **not be** used by the Contractor as the basis for a claim of adjustment or an extension of schedule nor can the denial of access be considered a mitigating circumstance in the case of an assessment of "Liquidated Damages or a determination of Termination For Default by the Purchaser."

1.5.3. All NATO CLASSIFIED material entrusted to the Contractor shall be handled and safeguarded in accordance with applicable security regulations. The Contractor shall be able to handle and store material of "NATO RESTRICTED" classification in his facility in the conduct of work under this Contract.

1.5.4. 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 a reasonable period of time, 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.

1.6. 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 reference documents are provided "as is", without any warranty as to quality or accuracy.

SECTION 2 GENERAL BIDDING INFORMATION

2.1. Definitions

2.1.1. In addition to the definitions and acronyms set in the Contract Special Provisions (Part II) of the prospective Contract, and the definitions and acronyms set in the Clause entitled "Definitions of Terms and Acronyms" of the Contract General Provisions (Part III) of the prospective Contract, the following terms and acronyms, as used in this Invitation for Bid shall have the meanings specified below:

- 2.1.1.1. "Bidder": 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.
- 2.1.1.2. "Compliance": strict conformity to the requirements and standards specified in this IFB and its attachments.
- 2.1.1.3. "Contractor": the awardee of this solicitation of offers, who shall be responsible for the fulfilment of the requirements established in the prospective Contract.
- 2.1.1.4. "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.
- 2.1.1.5. "IFB": Invitation for Bid.
- 2.1.1.6. "Participating Country": any of the NATO nations, **except** ALBANIA and CROATIA, contributing to the project, namely, (in alphabetical order): BELGIUM, BULGARIA, CANADA, CZECH REPUBLIC, DENMARK, ESTONIA, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, THE NETHERLANDS, NORWAY, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, SPAIN, TURKEY, THE UNITED KINGDOM and THE UNITED STATES.

- 2.1.1.7. “Purchaser”: the authority to issue the IFB and/or award the contract, NATO CI Agency (NCI Agency).
- 2.1.1.8. “Quotation” or “Bid”: a binding offer to perform the work specified in the attached prospective Contract (Book II).

2.2. Eligibility and Origin of Equipment and Services

- 2.2.1. As stated in paragraph 1.4.2 above only firms from a Participating Country are eligible to engage in this competitive Bidding process, which maintain an active Basic Ordering Agreement (BOA) with the NCI Agency, or have been nominated by their respective National Authority. 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 NATO member countries, and no license fees or royalty charges shall be paid by the Contractor to firms, individuals or governments other than within the NATO member community.

2.3. Bid Delivery and Bid Closing

- 2.3.1. All Bids shall be in the possession of the Purchaser at the address given below in paragraph 2.3.2 not later than **14h00 hours (Brussels Time) on 12 APRIL 2016**, at which time and date Bidding shall be closed.
- 2.3.2. Bids shall be delivered to the following address:

By National Postal Service:

NCI Agency
Bâtiment Z
Attn: Sarah Hazebroek (Acquisition)
Boulevard Leopold III
1110 Brussels
Belgium

Hand Carried or Courier Service:

NCI Agency
Bâtiment Z

Attn: Sarah Hazebroek (Acquisition)
Avenue du Bourget 140
1110 Brussels

Bids submitted by electronic means are **not permitted** and will not be considered. Bidders are advised that security or other personnel remaining on the premises outside of normal business hours may decline to sign or issue receipts for delivered items.

2.3.3. Late Bids:

2.3.3.1. Bids which are delivered to the Purchaser after the specified time and date set forth above for Bid Closing are "Late Bids" and shall not be considered for award. Such Bids will be returned unopened to the Bidder at the Bidder's expense unless the Purchaser can determine that the Bid in question meets the criteria for consideration as specified below.

2.3.3.2. *Consideration of Late Bid* – The Purchaser considers that it is the responsibility of the Bidder to ensure that the Bid submission arrives by the specified Bid Closing time. Considering the number and quality of express delivery services, courier services and special services provided by the national postal systems, a late Bid shall only be considered for award under the following circumstances:

2.3.3.2.1. A Contract has not already been awarded pursuant to the Invitation for Bid, and

2.3.3.2.2. The Bid was sent to the address specified in the IFB by ordinary, registered or certified mail not later than ten (10) calendar days before the Bid closing date and the delay was due solely to the national or international postal system for which the Bidder bears no responsibility (the official postmark for ordinary and Registered Mail or the date of the receipt for Certified Mail will be used to determine the date of mailing), or

2.3.3.2.3. The Bid was hand carried, or delivered by a private courier service and the Bidder can produce a receipt which demonstrates that the delivery was made to the correct address and received by a member of the NCI Agency and the failure to be received by the Contracting Authority was due to mishandling within the Purchaser's organisation.

2.3.3.3. A Late Bid which was hand-carried, or delivered by a private courier, for which a proper receipt cannot be produced, cannot be considered for award under any circumstances nor can late Bids which bear no post marks or for which documentary evidence of mailing date cannot be produced.

- 2.3.3.4. Bidders are advised that security personnel or other personnel remaining on the premises outside of normal business hours may decline to sign or issue receipts for delivered items.

2.4. Requests for Extension of Bid Closing Date

- 2.4.1. The Purchaser does not anticipate, except in exceptional cases, accepting Bidder requests to extend the Bid Closing Date. In any event, all questions and requests for extension of bid closing date must be submitted in writing. Bidders are informed that requests for extension to the closing date for the IFB shall be submitted **only** through their NATIONAL Representatives/ Delegations at NATO to the point of contact indicated in paragraph 2.5.1 below. Any request for extension shall be submitted by the Bidder no later than seven (7) days prior to the established Bid closing date. Extensions to the Bid Closing Date are at the sole discretion of the Purchaser.

2.5. Purchaser's Point of Contact

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

Sarah Hazebroek
Contracting Officer
Acquisition - Contracting
E-mail Sarah.Hazebroek@ncia.nato.int

2.6. Requests for IFB Clarifications

- 2.6.1. 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.
- 2.6.2. All requests for clarification shall be forwarded to the Purchaser using the Clarification Request Forms provided at **Annex D of this Book I**. Such requests shall be forwarded via email to the point of contact specified in paragraph 2.5.1 above and shall arrive **no later than 22 March 2016**. 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 2.6.3 below.
- 2.6.3. 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 no later than 1 April 2016.
- 2.6.4. 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.

- 2.6.5. Bidders are advised that subsequent questions and/or requests for clarification included in a Bid shall neither be answered nor considered for evaluation.
- 2.6.6. 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.
- 2.6.7. 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.
- 2.6.8. The Purchaser reserves the right to reject questions and clarification requests clearly devised or submitted for the purpose to artificially obtain 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).
- 2.6.9. 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 his offer.

2.7. Requests for Waivers and Deviations

- 2.7.1. Bidders are informed that requests for alteration to, waivers 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.
- 2.7.2. 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 2.6 above. Requests for alterations to the specifications, terms and conditions of the 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.

2.8. Amendment of the Invitation for Bid

- 2.8.1. The Purchaser may revise, amend or correct IFB at any time prior to the Bid Closing Date as detailed in paragraph 2.3. 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 2.6 above or may be an independent action on the part of the Purchaser.

- 2.8.2. 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.
- 2.8.3. 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.

2.9. Modification and Withdrawal of Bids

- 2.9.1. 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. Such modifications will be considered as an integral part of the submitted Bid.
- 2.9.2. 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 2.3.3, 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.
- 2.9.3. 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.
- 2.9.4. Except as provided in paragraph 2.10.4.2 below, a Bidder may withdraw its Bid after Bid Opening only by forfeiture of the Bid Guarantee.

2.10. Bid Validity

- 2.10.1. Bidders shall be bound by the term of their Bid for a period of six (6) months starting from the Bid Closing Date specified in paragraph 2.3.1 above.
- 2.10.2. 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.

- 2.10.3. 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.
- 2.10.4. Upon notification by the Purchaser of such a request for a time extension, the Bidders shall have the right to:
- 2.10.4.1. 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
 - 2.10.4.2. 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.
- 2.10.5. 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.

2.11. Bid Guarantee

- 2.11.1. The Bidder shall furnish with his Bid a guarantee in an amount equal to Eighty Thousand Euro (€80,000). The Bid Guarantee shall be substantially similar to **Annex C** as an irrevocable, unqualified and unconditional Standby Letter of Credit (SLC) issued by a Belgian banking institution fully governed by Belgian legislation or issued by a non-Belgian financial institution and confirmed by a Belgian banking institution fully governed by Belgian legislation. In the latter case signed original letters from both the issuing institution and the confirming institution must be provided. The confirming Belgian bank shall clearly state that it will guarantee the funds, the drawing against can be made by the NCI Agency at its premises in Belgium. Bid Guarantees shall be made payable to the Treasurer, NATO CI Agency.
- 2.11.2. Alternatively, a Bidder may elect to post the required Guarantee in cash (via direct bank deposit, referencing IFB-CO-14150-SMC-TA) or by certified cheque to be submitted in the Bidders Bid Administration package. If the latter method is selected, Bidders are informed that the Purchaser will cash the cheque on the Bid Closing Date or as soon as possible thereafter.
- 2.11.3. 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.

- 2.11.4. 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.
- 2.11.5. In the event that a Bid Guarantee is submitted directly by a banking institution, the Bidder shall furnish **a copy of said document in the Bid Administration Package.**
- 2.11.6. The Purchaser will make withdrawals against the amount stipulated in the Bid Guarantee under the following conditions:
- 2.11.6.1. The Bidder has submitted a Bid and, after Bid Closing Date (including extensions thereto) and prior to the selection the compliant Bid determined to represent the best value, withdraws his Bid, or states that he does not consider his Bid valid or agree to be bound by his Bid, or
 - 2.11.6.2. The Bidder has submitted a compliant Bid determined by the Agency to represent the best value, but the Bidder declines to sign the Contract offered by the Agency, such Contract being consistent with the terms of the Invitation for Bid.
 - 2.11.6.3. 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 a reasonable time.
 - 2.11.6.4. 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.
- 2.11.7. Bid Guarantees will be returned to Bidders as follows:
- 2.11.7.1. 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);

- 2.11.7.2. to all other unsuccessful Bidders within thirty (30) days following the award of the Contract to the successful Bidder;
 - 2.11.7.3. 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.
 - 2.11.7.4. pursuant to paragraph 2.10.4.2 above.
- 2.11.8. "Standby Letter of Credit" or "SLC" as used herein, means a written commitment by a Belgian financial institution either on its own behalf or as a confirmation of the Standby Letter of Credit issued by a non-Belgian bank 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. The term "Belgian financial institution" includes non-Belgian financial institutions licensed to operate in Belgium.

2.12. Cancellation of Invitation for Bid

- 2.12.1. 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.

2.13. Electronic Transmission of Information and Data

- 2.13.1. The Purchaser will endeavour to communicate answers to requests for clarification and amendments to this IFB to the prospective Bidders as soon as practicable.
- 2.13.2. Bidders are cautioned that except for those cases in which electronic transmission of documentation is not permissible (i.e. documents with security classification mandating specific transmission methods) the Purchaser will rely exclusively on electronic means (i.e. electronic mail communication and use of a dedicated IFB webportal) to manage all correspondence related to this IFB, including IFB amendments and clarifications.
- 2.13.3. Notwithstanding paragraph 2.13.2 above and subject to feasibility, prospective Bidders may request to be notified also by fax or regular mail when IFB correspondence is released to them. Such requests shall be submitted to the points of contact specified in paragraph 2.5.1 above. Such

requested method of notification shall not be construed as the Bidders' right to obtain an extension of the Bid Closing Date.

- 2.13.4. Bidders shall note that where voluminous documentation is to be transmitted the Purchaser will consider electronic transmission as the sole feasible manner to promptly notify all Bidders pursuant to the prescription is paragraph 2.13.1. Consequently, in such cases, the Purchaser will notify the Bidders' of the impossibility to resort to alternative methods of transmissions if this has been requested.

2.14. Supplemental Agreements

- 2.14.1. 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 the NCI Agency as a condition of Contract performance.
- 2.14.2. Supplemental Agreements are typically associated with, but not necessarily limited to, national export control regulations, technology transfer restrictions and end user agreements or undertakings.
- 2.14.3. 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 abridged.

2.15. Notice of Limitations on Use of Intellectual Property Delivered to the Purchaser

- 2.15.1. Bidders are instructed to review Clause 30 of the Contract General Provisions set forth Part III of Book II herein. This Clause sets forth the definitions, terms and conditions regarding the rights of the Parties concerning Intellectual Property developed and/or delivered under this Contract or used as a basis of development under this Contract.
- 2.15.2. Bidders are required to disclose, in accordance with Annex B-9, Annex B-10, 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.
- 2.15.3. 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 the Contract General Provisions, or any

other provision of the Contract concerning use or dissemination of such Intellectual Property.

- 2.15.4. Bidders are reminded that restrictions on use or dissemination of Intellectual Property conflicting with Clause 30 of the Contract General Provisions or with the objectives and purposes of the Purchaser as stated in the Prospective Contract shall result in a determination of a non-compliant Bid.

SECTION 3 BID PREPARATION INSTRUCTIONS

3.1. General

- 3.1.1. Bidders shall prepare and submit their Bid in accordance with the requirements and format set forth in this IFB. Compliance with all Bid submission requirements is mandatory. Failure to submit a Bid in conformance with the stated requirements may result in a determination of non-compliance by the Purchaser and the elimination of the Bid 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 terms, conditions and requirements of the IFB and his ability to provide all the services and deliverables listed in the Schedules of the prospective Contract.
- 3.1.3. The Bidder shall not restate the IFB requirements in confirmatory terms only. The Bidder must clearly describe what is being offered and how the Bidder will meet all IFB requirements. Statements in confirmatory terms only will be sufficient grounds for determining the bid to be non-compliant.
- 3.1.4. Partial Bids and/or bids containing conditional statements will be declared non-compliant.
- 3.1.5. Bidders are advised that the Purchaser reserves the right to incorporate the successful Bidder's Proposal in whole or in part by reference in the resulting Contract.
- 3.1.6. If no specific format has been established for electronic versions/ soft copies of the Bid documentation to be provided in accordance with paragraph 3.2 below, Bidders shall deliver this type of documentation in an electronic format which is best suited for review and maintenance by the Purchaser (e.g., Project Master Schedule in MS Project format, Project Highlight Reports in MS Word).
- 3.1.7. In the event of a discrepancy between the soft and hard copies of the Bid documentation to be provided in accordance with paragraph 3.2 below, the hard copy will be considered as the authoritative bid document for the purpose of evaluation and take precedence.
- 3.1.8. All documentation submitted as part of the Bid shall be classified no higher than "NATO UNCLASSIFIED".
- 3.1.9. All documentation submitted as part of the Bid shall be in English.

3.2. Bid Package Content

- 3.2.1. The complete 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.

- 3.2.2. **The Bid Administration Package**, containing one (1) Original paper copy of the documents specified in paragraph 3.4 below.
- 3.2.3. **The Price Quotation Envelope**, containing one (1) Original paper copy and one (1 CD ROM or DVD) soft copy in MS Excel (version 2007 onwards) format of the Price Quotation specified in paragraph 3.5.
- 3.2.4. **The Technical Proposal Package**, structured as mentioned below and as specified in paragraph 3.6. Each Part shall be clearly identified (separate binder or file) for ease of segregation and handling and shall each be submitted in one Original (1) paper copy and two (2 CD ROMs) soft copies.
 - 3.2.4.1. Project management
 - 3.2.4.2. Design and Implementation
 - 3.2.4.3. Integrated Logistics Support

3.3. Package Marking

- 3.3.1. The separate parts of the Bid shall be placed in outer containers for delivery. All outer containers into which Bidding documents are placed shall be opaque or wrapped in opaque paper, sealed and identified with the following markings:
 - 3.3.1.1. Name and address of the Bidder,
 - 3.3.1.2. The words "SEALED BID" followed by the reference "IFB-CO14150-SMC-TA";

BOX X of Y (1 of 3, 2 of 3, etc.)
NOTIFY : ACQUISITION - Sarah Hazebroek or Werner Goos
- 3.3.2. Each of the Bid parts placed in the outer container(s) shall be separately wrapped (multiple copies of the same document may be wrapped together), and marked as follows:
 - 3.3.2.1. Name and address of the Bidder,
 - 3.3.2.2. The words "SEALED BID" followed by the reference "IFB-CO-14150-SMC-TA ";
 - 3.3.2.3. The appropriate package marking, i.e. "Bid Administration", "Price Quotation", "Technical Proposal".

3.4. Bid Administration Package

- 3.4.1. The Package must include the original of the Bid Guarantee required by paragraph 2.11 of the Bidding Instructions. If the Bid Guarantee is sent to the Purchaser directly from the Bidder's bank, a letter, in lieu of the actual Guarantee, shall be included specifying the details of the transmittal. Bidders are reminded that the Bid Guarantee shall reflect any extensions to the Bid Validity Date due to extensions in the Bid Closing Date.
- 3.4.2. Bidders shall complete and return the IFB/Bid Cross-Reference Sheets covering the full Prospective Contract and Bidding Instructions where required. It is the Bidders responsibility to ensure that the submitted IFB Cross-Reference Table cover all sections of the IFB Contractual and technical requirements. The Cross-Reference Sheets are detailed in Annex A-2.
- 3.4.3. The Package shall include the certificates set forth in the Annex to these Bidding Instructions, signed in the original by an authorised representative of the Bidder. The text of the certificates must not be altered in any way. The certificates are as follows:
- 3.4.3.1. Annex B-1 (Certificate of Legal Name of Bidder)
 - 3.4.3.2. Annex B-2 (Acknowledgement of Receipt of IFB Amendments)
 - 3.4.3.3. Annex B-3 (Certificate of Independent Determination)
 - 3.4.3.4. Annex B-4 (Certificate of Bid Validity)
 - 3.4.3.5. Annex B-5 (Certificate of Exclusion of Taxes, Duties and Charges)
 - 3.4.3.6. Annex B-6 (Comprehension and Acceptance of Contract Special and General Provisions)
 - 3.4.3.7. Annex B-7 (Disclosure of Requirements for NCI Agency Execution of Supplemental Agreements) with the prospective text of such Agreements, as applicable.
 - 3.4.3.8. Annex B-8 (List of Prospective Subcontractors)
 - 3.4.3.9. Annex B-9 (Bidder Background IPR)
 - 3.4.3.10. Annex B-10 (List of Subcontractor IPR)
 - 3.4.3.11. Annex B-11 (Certificate of Origin of Equipment, Services, and Intellectual Property)
 - 3.4.3.12. Annex B-12 (List of Proposed Key Personnel **and** evidence of their valid Security Clearances, including validity dates)

3.4.3.13. Annex B-13 (Certificate on security clearance)

3.4.3.14. Annex B-14 (Reserved)

3.5. Price Quotation

3.5.1. Package Contents

3.5.1.1. This envelope must contain the following documentation and media in the quantities provided in paragraph 3.2.3 above:

3.5.1.1.1. The completed set of sheets contained in the electronic file "03_ IFB-CO-14150-SMC-TA_BookI_Bidding Sheets.xlsx" submitted as part of this IFB.

3.5.1.1.2. CD-ROM or DVD containing an electronic version, **in MS Excel format**, of the documentation stated in paragraph 3.5.1.1.1 above.

3.5.2. General Rules

3.5.2.1. Bidders shall prepare their Price Quotation by completing the Bidding Sheets referred in paragraph 3.5.1.1.1 above, in accordance with the instructions specified in Annex A-1.

3.5.2.2. 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.

3.5.2.3. When completing the Bidding Sheets the Bidder shall insert information in all yellow cells of the Bidding Sheets and complete the Pricing Summary as instructed. A price for each specified element needs to be supplied on each CLIN. 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.

- 3.5.2.4. 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. Partial quotations shall be rejected.
- 3.5.2.5. 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.
- 3.5.2.6. 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 electronic version of the Bidding Sheets and the paper "hard copy" of the Bidding Sheets, the "hard copy" will be considered by the Purchaser to have precedence over the electronic version.
- 3.5.2.7. 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:
- 3.5.2.7.1. the currency is of a "participating country" in the project, **and**
- 3.5.2.7.2. the Bidder can demonstrate, either through sub-contract arrangements or in its proposed work methodology, that it will have equivalent expenses **in that currency**. All major subcontracts and their approximate anticipated value should be listed on a separate sheet and included with the Price Quotation.
- 3.5.2.8. The Purchaser, by virtue of his 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.
- 3.5.2.9. Bidders shall therefore **exclude** from their price Bid 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.

3.5.2.10. 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 "Delivery Duty Paid (DDP)" in accordance with the International Chamber of Commerce INCOTERMS® 2010.

3.5.2.11. The Bidder's attention is directed to the fact that 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 during evaluation and may cause for a determination of non-compliance by the Purchaser.

3.6. Technical Proposal Package

3.6.1. The Bidder shall prepare and submit a Technical Proposal in accordance with the instructions illustrated in this section.

3.6.2. The Bidder shall construct its technical proposal by differentiating the different domain of activities to perform. The technical proposal will as a minimum address in different paragraphs the following domains:

3.6.2.1. Project Management and Project Implementation Plan

3.6.2.1.1. The Bidder shall provide as part of the proposal an extract of the Project Implement Plan (PIP) as per paragraph 2.2 of the SOW, which:

3.6.2.1.1.1 shall not exceed ten (20) A4 pages/sides.

3.6.2.1.1.2 shall include sub-contract activities, detailing the management responsibilities of any/all sub-contractors, defining which project tasks the sub-contractors shall be responsible, shall address the relationship associated control mechanisms to support quality, change and configuration procedures in delivering products.

3.6.2.1.1.3 shall address the management of the coordination with NCI Agency SMC Service Line, in particular during the design, installation, migration and test activities.

3.6.2.1.1.4 shall contain a draft Project Work Breakdown Structure (PWBS).

- 3.6.2.1.1.5 shall contain a draft Project Delivery Schedule (PDS) showing the different stages to move from the current solution to the future solution and expected completion dates of the milestones.
- 3.6.2.1.2. The Bidder shall provide information about the project team's key personnel.
- 3.6.2.1.2.1 The Bidder shall propose staff with supporting CV/resume for the key personnel positions and their alternatives: Project Manager(PM), Architecture Lead (AL), Implementation Lead (IL) and SMC Project Portfolio Manager.
- 3.6.2.1.2.2 All Contractor's personnel engaged in this project and playing a role that involves any interaction with the Purchaser and/or contribution of any written deliverables shall have a thorough knowledge of the English language. Each of the Key Personnel, as identified in Section 2.5, employed on this project shall be in the possession of CEFR C1 or one of the following equivalent certificates:
 - 3.6.2.1.2.2.1 Test of English as a Foreign Language (TOEFL) Internet-based Test (iBT) 110 – 120.
 - 3.6.2.1.2.2.2 Cambridge English Language Assessment CPE (45 to 59)/ CAE grade B or C / FCE grade A.
 - 3.6.2.1.2.2.3 International English Language Testing System (IELTS) 6 points.
- 3.6.2.1.2.3 All Contractor's key personnel shall be ITIL v3 certified in at least foundation level.
- 3.6.2.1.2.4 The PM shall have a Master's Degree in Engineering, management or business administration.
- 3.6.2.1.2.5 The PM shall have at least seven years in information systems related project management, preferably including the application of a project management methodology such as PRINCE2.
- 3.6.2.1.2.6 All key personnel shall have demonstrated knowledge and experience as supported by project references, points of contact, and technical descriptions of the implemented projects.
- 3.6.2.1.2.7 The Contractor shall provide an alternate project manager as stand-in as back-up. The alternate Implementation Lead shall be able to assume the role without any interruption of the tasks at hand.
- 3.6.2.1.2.8 The IL and team members shall have a University Degree in Electronic Engineering, Computer Science or related discipline, preferably equivalent to a Master's, supported by relevant certificates / diplomas. Exceptionally, extensive relevant experience may be considered if the above qualifications are not met.

- 3.6.2.1.2.9 The IL shall have demonstrated practical experience in at least following products: Microsoft System Centre, Open Source ESB products, Oracle Database, BMC ITSM Remedy supported by valid certification.
- 3.6.2.1.2.10 The Implementation Team members shall have demonstrated practical expertise (at least 3 years) covering the following technical domains (at least one team member per item):
 - 3.6.2.1.2.10.1 BMC ITSM Remedy 7.x and newer
 - 3.6.2.1.2.10.2 Microsoft System Centre 2012
 - 3.6.2.1.2.10.3 Oracle 11g or 12c
 - 3.6.2.1.2.10.4 Deploying and configuring IT operations management solutions including but not limited to BMC Truesight Operations Management, IBM Netcool, CA Service Operations Insight or HP Operations Manager.
 - 3.6.2.1.2.10.5 Implementing XML-based web service interfaces (SOAP & REST) using Enterprise Service Bus solutions (indicatively MULE, WSO2)
- 3.6.2.1.2.11 The AL shall have at least five years in developing information architecture and demonstrated expertise for an effort of similar scope.
- 3.6.2.1.2.12 The AL shall have at least Intermediate Level ITIL v3 certification.
- 3.6.2.1.2.13 The AL shall have official TOGAF 9 certificate.
- 3.6.2.1.2.14 The AL shall have experience on IBM Rational System Architect tool or similar tool.
- 3.6.2.1.2.15 The SMC Project Portfolio Manager shall;
 - 3.6.2.1.2.15.1 be able to demonstrate experience in, Requirements Management and Analysis.
 - 3.6.2.1.2.15.2 be able to demonstrate experience in use case development using UML.
 - 3.6.2.1.2.15.3 be able to demonstrate experience in IBM Rational DOORS or other requirements management tool.
 - 3.6.2.1.2.15.4 be able to demonstrate experience in BPMN diagrams for ITIL processes.
 - 3.6.2.1.2.15.5 be able to demonstrate experience in Stakeholder Communication.

- 3.6.2.1.2.16 The SMC Project Portfolio Manager shall have University Degree in Electronic Engineering, Computer Science or related discipline, preferably equivalent to a Master's, supported by relevant certificates / diplomas. Exceptionally, extensive relevant experience may be considered if the above qualifications are not met.
- 3.6.2.1.2.17 The Bidder shall provide evidence that clearly shows that all key personnel possesses NATO Secret clearances by Bid submission which are valid during the entire project.

3.6.2.2. Technical Design

- 3.6.2.2.1. The Bidder shall provide a draft System Design Specifications for deliverables CLIN 2.1.7 defined in section 4.3.5 and 4.4.2 of the SOW to show his understanding of the requirements of that deliverable and ability to follow architectural development methodology.

3.6.2.3. Integrated Logistics Support

- 3.6.2.3.1. The Bidder shall provide a draft Configuration Management Plan (CMP).
- 3.6.2.3.2. The CMP shall outline how the Bidder adopts the Configuration Management processes and deliverables to the scope of this contract as requested in the SOW Section 6 and in accordance with the ACMP's.

SECTION 4 BID EVALUATION AND CONTRACT AWARD

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 Invitation for Bid (IFB).
- 4.1.2. The evaluation of Bids and the determination as to the compliance or technical adequacy of the supplies and services offered will be based only on that information furnished by the Bidder and contained in his bid. The Purchaser shall not be responsible for locating or securing any information that is not identified in the Bid.
- 4.1.3. To ensure that sufficient information is available, the Bidder shall furnish with his bid all information appropriate to provide a complete description of the work which will be performed and/or the supplies to be delivered. The information provided 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 his 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 his 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 Key Personnel. Physical inspections and interviews shall also apply to assertions in the proposal made on behalf of proposed Subcontractors. The Bidder shall be responsible for providing access to his own or Subcontractors' facilities and personnel.

- 4.1.7. The contract resulting from this IFB will be awarded to the Bidder whose offer, as evaluated by the Purchaser, is the lowest priced bid in compliance with the requirements of this IFB.
- 4.1.8. The evaluation will be conducted in accordance with the Procedures Governing BOAs set forth in the NATO document AC/4-D(2002)002 (24 June 2002).
- 4.1.9. Evaluation of this IFB will be conducted in accordance with the “One Envelope” procedure in which the Price Proposal of each administratively compliant Bidder is evaluated first, and only the Technical Proposal of the apparent lowest priced bid is then evaluated for compliance with the technical requirements of the IFB.
- 4.1.10. Bidders that are determined to have submitted non-compliant bids will be so notified and will have an opportunity to challenge such a determination. In such a case the technical proposal of the Bidder who has submitted the apparent second lowest priced bid will be evaluated, and so on.
- 4.1.11. The Bidder who has offered the **lowest priced, technically compliant bid** will then be offered the contract for award.

4.2. Evaluation Procedure

- 4.2.1. The evaluation will be done as described below:

4.2.1.1. Step 1: Administrative/Contractual Compliance

- 4.2.1.1.1. Bids received will be reviewed for compliance with the mandatory administrative requirements specified in paragraph 4.3. Bids not meeting all of the mandatory administrative requirements may be determined to be non-compliant and not considered for further evaluation.

4.2.1.2. Step 2: Price Evaluation

- 4.2.1.2.1. The Price Quotations of all Bids not considered non-compliant under the previous step will be opened and evaluated in accordance with paragraph 4.4.

4.2.1.3. Step 3: Technical Evaluation

- 4.2.1.3.1. In Step 3 the Technical Proposal of the lowest-priced Bid will be opened and evaluated in accordance with paragraph 4.5.

4.3. Evaluation Step 1 – Administrative/Contractual Compliance

- 4.3.1. Prior to commencement of the Price and Technical evaluation, Bids will be reviewed for compliance with the Bid Submission Requirements of this IFB. These are as follows:

- 4.3.1.1. The Bid was received by the Bid Closing Date and Time,
 - 4.3.1.2. The Bid was packed and marked properly,
 - 4.3.1.3. The Bid Administration Package contains the documentation listed in paragraph 3.4 above and complies with the formal requirements established in paragraph 3.1 above,
- 4.3.2. A Bid that fails to conform to the above requirements may be declared non-compliant and may not be evaluated further by the Purchaser.
- 4.3.3. If it is discovered, during either the Price or Technical evaluation, 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.
- 4.3.4. Bids that are determined to be administratively compliant will proceed to Step 2, Price Evaluation.

4.4. Evaluation Step 2 - Price Evaluation

- 4.4.1. The Bidder's Price Quotation will be first assessed for compliance against the following standards:
- 4.4.1.1. The Price Quotation meets the requirements for preparation and submission of the Price Quotation set forth in the Bid Preparation Section and the Instructions for Preparation of the Bidding Sheets in Annex A-1, in particular.
 - (a) The Bidder has furnished Firm Fixed Prices for all items listed.
 - (b) All pricing data, i.e., quantities, unit prices, has been provided as reflected in the Bidding Sheets.
 - (c) Bid prices include all costs for items supplied, delivered, and supported.
 - (d) All prices have been accurately entered into appropriate columns, and accurately totalled.
 - (e) The Bidder has provided accurate unit price (where required) and total price for each line item.
 - (f) The Bidder has provided accurate unit price and total price of each of the sub-items she/he added (if any).
 - (g) The grand total is accurate.
 - (h) The currency of all line items has been clearly indicated.

- (i) The Bidder has quoted in his own national currency or in the host nation currency, Euros. Where multiple currencies including other NATO member states' currencies are quoted, the conditions of Section III, paragraph 3.5.2.9 are met.
- (j) The Bidder has indicated that in accordance with the treaties governing the terms of business with NATO, he has excluded from his 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 and realistic (based on historic data, and/or market and competitive trends in the specified industrial sector(s)).

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

4.4.1.3. The Price Quotation meets requirements for price realism and balance as described below in paragraph 4.4.4.

4.4.2. 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.

4.4.3. Basis of Price Comparison

4.4.3.1. 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.

4.4.3.2. The Price comparison will be based on the offered Grand Total Firm Fixed Price of the Contract which comprises **CLINs 1 through 4** in the Bidding Sheets.

4.4.4. Price Realism

4.4.4.1. Should the Lowest Offered Price appear to be substantially different from the next lowest prices offered, the Purchaser will review the Price Quotation to determine if a reasonable explanation for the differential is apparent.

4.4.4.2. In those cases in which the prices quoted in relation with this Invitation for Bid 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.

4.4.4.3. Indicators of an unrealistically low Bid may be the following, amongst others:

4.4.4.3.1. 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.

4.4.4.3.2. 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.

4.4.4.3.3. Numerous Line Item prices for supplies and services that are provided at no cost or at nominal prices.

4.4.4.4. 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:

4.4.4.4.1. 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.

4.4.4.4.2. 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.

4.4.4.4.3. 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.

- 4.4.4.5. 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 4.4.4.4.1 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.
- 4.4.4.6. If the Purchaser accepts the Bidder's explanation of mistake in paragraph 4.4.4.4.1 and allows the Bidder to accept the Contract at the offered price, or the Purchaser accepts the Bidder's explanation pursuant to paragraph 4.4.4.4.3 above, the Bidder shall agree that the supporting pricing data submitted with his 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.
- 4.4.4.7. If the Bidder presents a convincing rationale pursuant to paragraph 4.4.4.4.2 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.
- 4.4.4.8. The Purchaser reserves the right to request prime Contractors, or the Subcontractor 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.

4.5. Evaluation Step 3 - Technical Evaluation

- 4.5.1. Upon determination of the lowest-priced Bid as described above, the Bid shall be evaluated to confirm compliance with the requirements stated in Book I, Section 3.6 and Book II, Part IV - Statement of Work (SOW):
- 4.5.2. The Bidder's Technical Proposal package will be evaluated for compliance to the following standards:
- 4.5.2.1. The Technical Proposal meets the requirements for preparation and submission set forth in the Bid Preparation;
 - 4.5.2.2. The Technical Proposal addresses the different items as stated in Book I, Section 3.2.4;
 - 4.5.2.3. The Technical Proposal has been constructed by differentiating the different domain of activities to perform as stated in Book I, Section 3.2.4.
- 4.5.3. The Bidder's Project Management and Implementation Proposal will be evaluated for the following elements:
- 4.5.3.1. The Bidder has provided an extract of Project Implementation Plan (PIP) which addresses the requirements that are detailed in paragraph 2.2 of the SOW.
 - 4.5.3.2. The PIP extract will be evaluated in relation to that:
 - 4.5.3.2.1. it does not exceed twenty A4 pages/sides,
 - 4.5.3.2.2. it details the Bidder's management structure and details management responsibilities and project tasks of any/all sub-contractors,
 - 4.5.3.2.3. it addresses the management of the coordination with NCI Agency.
 - 4.5.3.2.4. It contains a draft Project Work Breakdown Structure.
 - 4.5.3.2.5. It contains a draft Project Delivery Schedule.
 - 4.5.3.3. The Bidder has provided CV/resume for all key personnel positions and their alternatives: Project Manager, Architecture Lead, Implementation Lead and teammates. SMC Portfolio Manager.

- 4.5.3.4. The Bidder has provided enough evidence that the key personnel are equipped with the following skills, training, certification and experience supported by project references, points of contact, and technical descriptions of the implemented projects:
- 4.5.3.4.1. all key personnel poses of CEFR C1 or one of the following equivalent certificates:
 - 4.5.3.4.1.1 Test of English as a Foreign Language (TOEFL) Internet-based Test (iBT) 110 – 120.
 - 4.5.3.4.1.2 Cambridge English Language Assessment CPE (45 to 59)/ CAE grade B or C / FCE grade A.
 - 4.5.3.4.1.3 International English Language Testing System (IELTS) 6 points.
 - 4.5.3.4.2. all key personnel are ITIL v3 certified in at least foundation level.
 - 4.5.3.4.3. The project Manager has a Master's Degree in engineering, management or business administration.
 - 4.5.3.4.4. The project manager has at least seven(7) years of experience in information systems related project management, preferably including the a project management methodology such as PRINCE2.
 - 4.5.3.4.5. The implementation lead and team members has a university degree in Electronic Engineering or Computer Science or a related discipline or exceptionally have extensive relevant experience.
 - 4.5.3.4.6. The implementation lead have practical experience in at least two of the followings products; Microsoft System Centre, Open Source ESB products, Oracle Database, BMC ITSM Remedy.
 - 4.5.3.4.7. The Implementation team members have practical experience for at least 3 years covering following domains:
 - 4.5.3.4.7.1 BMC ITSM Remedy 7.x and newer
 - 4.5.3.4.7.2 Microsoft System Centre 2012
 - 4.5.3.4.7.3 Oracle 11g or 12c
 - 4.5.3.4.7.4 Deploying and configuring IT operations management solutions including but not limited to BMC Truesight Operations Management, IBM Netcool, CA Service Operations Insight or HP Operations Manager.
 - 4.5.3.4.7.5 Implementing XML-based web service interfaces (SOAP & REST) using Enterprise Service Bus solutions (indicatively MULE, WSO2)

- 4.5.3.4.8. The Architecture Lead have 5 years of experience in developing information systems architecture.
- 4.5.3.4.9. The Architecture Lead has Intermediate level ITIL v3 certificate or better.
- 4.5.3.4.10. The Architecture Lead has official TOGAF 9 certificate.
- 4.5.3.4.11. The Architecture Lead has IBM experience on IBM Rational System Architect or a similar tool.
- 4.5.3.4.12. The SMC Project Portfolio Manager has demonstratable experience in:
 - 4.5.3.4.12.1 Requirements Management and Analysis.
 - 4.5.3.4.12.2 Stakeholder Communication.
 - 4.5.3.4.12.3 Use case development with UML.
 - 4.5.3.4.12.4 IBM Rational DOORS or similar requirements management tool.
 - 4.5.3.4.12.5 developing BPMN diagrams for ITIL processes.
- 4.5.3.4.13. The SMC Project Portfolio Manager have university degree in Electronic Engineering or Computer Science or a related discipline or exceptionally have extensive relevant experience.
 - 4.5.3.5. The Bidder has provided evidence that the key personnel possess NATO Secret clearances which are valid for the whole duration of to the duration of the prospective Contract.
 - 4.5.3.6 In addition, the proposed key personnel may be interviewed by an NCI Agency selection board if considered necessary to validate the skills presented in his/her application and validate compliance. Alteration of the proposed candidate during evaluation will render the bid non-compliant.

Such interview(s) may either take place at The Hague, The Netherlands or may be conducted via Skype. Costs incurred by the Bidder to travel at that time will not be reimbursed by the NCI Agency.
- 4.5.4. The Bidder's Technical Design Proposal will be evaluated for the following elements:

- 4.5.4.1. The Bidder has provided a draft System Design Specifications for deliverable CLIN 2.1.7 defined in section 4.3.5 and 4.4.2 of the SOW to show his understanding of the requirements of that deliverable and ability to follow architectural development methodology.

- 4.5.5. The Bidder's Integrated Logistics Support Proposal will be evaluated for the following elements:
 - 4.5.5.1. The bidder has provided a draft Configuration Management Plan (CMP).
 - 4.5.5.2. The Draft CMP has provided outline how the Bidder adopts the Configuration Management processes and deliverables to the scope of this contract as requested in the SOW Section 6 and in accordance with the ACMP's.

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 III – Bid Preparation Instructions, Paragraph 3.5– Price Quotation and hereunder.

The Bidding Sheets are contained in the electronic file “03_IFB-CO-14150-SMC-TA_Book I_Bidding Sheets.xlsx” submitted as part of this IFB.

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. The award of the Contract will be made in the currency or currencies of the Bid. The total evaluated price shall be the price of the basic contract (CLINs 1 through 4).

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. Pricing for lower level items shall add to the total for the Sub-CLINs, and the Sub-CLIN totals shall add to the CLIN total. The Purchaser in its favour may resolve ambiguous computation of prices.

All metrics (e.g., cost associated with labour) will be assumed to be standard or normalised to 7.6 hour/day, for a five day working week at NATO and National sites and Contractor facilities.

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 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.

Annex A-2. IFB/Bid Cross-Reference Sheets

IFB technical requirements Cross-Reference Sheet (cf. SOW)

CLIN	Description	IFB reference	Bid reference
1.2	Project Implementation Plan (PIP)	2.2	
1.3	Project Master Schedule(PMS)	2.2.2	
1.4	Project Work Breakdown Structure(PWBS)	2.2.1	
2.1.7	System Design Specification(SDS) for Unified Event Management System	4.3.5.4, 4.4.2.1, 4.4.2.2	
4.2	Configuration Management Plan	6	
N/A	CVs for all proposed Key personnel	2.5	
N/A	Draft Configuration Management Plan	6.1	

Annex B Prescribed Administrative Forms and Certificates

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: _____

TELEFAX No: _____

POINT OF CONTACT REGARDING THIS BID:

NAME: _____
POSITION: _____
TELEPHONE: _____

ALTERNATIVE POINT OF CONTACT:

NAME: _____
POSITION: _____
TELEPHONE: _____

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 IFB-CO-14150-SMC-TA have been received and the Bid, as submitted, reflects the content of such amendments.

Amendment no.	Date of Issued	Date of receipt	Initials

Date

Signature of Authorised Representative

Printed Name

Title

Company

Annex B-3. Certificate of Independent Determination

It is hereby stated that:

- a. We have read and understand all documentation issued as part of CO-14150-SMC-TA Our Bid submitted in response to the referred solicitation is fully compliant with the provisions of the IFB and the prospective Contract.
- 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;
- b. 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
- c. 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.

Date

Signature of Authorised Representative

Printed Name

Title

Company

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 six (6) months from the Bid Closing Date of this Invitation for Bid.

Date

Signature of Authorised Representative

Printed Name

Title

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, duties and customs charges from which the Purchaser has been exempted by international agreement.

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 he has reviewed the Special Contract 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 his confirmation that he 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 he will accept and abide by the stated Special and General Provisions if awarded the Contract as a result of this Invitation for Bid.

Date

Signature of Authorised Representative

Printed Name

Title

Company

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. 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).

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-Bidder	DUNS Number ¹	Primary Location of Work	Items/Services to be Provided	Estimated Value of Sub-Contract

Date

Signature of Authorised Representative

Printed Name

Title

Company

¹ Data Universal Numbering System (DUNS). Bidders are requested to provide this data in order to help NCI Agency to correctly identify Subcontractors. If a Subcontractor's DUNS is not known this field may be left blank.

Annex B-11. CERTIFICATION OF NATO MEMBER COUNTRY ORIGIN OF DELIVERED EQUIPMENT, SERVICES, MATERIALS AND INTELLECTUAL PROPERTY RIGHTS

The Bidder hereby certifies that, if awarded the Contract pursuant to this solicitation, he 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 participating NATO member 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 a participating NATO member 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 Contractor to firms, individuals or governments other than within the NATO member countries.

Date

Signature of Authorised Representative

Printed Name

Title

Company

Annex B-12. List of Proposed Key Personnel

Position	SOW Reference	Labour Category	Name	Security Clearance (validity dates)
Project Manager	2.5.1			
Architecture Lead	2.5.3			
Implementation Lead	2.5.2			
SMC Project Portfolio Manager	2.5.4			
Implementation Team Members	2.5.2			

Date

Signature of Authorised Representative

Printed Name

Title

Company

ANNEX B-13. CERTIFICATE ON SECURITY CLEARANCE

The Bidder hereby certifies that the proposed personnel have the appropriate Security Clearance required for performance under the prospective Contract or that all necessary actions have been undertaken to ensure that the proposed personnel will be in possession of such Security Clearance at the time of Contract award.

The Bidder hereby certifies that he is fully aware that resulting contract may require the Contractor to handle and store classified material to the level of "NATO RESTRICTED" and that the Contractor shall have the appropriate facility and personnel clearances at the time of Contract award.

Date

Signature of Authorised Representative

Printed Name

Title

Company

ANNEX B-14. RESERVED

Annex C Bid Guarantee - Standby Letter of Credit

Standby Letter of Credit Number:

Issue Date: _____

Beneficiary: NATO CI Agency,
Financial Management Resource Centre,
Avenue du Bourget, 140
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 € 100,000.00 (hundred Thousand Euro). We are advised this Guarantee fulfils a requirement under Invitation for Bid IFB-CO-14150-SMC-TA- 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 NCI 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 Compliant Bid, has withdrawn his Bid, or stated that he does not consider his Bid valid or agree to be bound by his Bid, or

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

c) The NCI 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 NCI 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 NCI 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 NCI 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 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 BIDDER), 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.

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.

NATO UNCLASSIFIED

IFB-CO-14150-SMC-TA

Annex D Clarification Request Form

INSERT COMPANY NAME HERE
INSERT SUBMISSION DATE HERE

**INVITATION FOR BID
IFB-CO-14150-SMC-TA**

Annex D - CLARIFICATION REQUEST FORM

NATO UNCLASSIFIED

INSERT COMPANY NAME HERE
 INSERT SUBMISSION DATE HERE

ADMINISTRATION or CONTRACTING				
Serial No.	IFB REF	BIDDER'S QUESTION	NCI AGENCY ANSWER	STATUS
A.1				
A.2				
A.3				
A.4				
A.5				

INSERT COMPANY NAME HERE
 INSERT SUBMISSION DATE HERE

PRICE				
Serial No.	IFB REF	BIDDER'S QUESTION	NCI AGENCY ANSWER	STATUS
P.1				
P.2				
P.3				
P.4				
P.5				

INSERT COMPANY NAME HERE
 INSERT SUBMISSION DATE HERE

TECHNICAL				
Serial No.	IFB REF	BIDDER'S QUESTION	NCI AGENCY ANSWER	STATUS
T.1				
T.2				
T.3				
T.4				
T.5				

CLIN Bidding Sheets Instructions

INTRODUCTION
All bidders are required to submit pricing details to demonstrate the Purchaser's Pricing Principles are being applied as part of their bids (in the absence of a pre-approved National Format). All data completed in these sheets shall be complete, verifiable and factual and include the required details. Any exclusions may render your bid as non compliant thus removing yourself from the bidding process.

FORM INPUTS

PRICING SUMMARY ASSUMPTIONS		
Currency:		Select currency of input values from drop down list.
Calendar Year:		Select Year 1 of the spread profile from the drop down list.
Quantity		Enter quantities of proposed item(s) in the time profiling inputs to the right.
Unit Cost		Enter the unit cost of the proposed item(s) for each year.
Total Estimated Cost		This is a calculated value (Quantity x Unit Price) and should not be altered.

CATEGORY	DESCRIPTION	APPLICATION
DIRECT MATERIAL	A. Purchased Equipment - Items purchased as part of the proposed solution. Please provide vendor quotes and/or invoices along with quantity and prices. B. Subcontracted Item - Items procured through sub contracts as part of the proposed solution. Please provide subcontractor quotes and/or invoices along with quantity and prices. C. Other Equipment/Materials - Items procured as part of the proposed solution. Please provide vendor quotes and/or invoices along with quantity and prices.	1. Insert the Equipment Item Name(s). 2. Provide a time phased (monthly) breakdown of quantities. 3. Provide unit prices against each equipment item for each year. 4. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column
DIRECT LABOUR	Direct labour is all effort directly expended by the bidder for the proposed solution.	1. Insert the direct labour title(s). 2. Provide a time phased (monthly) breakdown of labour hours. 3. Provide hourly rates against each labour title for each year. 4. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column.
SUBCONTRACT LABOUR	Indirect labour is all effort expended by the sub-contractor for the proposed solution.	1. Insert the subcontract labour title(s). 2. Provide a time phased (monthly) breakdown of labour hours. 3. Provide hourly rates against each labour title for each year. 4. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column
TRAVEL	Includes all travel associated with the procurement and delivery of the proposed solution.	1. Insert the Trip Name(s). 2. Provide number of trips being made. 3. Provide number of people travelling. 4. Provide number of days per trip. 5. Provide cost of round trip flight. 6. Provide daily per diem rate. 7. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column including the location & reference to SOW.
OTHER DIRECT COSTS	Additional direct costs directly expended by the bidder for the proposed solution that do not fit in any of the above categories.	1. Insert the Other Direct Cost title(s). 2. Provide a time phased (monthly) breakdown of unit quantities. 3. Provide unit costs against each title. 4. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column.
GENERAL & ADMINISTRATIVE FEE	Additional business application fee applied to any number of the above categories.	1. Insert the G&A title(s). 2. Provide the rate that is being applied. 3. Insert the total G&A cost for each business application. 4. Insert items that G&A factor is being applied to under the 'Reference' column.
TOTAL FEE / PROFIT %	Provide all FEE/PROFIT percentage applied to costs in accordance with your approved national accounting standards.	Provide calculation used in application of FEE/PROFIT into the price.
OTHER FACTORS	Provide any OTHER FACTOR percentage applied to costs in accordance with your approved national accounting standards. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column.	Provide calculation used in application of FACTORS into the price.
GRAND TOTAL	The total shall feed into the SSS.	Total Price including direct cost, indirect cost, rates and factors as applied above. Please do not forget to amend the title to reflect the appropriate CLIN number.

Bidding Sheets: Schedule of Supplies and Services for IFB-CO-14150-SMC TA									
CLIN(Contract Line Item Number)	DESCRIPTION	SOW Reference	Quantity	Currency	Unit Firm Fixed Price	Total Firm Fixed Price	Delivery Date (From EDC)	Delivery Site	Format
1	Project Management								
1.1	Project Kick-off Meeting	2.4.3.1	1				EDC + 1 Week	The Hague(NLD)	Meeting
1.2	Project Implementation Plan (PIP)	2.2	Monthly				EDC + 2 weeks	The Hague(NLD)	Report
1.3	Project Master Schedule(PMS)	2.2.2	Monthly						
1.4	Project Work Breakdown Structure(PWBS)	2.2.1	Monthly						
1.5	Risk Register	2.2.3	Monthly						
1.6	Monthly Project Checkpoint Meeting and Project Highlight Reports	2.4.1, 2.4.3.2	Monthly				EDC + 5 weeks		
Total Firm Fixed Price CLIN 1									
2	Engineering								
2.1	Architectural Deliverables								
2.1.1	SMC Baseline Architecture (BA) Release 1.0	4.2, 4.3.1, 4.3.2, 4.3.3	1				See Gates	The Hague(NLD)	Report
2.1.2	SMC Target Architecture(TA) Release 1.0	4.2, 4.3.1, 4.3.2, 4.3.4	1						
2.1.3	SMC Target Architecture(TA) Release 2.0	4.2, 4.3.1, 4.3.2, 4.3.4	1						
2.1.4	BMC Remedy Change Management Implementation Plan	4.3.5.1, 4.4.1.1	1						
2.1.5	BMC Remedy Request Fulfillment Implementation Plan	4.3.5.2, 4.4.1.2	1						
2.1.6	Legacy CMS Database(CAST+) Analysis and Migration Roadmap	4.3.5.3	1						
2.1.7	System Design Specification(SDS) for Unified Event Management System	4.3.5.4, 4.4.2.1	1						
2.1.8	System Design Specification(SDS) for Service Level Management System	4.3.5.5, 4.4.2.2	1						
2.1.9	Test Plan(TP)	4.4.3	1						
2.1.10	Security Accreditation Plan (SAP)	2.7, 4.4.4	1						
2.2	Software Licenses								
2.2.1	ITSM Remedy Suite End User Licenses	4.4.1	20				EDC + 14 Weeks	Mons (BEL)	Software License and Documentation
2.3	Implementation Deliverables and Services								
2.3.1	SMC BA Stakeholder Workshops	4.3.1, 4.3.3, 4.2	lot				See Gates	The Hague(NLD), Mons(BEL), Brussels(BEL)	Onsite Workshop, Reports
2.3.2	SM TA Stakeholder Workshops (for 1st and 2nd version development)	4.3.1, 4.3.4, 4.2	lot						
2.3.3	Change Management Module Implementation	4.3.5.1, 4.4.1.1	1						
2.3.4	Request Fulfillment Module Implementation	4.3.5.2, 4.4.1.2	1						
2.3.5	Unified Event Management System Implementation	4.3.5.4, 4.4.2	1						
2.3.6	Service Level Management System Implementation	4.3.5.5, 4.4.2	1						
2.3.7	SMC Project Portfolio Management Service and SMC Project Portfolio Status Meetings	4.5, 2.4.3.3	56 Weeks					EDC + 58 Weeks	The Hague(NLD)
Total Firm Fixed Price CLIN 2									
CLIN	DESCRIPTION	SOW Reference	Quantity	Currency	Unit Price	Total Fixed Price	Delivery Date (From EDC)	Delivery Site	Format
3	Acceptance								
3.1	Gate 1: SMC Baseline Architecture Acceptance	5.1	1				EDC + 13 Weeks	The Hague(NLD) Mons(BEL) The Hague(NLD) The Hague(NLD) Mons(BEL) Brussels (BEL)	Meeting, Report
3.2	Gate 2: Design Acceptance for CLIN 2.1.4, 2.1.5, 2.1.7, 2.1.8	5.2	1				EDC + 14 Weeks		
3.3	Gate 3: SMC Target Architecture Release 1.0 Acceptance	5.3	1				EDC + 24 Weeks		
3.4	Gate 4: SMC Target Architecture Release 2.0 Acceptance	5.4	1				EDC + 34 Weeks		
3.5	Gate 5: System Acceptance Test and Security Accreditation	5.5	1				EDC + 42 Weeks		
3.6	Gate 6: Provisional Site Acceptance (PSA)	5.6	1				EDC + 50 Weeks		
3.7	Gate 7: Final System Acceptance (FSA)	5.7	1				EDC + 62 Weeks		
Total Firm Fixed Price CLIN 3									
4	Warranty								
4.1	Warranty	6.4.2.1	1	NSP	NSP	NSP	FSA + 1 year	Mons(BEL)/The Hague(NLD)	N/A
4.2	Software Support	6.4.2.2	lot				Gate-2 until Gate-7	Mons(BEL)/The Hague(NLD)	N/A
Total Firm Fixed Price CLIN 4									
GRAND TOTAL FIRM FIXED PRICE EVALUATED (CLINS 1 THROUGH 4)									

NSP = Not separately priced

CLIN 1 - Project Management Price Breakdown

Currency	Euro (EUR)	NOTES
Calendar Year (Year 1)	2015	

	Quantity	Unit Cost 2015	Unit Cost 2016	Unit Cost 2017	Unit Cost 2018	Unit Cost 2019	Unit Cost 2020	Unit Cost 2021	TOTAL COST	NOTES
1. MATERIALS										
A. PURCHASED EQUIPMENT										
Please provide the unit cost associated with each cost.										
Purchased Equipment Item Name (Item 1)	0								0.00	
Purchased Equipment Item Name	0								0.00	
B. SUBCONTRACTED EQUIPMENT/MATERIALS										
Subcontracted Equipment/Material Name	0								0.00	
Subcontracted Equipment/Material Name	0								0.00	
C. OTHER										
Other Equipment/Material Name	0								0.00	
Other Equipment/Material Name	0								0.00	
1. TOTAL DIRECT MATERIAL	0								0.00	

OH RATE (%)	TOTAL COST	NOTES
1. OH Rate (%) - TOTAL MATERIAL		
2. Spread in contract		
2. Total MATERIAL OVERHEAD (OH)	0.00	

	HOURS	RATE/HOUR 2015	RATE/HOUR 2016	RATE/HOUR 2017	RATE/HOUR 2018	RATE/HOUR 2019	RATE/HOUR 2020	RATE/HOUR 2021	TOTAL COST	NOTES
3. LABOUR										
Please provide the unit cost associated with each cost.										
Labour Category Name	0								0.00	
Labour Category Name	0								0.00	
Labour Category Name	0								0.00	
Labour Category Name	0								0.00	
3. TOTAL DIRECT LABOUR	0								0.00	

OH RATE (%)	TOTAL COST	NOTES
1. OH Rate (%) - TOTAL LABOUR		
2. Spread in contract		
3. Total LABOUR OVERHEAD	0.00	

	HOURS	RATE/HOUR 2015	RATE/HOUR 2016	RATE/HOUR 2017	RATE/HOUR 2018	RATE/HOUR 2019	RATE/HOUR 2020	RATE/HOUR 2021	TOTAL COST	NOTES
4. SUBCONTRACT LABOUR										
Please provide the unit cost associated with each cost.										
Subcontract Labour Name	0								0.00	
Subcontract Labour Name	0								0.00	
Subcontract Labour Name	0								0.00	
Subcontract Labour Name	0								0.00	
4. TOTAL SUBCONTRACT LABOUR	0								0.00	

OH RATE (%)	TOTAL COST	NOTES
1. OH Rate (%) - TOTAL SUBCONTRACT LABOUR		
2. Spread in contract		
4. Total SUBCONTRACT LABOUR OH	0.00	

	Unit Cost	Unit Cost	TOTAL COST	NOTES
5. TRAVEL UNIT TRIP COST				
Number of Car	Number of Days	Number of Miles	Rate per Mile	Rate per Day
0	0	0	0.00	0.00
0	0	0	0.00	0.00
5. TOTAL TRAVEL			0.00	

OH RATE (%)	TOTAL COST	NOTES
1. OH Rate (%) - TOTAL TRAVEL		
2. Spread in contract		
5. Total TRAVEL OVERHEAD	0.00	

	Quantity	Unit Cost 2015	Unit Cost 2016	Unit Cost 2017	Unit Cost 2018	Unit Cost 2019	Unit Cost 2020	Unit Cost 2021	TOTAL COST	NOTES
6. OTHER DIRECT COSTS										
Please provide the unit cost associated with each cost.										
Other Direct Cost	0.00								0.00	
Other Direct Cost	0.00								0.00	
6. TOTAL OTHER DIRECT COST	0.00								0.00	

OH RATE (%)	TOTAL COST	NOTES
1. OH Rate (%) - TOTAL OTHER DIRECT COSTS		
2. Spread in contract		
6. Total OTHER DIRECT COSTS OH	0.00	

	RATE (%)	TOTAL COST	REFERENCE
7. General & Administrative (G&A)			
G&A (Based on contract Agreement)			
0			
7. Total G&A	0.00		

	RATE (%)	TOTAL COST	NOTES
8. Total Fee/Prior %			
Please provide a description of the work included in the fee being applied. Ensure a correct and valid fee structure is used.			
0			
8. Total Fee Cost	0.00		

	RATE (%)	TOTAL COST	NOTES
9. OTHER FACTORS			
Please provide a description of which elements "Other factors" rates is being applied. Ensure a correct and valid fee structure is used.			
0			
9. Total Other Factors	0.00		

GRAND TOTAL CLIN 1		0.00	
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2015												2016												2017											
Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2015												2016												2017											
Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2015												2016												2017											
Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2015												2016												2017											
Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NATO UNCLASSIFIED

PROSPECTIVE CONTRACT

IFB-CO-14150-SMC-TA

PROVISION OF SERVICE MANAGEMENT AND CONTROL (SMC) TARGET ARCHITECTURE

AUTHORIZATION/SERIAL No:

AC/4-DS(2013)0023 & AC/4-DS(2015)0020

PROJECT No:

2005/OCM03029



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IFB-CO-14150-SMC-TA: Schedule of Supplies and Services									
CLIN(Contract Line Item Number)	DESCRIPTION	SOW Reference	Quantity	Currency	Unit Firm Fixed Price	Total Firm Fixed Price	Delivery Date (From EDC)	Delivery Site	Format
1	Project Management								
1.1	Project Kick-off Meeting	2.4.3.1	1				EDC + 1 Week	The Hague(NLD)	Meeting
1.2	Project Implementation Plan (PIP)	2.2	Monthly				EDC + 2 weeks	The Hague(NLD)	Report
1.3	Project Master Schedule(PMS)	2.2.2	Monthly						
1.4	Project Work Breakdown Structure(PWBS)	2.2.1	Monthly						
1.5	Risk Register	2.2.3	Monthly						
1.6	Monthly Project Checkpoint Meeting and Project Highlight Reports	2.4.1, 2.4.3.2	Monthly				EDC + 5 weeks		
Total Firm Fixed Price CLIN 1									
2	Engineering								
2.1	Architectural Deliverables								
2.1.1	SMC Baseline Architecture (BA) Release 1.0	4.2, 4.3.1, 4.3.2, 4.3.3	1				See Gates	The Hague(NLD)	Report
2.1.2	SMC Target Architecture(TA) Release 1.0	4.2, 4.3.1, 4.3.2, 4.3.4	1						
2.1.3	SMC Target Architecture(TA) Release 2.0	4.2, 4.3.1, 4.3.2, 4.3.4	1						
2.1.4	BMC Remedy Change Management Implementation Plan	4.3.5.1, 4.4.1.1	1						
2.1.5	BMC Remedy Request Fulfilment Implementation Plan	4.3.5.2, 4.4.1.2	1						
2.1.6	Legacy CMS Database(CAST+) Analysis and Migration Roadmap	4.3.5.3	1						
2.1.7	System Design Specification(SDS) for Unified Event Management System	4.3.5.4, 4.4.2.1	1						
2.1.8	System Design Specification(SDS) for Service Level Management System	4.3.5.5, 4.4.2.2	1						
2.1.9	Test Plan(TP)	4.4.3	1						
2.1.10	Security Accreditation Plan (SAP)	2.7, 4.4.4	1						
2.2	Software Licenses								
2.2.1	ITSM Remedy Suite End User Licenses	4.4.1	20				EDC + 14 Weeks	Mons (BEL)	Software License and Documentation
2.3	Implementation Deliverables and Services								
2.3.1	SMC BA Stakeholder Workshops	4.3.1, 4.3.3, 4.2	lot				See Gates	The Hague(NLD), Mons(BEL), Brussels(BEL)	Onsite Workshop, Reports
2.3.2	SM TA Stakeholder Workshops (for 1st and 2nd version development)	4.3.1, 4.3.4, 4.2	lot						
2.3.3	Change Management Module Implementation	4.3.5.1, 4.4.1.1	1						
2.3.4	Request Fulfilment Module Implementation	4.3.5.2, 4.4.1.2	1						
2.3.5	Unified Event Management System Implementation	4.3.5.4, 4.4.2	1						
2.3.6	Service Level Management System Implementation	4.3.5.5, 4.4.2	1						
2.3.7	SMC Project Portfolio Management Service and SMC Project Portfolio Status Meetings	4.5, 2.4.3.3	56 Weeks					EDC + 58 Weeks	The Hague(NLD)
Total Firm Fixed Price CLIN 2									
CLIN	DESCRIPTION	SOW Reference	Quantity	Currency	Unit Price	Total Fixed Price	Delivery Date (From EDC)	Delivery Site	Format
3	Acceptance								
3.1	Gate 1: SMC Baseline Architecture Acceptance	5.1	1				EDC + 13 Weeks	The Hague(NLD) Mons(BEL) The Hague(NLD) The Hague(NLD) Mons(BEL) Brussels (BEL)	Meeting, Report
3.2	Gate 2: Design Acceptance for CLIN 2.1.4, 2.1.5, 2.1.7,2.1.8	5.2	1				EDC + 14 Weeks		
3.3	Gate 3: SMC Target Architecture Release 1.0 Acceptance	5.3	1				EDC + 24 Weeks		
3.4	Gate 4: SMC Target Architecture Release 2.0 Acceptance	5.4	1				EDC + 34 Weeks		
3.5	Gate 5: System Acceptance Test and Security Accreditation	5.5	1				EDC + 42 Weeks		
3.6	Gate 6: Provisional Site Acceptance (PSA)	5.6	1				EDC + 50 Weeks		
3.7	Gate 7: Final System Acceptance (FSA)	5.7	1				EDC + 62 Weeks		
Total Firm Fixed Price CLIN 3									
4	Warranty								
4.1	Warranty	6.4.2.1	1	NSP*	NSP	NSP	FSA + 1 year	Mons(BEL)/The Hague(NLD)	N/A
4.2	Software Support	6.4.2.2	lot				From Gate-2 until Gate-7	Mons(BEL)/The Hague(NLD)	N/A
Total Firm Fixed Price CLIN 4									
GRAND TOTAL FIRM FIXED PRICE EVALUATED (CLINS 1 THROUGH 4)									

*NSP = Not separately priced

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IFB-CO-14150-SMC-TA

BOOK II

CONTRACT SPECIAL PROVISIONS

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CONTRACT SPECIAL PROVISIONS
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ARTICLE 1 ORDER OF PRECEDENCE

- 1.1 In the event of any inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:
- a. Signature sheet
 - b. Part I - The Schedule of Supplies and Services
 - c. Part II - The Contract Special Provisions
 - d. Part III – NCI Agency General Provisions
 - e. Part IV – The Statement of Work
 - f. The Contractor's Bid including any clarifications thereto, incorporated by reference, and the formal documentation of pre-Contract discussions.

ARTICLE 2 SCOPE

- 2.1 The scope of this Contract is to provide Target Architecture for Implementation of End-to-End CIS Service Management and Control (SMC) capability, as specified in Part I Schedule of Supplies and Services (SSS) and in accordance with Part IV Statement of Work (SOW) for the firm fixed prices stated in this Contract.
- 2.2 The Agreement and Acceptance 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.

ARTICLE 3 FIRM FIXED PRICE

- 3.1 This is a Firm Fixed Price Contract. Firm Fixed Prices are established for the supplies and services defined in Part I - Schedule of Supplies and Services.
- 3.2 The Purchaser assumes no liability for costs incurred by the Contractor in excess of the stated Firm Fixed Price except as provided under other provisions of this Contract.
- 3.3 The Total Contract price is inclusive of all expenses related to the performance of the present Contract.
- 3.4 The Total Contract price in this Contract is Delivered Duty Paid (INCOTERMS 2010).

ARTICLE 4 ADDITIONAL CONTRACT TASKS AND OPTIONS

- 4.1 The tasks identified in the Contract Schedule of Supplies and Services as Options (if any) are to be intended as options to be exercised by the Purchaser and at his sole discretion. The Purchaser shall have the right to exercise any of the listed priced options multiple times at his discretion any time during the performance of the Contract and up to its conclusion at the unit prices listed in the Schedule of Supplies and Services.

- 4.2 Should any options be exercised, the Purchaser will increase the firm fixed price of the Contract via a formal Contract Amendment by the amount of the line items so exercised and the period of performance of the Contract will be extended as mutually agreed when necessary.
- 4.3 The Purchaser may increase the quantity of supplies and services as set forth in any line item of Part I - Schedule of Supplies and Services at the prices stated therein any time during the period of performance of the Contract until end of Warranty.
- 4.4 This right can be exercised multiple times for any of the line items, by increasing the firm fixed price of the Contract via a formal Contract Amendment, or by issuing a new contractual instrument.
- 4.5 In this case the Contractor shall honour such right at the same rates and conditions as stated in Part I - Schedule of Supplies and Services. If this right is exercised, delivery of the added items shall be to the same destination as specified in the basic Contract; unless otherwise specified on the written notice.
- 4.6 If the Contract provides for multiple destinations, the Purchaser will specify to which destination(s) the additional quantities are to be shipped. If the Purchaser specifies a destination that is not part of the basic Contract requirements, the Parties will agree to an equitable adjustment as may be required to reflect any additional costs incurred by the Contractor in making such delivery.
- 4.7 In no event shall the Contractor engage in the performance of any options or part thereof without the written consent of the Purchaser Contracting Authority.
- 4.8 In addition to the specific Contract options as identified above, the Purchaser reserves the right to order any foreseeable or additional Contract tasks or deliverables, listed or not, either occasionally or at a further stage in the life of the project, which it deems necessary for the successful completion of the project. The additional tasks and/or deliverables shall be priced in using the "Summary Price" rates provided by the Contractor as part of its proposal and included in this Contract by reference.
- 4.9 Except as otherwise provided for in this Contract, Contractor's 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.
- 4.10 The Purchaser may, in writing, place an order for such additional tasks throughout the entire Contract period 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.

ARTICLE 5 PARTICIPATING COUNTRIES

- 5.1 The Contractor may issue subcontracts to firms and purchase from qualified vendors in any contributory NATO nations (EXCEPT Albania and Croatia) in the project, namely, (in alphabetical order):
BELGIUM, BULGARIA, CANADA, CZECH REPUBLIC, DENMARK, ESTONIA, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, NETHERLANDS, NORWAY, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, SPAIN, TURKEY, UNITED KINGDOM, UNITED STATES OF AMERICA.
- 5.2 None of the work, including project design, labor and services, shall be performed other than by firms from and within Participating Countries.
- 5.3 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 Participating Country.
- 5.4 The Intellectual Property Rights for all software and documentation used by the Contractor in the performance of the Contract shall vest with firms from and within Participating Countries and no royalties or license fees for such software and documentation shall be paid by the Contractor to any source that does not reside within a Participating Country.

ARTICLE 6 COMPREHENSION OF CONTRACT AND SPECIFICATIONS

- 6.1 The Contractor warrants that it has read, understood and agreed to each and all terms, clauses, specifications 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.
- 6.2 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 performance requirements of the said specifications.
- 6.3 The Contractor hereby acknowledges that it 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.
- a. Based upon impossibility of performance, defective, inaccurate, impracticable, insufficient or invalid specifications, implied warranties of suitability of such specifications, or
 - b. Otherwise derived from the aforesaid specifications, and hereby waives any claims or demands so based or derived as might otherwise arise.

- 6.4 Notwithstanding the “Changes” Article of General Provisions 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 firm 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.

ARTICLE 7 PLACE AND TERMS OF DELIVERY

- 7.1 Deliverables under this Contract shall be delivered DDP (Delivered Duty Paid) in accordance with the International Chamber of Commerce INCOTERMS 2010 to the destination(s) and at such times as set forth in the Schedule of Supplies and Services.

ARTICLE 8 INSPECTION AND ACCEPTANCE

- 8.1 Article 21 “Inspection, Acceptance of Work ” in General Provisions is hereby supplemented with this Article:
- 8.2 The work to be provided by the Contractor’s personnel under this Contract shall conform to the highest professional and industry standards and practices. Inspection of the services provided will be made by the Purchaser’s Technical representatives or another authorised designee in accordance with the specifications in Part IV - Statement of Work. Services performed by the Contractor which do not conform to the highest professional and industry standards may result in the Purchaser requesting that such work be performed again at no increase in the price of the contract. Repeated instances of work performed which fails to meet the standards and practices may result in termination of the contract for Default.
- 8.3 Under the terms of this Contract, Acceptance will be made in the following steps and as specified in Part IV, Statement of Work (SOW):
1. Successful Entry and Exit of Gates 1 through 5;
 2. Provisional Site Acceptance (PSA), confirmed in writing by the Purchaser;
 3. Successful Final System Acceptance (FSA), confirmed in writing by the Purchaser, at which time the Purchaser will take Title, and Warranty will start.
- 8.4 Review and Acceptance of documentation is specified in below Article 9 of the Contract Special Provisions.

ARTICLE 9 REVIEW AND ACCEPTANCE OF DOCUMENTATION

- 9.1 Article 21 “Inspection and Acceptance of Work in General Provisions hereafter, is hereby supplemented with this Article.
- 9.2 Unless otherwise specified in the Statement of Work:

- 9.3 Upon delivery of the Draft Deliverable items, the Purchaser will have a period of two (2) weeks to review the items. 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 within the Scope of Work. When applicable, a presentation of the deliverable item including the Purchaser's comments will be made by the Contractor to the Purchaser, at a time which coincides with a progress meeting.
- 9.4 During the review, if the specific Item requires proposal of dates for delivery or reviews, the Purchaser will either accept or adjust the proposed dates.
- 9.5 Within one (1) week after receipt of the Purchaser's comments (and associated progress meeting if appropriate), the Contractor shall incorporate changes, revisions and corrections required by the Purchaser and present the revised deliverable in Final Form to the Purchaser for inspection and acceptance in accordance with the delivery dates specified in the Schedule or approved by the Purchaser.
- 9.6 The Contractor shall not have the right to ask for additional periods if the delivered draft is considered not satisfactory by the Purchaser and therefore requires many changes and/or corrections.
- 9.7 The Purchaser has the right to reject non-conforming deliverables. The Purchaser, in addition to any other rights or remedies provided by law, or under the provisions of this Contract, shall have the right to require the Contractor at no increase in Contract price, to correct or replace non-conforming work, and in accordance with a reasonable delivery schedule as may be agreed by the Purchaser and the Contractor following the receipt of the Purchaser's notice of defects or non-conformance.
- 9.8 The acceptance by the Purchaser of the Contractor's 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 or proposed implementation by the Purchaser and does not relieve the Contractor of the obligation to meet the schedule and the performance requirements of this Contract in the event that the design eventually proves to be non-compliant in factory or field testing.

ARTICLE 10 INVOICES AND PAYMENT

- 10.1 Following Purchaser acceptance, in writing, payment for supplies and services furnished shall be made in the currency specified for the relevant portion of the Contract.
- 10.2 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 CLINs.
- 10.3 Invoices in respect of any service and/or deliverable shall be prepared and submitted as specified hereafter and shall contain:

- a) Contract number CO-14150-SMC-TA
- b) Contract Amendment number (if any),
- c) Purchase Order number PO [...],(TBD at Contract Award)
- d) The identification of the performance rendered in terms of Contract Line Item Number (CLIN),
- e) Bank account details for international wire transfers (SWIFT, BIC, IBAN).

10.4 The Contractor shall be entitled to submit invoices in accordance with the following payment events schedule:

No.	Payment Milestone	Upon	% of total Contract Price
1	Successful Exit Gate 1	Upon Written confirmation from the Purchaser	5% of the Total Firm Fixed Price (CLINs 1-4)
2	Successful Exit Gate 2	Upon Written confirmation from the Purchaser	5% of the Total Firm Fixed Price (CLINs 1-4)
3	Successful Exit Gate 3	Upon Written confirmation from the Purchaser	5% of the Total Firm Fixed Price (CLINs 1-4)
4	Successful Exit Gate 4	Upon Written confirmation from the Purchaser	5% of the Total Firm Fixed Price (CLINs 1-4)
5	Successful Exit Gate 5	Upon Written confirmation from the Purchaser	5% of the Total Firm Fixed Price (CLINs 1-4)
6	Successful PSA	Written acceptance confirmation by the Purchaser	50% of the Total Firm Fixed Price (CLINs 1-4)
7	Successful FSA	Written acceptance confirmation by the Purchaser	23% of the Total Firm Fixed Price (CLINs 1-4)
8	Warranty – 1 year	Conclusion of Warranty	2% of the Total Firm Fixed Price (CLINs 1-4)

10.5 The invoice amount shall be exclusive of VAT and exclusive of all Taxes and Duties as per Article 26 “Taxes and Duties” of the NCI Agency General Provisions.

10.6 No payment shall be made with respect to undelivered supplies, works not performed, services not rendered and/or incorrectly submitted invoices.

10.7 No payment shall be made for additional items delivered that are not specified in the contractual document.

10.8 Payments for services and deliverables shall be made in the currency stated by the Contractor for the relevant Contract Line Item.

- 10.9 The Purchaser is released from paying any interest resulting from any reason whatsoever.
- 10.10 The invoice shall contain the following certificate:
"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."
- 10.11 The certificate shall be signed by a duly authorised company official on the designated original.
- 10.12 Invoices referencing : **CO-14150-SMC-TA and PO ...** (TBD at Contract award)" shall be submitted in electronic format only to:
NCIA-CAPDEV-FMU-BEL_E-INVOICES@ncia.nato.int
Whilst copying the Contracting Officer as well, as specified in Article 13 "Contract Administration" below.
- 10.13 NCI Agency will make payment within 45 days of receipt by the NCI Agency of a properly prepared and documented invoice.

ARTICLE 11 SUPPLEMENTAL AGREEMENTS, DOCUMENTS AND PERMISSIONS

- 11.1 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 the Article 39 of the General Provisions hereafter.
- 11.2 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 finalized and issued by the appropriate governmental authority, are subject to review by the Purchaser.
- 11.3 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.
- 11.4 For the purpose of this Contract the following National mandatory Supplemental Agreements are identified:

Type of Agreement	National Authority of Reference	Subject

ARTICLE 12 WARRANTY

- 12.1 Articles 27 “Warranty of Work” and 31 “Software Warranty” of the NCI Agency General Provisions hereafter, are supplemented with the following:
- 12.2 Warranty shall start after Purchaser confirmed FSA, as indicated in the SOW, and shall be the standard warranty with a minimum duration of one (1) calendar year for all hardware, software and for all services to be provided as part of this Contract. Until successful FSA, all hardware and software to be provided under this Contract shall be under the Contractor’s responsibility.
- 12.3 Notwithstanding inspection and acceptance by the Purchaser or its appointed agents of supplies furnished under the Contract or any provision of this Contract concerning the conclusiveness thereof, the Contractor warrants for the total duration of the above referred period and covering all items of hardware and software, that:
 - a. all deliverables furnished under this Contract shall be free from defect and will conform with the specifications and all other requirements of this Contract; and,
 - b. the system will, under normal conditions, perform without errors which make it unusable; and
 - c. the preservation, packaging, packing and marking and the preparation for and method of, shipment of such supplies will conform to the requirements of this Contract.
- 12.4 Software Warranty and post FSA support requirements are to be implemented as described in detail in the SOW.
- 12.5 The Purchaser will inform the Contractor in writing of any Hardware defect within seven calendar days after its discovery and the circumstances of its discovery. The Contractor shall respond to such a defect notification within one working day, by engaging with the Purchaser’s personnel to identify the cause of the defect and to agree a resolution approach. The resolution of defects remains the Contractors responsibility within the warranty. The Contractor shall resolve all Hardware defects within 7 calendar days of their first being reported for those items that need not be returned to the Contractor’s facility for service or repair. Items needing service or repair at the Contractor’s facility shall be repaired/replaced and dispatched back to the Purchaser within 15 days of their arrival at the Contractor’s facility.
- 12.6 The Contractor shall stipulate the address to which the Purchaser shall deliver equipment and material returned to the Contractor in accordance

with the provisions of this Article. Transportation and handling charges for items returned under warranty claim to the Contractor will be the responsibility of the Purchaser, as well as responsibility for such supplies, i.e. damage and loss that may occur during transportation under warranty.

- 12.7 The Contractor shall, at its option, repair, adjust or replace defective equipment and restore to the Purchaser equipment, which functions in accordance with the requirements of the Contract.
- 12.8 In the event of the Contractor's failure to repair or replace failed equipment within the timeframes expressed in this Article, the Purchaser will have the right, at its discretion, and having given the Contractor due notice, to:
- a. remedy, or have remedied, the defective or non-conforming supplies, in both cases at the Contractor's expenses;
 - b. equitably reduce the Contract price; and/or
 - c. terminate for default that portion of the Contract relating to the defective work.
- 12.9 Notwithstanding the provision of above paragraph 12.2, the warranty period shall be suspended for the length of time necessary to carry out repair or replacement.
- 12.10 This right will be exercised although other contractual obligations remain in force. In the event that it is later determined that such supplies were found not to be defective or non-conforming within the provision of this Article, an equitable adjustment will be made. Failure to reach such an equitable adjustment will be considered a dispute under the Contract and subject to resolution in accordance with the Articles 41 and 42 "Disputes" and "Arbitration" of the NCI Agency General Provisions.

ARTICLE 13 CONTRACT ADMINISTRATION

- 13.1 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.
- 13.2 All notices and communications between the Contractor and the Purchaser shall be written and conducted in the English language. Contract modifications shall only be valid when received in writing from the General Manager, NCI Agency, and/or the NCI Agency Contracting Authority.
- 13.3 Formal letters and communications shall subsequently be personally delivered or sent by mail, registered mail, courier or other delivery service, to the official Points of Contact quoted in this Contract. Facsimile and e-mail may be used to provide an advance copy of a formal letter or

notice which shall subsequently be delivered through the formal communication means.

- 13.4 Informal notices and informal communications may be exchanged by all communication means, including telephone and e-mail. All informal communication must be confirmed by a formal letter or other formal communication to be contractually binding.
- 13.5 All notices and communications shall be effective on receipt.
- 13.6 Official Points of Contact:

Purchaser	Contractor
NCI Agency Avenue du Bourget, 140 B-1140 Brussels Belgium	(to be determined)
For contractual matters: Attn: Sarah Hazebroek Title: Contracting Officer Tel: Fax: E-mail: Sarah.Hazebroek@ncia.nato.int	For contractual matters: [...] Attn: Title: Tel: Fax: E-mail:
For technical/project management matters: Attn: Erdem Ayvaz Title: Senior Project Manager Tel: Fax: E-mail: Erdem.Ayvaz@ncia.nato.int	For technical/project management matters: [...] Attn: Title: Tel: Fax: E-mail:

or to such address as the Purchaser may from time to time designate in writing.

ARTICLE 14 SUB-CONTRACTORS

- 14.1 The Contractor shall place and be responsible for the administration and performance of all sub-contracts including terms and conditions which it deems necessary to meet the requirements of this Contract in full.
- 14.2 The Contractor shall not place sub-contracts outside the Participating Countries unless the prior authorization of the Purchaser has been obtained. Such authorization will not be granted when the sub-contract involves the carrying out of classified work.

ARTICLE 15 CONTRACTOR COTS RESPONSIBILITY

- 15.1 The Contractor shall monitor changes and/or upgrades to commercial off the shelf (COTS) software or hardware to be utilized under subject Contract.
- 15.2 For COTS items which are or could be impacted by obsolescence issues, as changes in technology occur, the Contractor will propose substitution of new products/items for inclusion in this Contract. The proposed items should provide at least equivalent performance and/or lower life-cycle support costs, or enhanced performance without a price or cost increase.
- 15.3 The Contractor will provide evidence with respect to price and performance of the equipment being proposed as well as data proving an improvement in performance and/or a reduction in price and/or life-cycle support costs. If necessary for evaluation by the Purchaser, the Contractor shall provide a demonstration of the proposed items. Should the Purchaser decide that the proposed item(s) should be included in the Contract, an equitable price adjustment will be negotiated and the proposed item(s) shall be added to the Contract by bilateral modification under the authority of this Article.
- 15.4 The Contractor shall notify the Purchaser of any proposed changes in the commercial off the shelf software or hardware to be utilized. Such notification shall provide an assessment of the changes and the impact to any other items to be delivered under this Contract.

ARTICLE 16 LIQUIDATED DAMAGES

- 16.1 If the Contractor fails to:
- a) successfully meet the required performance dates as defined in the Schedule of Supplies and Services, or any extension thereof, or
 - b) deliver and obtain acceptance of the Deliverables or to acceptably perform the services as specified in the Schedule of Supplies and Services to this Contract,
- 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 requirements of 16.1.a and 16.1.b, fixed and agreed liquidated damages of 0.1% (one tenth of one per cent) per day of the total payment amount for each Payment Event as scheduled in the Article 10 "Invoices and Payments" of the Contract Special Provisions.
- 16.2 Liquidated damages shall be payable to the Purchaser from the first day of delinquency in delivery and shall accrue at the rate specified in the paragraph above to a maximum of Twenty Percent (20%) of the total payment amount for each Payment Event as scheduled in Article 10. Cumulative assessed Liquidated Damages will not exceed a total of Fifteen Percent (15%) of the total value of the Contract.
- 16.3 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 "Termination for Default" of General Provisions. In such event, subject to the provisions of the Disputes and Arbitration Clause, the Purchaser shall ascertain the facts and extent of the delay and shall extend the time for performance of the Contract when in its judgment the findings of fact justify an extension.

- 16.4 In addition, the Purchaser may terminate this Contract in whole or in part as provided in Article 39 "Termination for Default" of the NCI Agency General Provisions. In the event of such a termination, the Contractor shall be liable for Liquidated Damages accruing to the date of termination, as well as the excess costs stated in the referred clause.
- 16.5 The amount of Liquidated Damages due by the Contractor shall be recovered by the Purchaser in the following order of priority:
- a. By deducting such damages from the amounts due to the Contractor against the Contractor's invoices.
 - b. By proceeding against any surety or deducting from the Performance Guarantee if any.
 - c. By reclaiming such damages through appropriate legal remedies.

ARTICLE 17 SECURITY

- 17.1 This Article supplements Article 11 "Security" of the NCI Agency General Provisions hereafter.
- 17.2 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 the present Contract.
- 17.3 The security classification of this Contract is "NATO UNCLASSIFIED".
- 17.4 Contractor's personnel visiting or working at Purchaser's facilities in connection with this Contract shall hold a confirmed NATO SECRET security clearance valid for the duration of the Contract at the Effective Date of Contract (EDC). This requirement applies to all sub-Contracts issued by the Contractor for the effort under this prime Contract.
- 17.5 It is the responsibility of the Contractor to ensure that its personnel obtain the required security clearances and transmit this information to the purchaser and to the sites to be visited at least 3 weeks before personnel deployment that the site may perform the appropriate administration.
- 17.6 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.
- 17.7 The Contractor bears full responsibility and liability under the Contract for delays arising from the failure of the Contractor to adhere to the security requirements.

- 17.8 All NATO CLASSIFIED material entrusted to the Contractor shall be handled and safeguarded in accordance applicable security regulations.
- 17.9 In the absence of valid security clearances for the Contractor's personnel during the performance of the Contract, the Purchaser reserves the right to terminate the Contract for Default as per the "Termination for Default" Article of the NCI Agency General Provisions.

ARTICLE 18 KEY PERSONNEL

- 18.1 The key personnel proposed by the Contractor that satisfy the personnel requirements laid down in the SOW 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.
- 18.2 If any options are exercised, the Key Personnel provisions will apply to the option period from the effective date of the Contract.
- 18.3 The following personnel are considered to be Key Personnel for successful contract performance and are subject to the provisions of this Article as set forth in the following paragraphs:
- Project Manager (PM) [...]
 - Architecture Lead (AL) [...]
 - Implementation Lead (IL) [...]
 - SMC Project Portfolio Manager (SPPM) [...]
- 18.4 Under the terms of this Article, Key Personnel may not be voluntarily diverted by the Contractor to perform work outside the Contract. In cases 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 a change of key personnel within five (5) days of the date of knowledge of the prospective vacancy and offer a substitute with equivalent qualifications with no additional costs for the Purchaser.
- 18.5 Contractor personnel proposed in substitution of previously employed Contractor Key Personnel shall be interviewed and approved by Purchaser Project Manager before substitution acceptance is granted in writing by the Purchaser contracting Authority.
- 18.6 In the event of a substitution of any key personnel listed in paragraph 18.3 above and prior to commencement of performance, the Contractor shall provide a CV for the personnel proposed. The CV shall clearly stipulate:
- Full details of professional and educational background;
 - Evidence that the personnel is qualified in pertinent contract related areas per the SOW.
- 18.7 The Contractor shall take all reasonable steps to avoid changes to Key Personnel assigned to this project except where changes are unavoidable or are of a temporary nature. Any replacement personnel

shall be of a similar grade, standard and experience as the individual to be substituted.

- 18.8 Furthermore, even after acceptance of a Contractor's staff member on the basis of his/her CV and/or interview, the Purchaser reserves the right to reject the Contractor's staff member, if the individual is not meeting the required level of competence. The Purchaser will inform the Contractor, in writing in cases where such a decision is taken and the Contractor shall propose and make another staff member available within ten (10) working days after the written notification. The Purchaser shall have no obligation to justify the grounds of its decision and its acceptance of staff members shall in no way relieve the Contractor of its responsibility to achieve the contractual and technical requirements of this Contract nor imply any responsibility to the Purchaser.
- 18.9 After acceptance in writing by the Purchaser of a substitution of staff, based on a CV and/or interview, paragraph shall be applicable again, if necessary.
- 18.10 The Purchaser may at any time require the Contractor immediately to cease to employ the above named Key Personnel under the present contract if, in the opinion of the Purchaser, his/her employment is undesirable. The Contractor shall replace any such employee in accordance with paragraph 18.5 and 18.6 above.
- 18.11 In those cases where, in the judgment of the Purchaser, the inability of the Contractor to provide a suitable replacement in accordance with the terms of this Article may potentially endanger the progress under the Contract, the Purchaser shall have the right to terminate the Contract in accordance with the terms of the General Provisions Article entitled "Default".
- 18.12 Any change of status or reorganization of the Contractor's practice, or any change in the responsibility for the execution of the Contract shall be reported to the Purchaser immediately when the change or reorganization is promulgated.
- 18.13 The Contractor's Key Personnel required to interface directly with the Purchaser's counterparts, shall have the capability to readily communicate (oral and written fluency) in English and to provide, if requested official documents destined for distribution during the course of the Contract in English.
- 18.14 The Purchaser may, for just cause, require the Contractor to remove its employee. Notice for removal will be given to the Contractor by the Purchaser in writing and will state the cause justifying the removal. The notice will either demand substitution for the individual involved and/or contain a notice for default and the remedies to be sought by the Purchaser.
- 18.15 Each of the Contractor's Key Personnel shall be required to sign Annex A to these Contract Special Provision: "NCI Agency Non-disclosure declaration."

ARTICLE 19 INDEMNITY

- 19.1 The Contractor will indemnify and hold harmless NATO, its servants or agents, against any liability, loss or damage arising out of or in connection of the Deliverables and Services under this Contract, including the provisions set out in Articles 29 "Patent and Copyright indemnity" and 30 "Intellectual Property" of the NCI Agency General Provisions.
- 19.2 The parties will indemnify each other against claims made against the other by their own personnel, and their sub-Contractors (including their personal representatives) in respect of personal injury or death of such personnel or loss or destruction of or damage to the property of such personnel.
- 19.3 NATO will give the Contractor immediate notice of the making of any claim or the bringing of any action to which the provisions of this Article may be relevant and will consult with the Contractor over the handling of any such claim and conduct of any such action and will not without prior consultation and without the consent of the Contractor settle or compromise any such claim or action.
- 19.4 In the event of an accident resulting in loss, damage, injury or death arising from negligence or willful intent of an agent, officer or employee of NATO for which the risk has been assumed by the Contractor, the cause of the accidents will be investigated jointly by the Parties and the extent to which NATO will be liable to recompense the Contractor will be determined together.

ARTICLE 20 TECHNICAL DIRECTION

- 20.1 At the site of efforts, the Purchaser may assign Technical Representatives who will monitor work in progress and provide Contractor personnel with instruction and guidance (within the general scope of work) in performance of their duties and working schedule. The Technical Representatives 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. The Technical Representatives do have the authority, within the general scope of work, to provide direction to the Contractor personnel in performance of their duties.
- 20.2 In case the Contractor believes that any technical direction received from the Technical Representative constitutes a change to the terms, conditions and/or specifications of the Contract, it shall immediately inform in writing the Purchaser Contracting Authority, who will either confirm or revoke such direction. If such direction is confirmed as a change, this change will be formalized by written amendment to the Contract.
- 20.3 Failure of the Contractor to notify the Purchaser Contracting Authority of direction constituting change of the Contract will result in a waiver of any claims pursuant to such change.

ARTICLE 21 CARE AND DILIGENCE OF PROPERTY

- 21.1 The Contractor shall use reasonable care to avoid damaging buildings, walls, equipment and vegetation (such as trees, shrubs and grass) on the work site. If the Contractor damages any such buildings, walls, equipment or vegetation, 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.
- 21.2 The Purchaser shall exercise due care and diligence for Contractor's furnished equipment, tools and materials on site premises. The Purchaser will not assume any liability except for gross negligence and willful misconduct on the part of the Purchaser's personnel or agents.
- 21.3 The Contractor shall, at all times, keep the site area, including storage areas used by the Contractor, free from accumulations of waste. On completion of all work the Contractor is to leave the site area and its surroundings in a clean and neat condition.

ARTICLE 22 INDEPENDENT CONTRACTOR

- 22.1 The Personnel provided by the Contractor in response to this Contract 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.

ARTICLE 23 APPLICABLE REGULATIONS

- 23.1 The Contractor shall be responsible for obtaining permits or licenses to comply with national codes, laws and regulations or local rules and practices in the country of performance under this Contract.
- 23.2 The Contractor shall take any necessary measure to protect the life and health of persons working or visiting the work area occupied by him. These measures include compliance with the country of performance's safety provisions.
- 23.3 In the performance of all work under this Contract, it shall be the Contractor's responsibility to ascertain and comply with all applicable NATO security regulations as implemented by the local Headquarters' Security Officer.

ARTICLE 24 AUDITING AND ACCOUNTING

- 24.1 The Contractor's accounting and auditing procedures under this Contract shall be in compliance with the applicable Contractor National standards governing national defense contracts.

- 24.2 The invoicing and payment procedures for the amount payable to the Contractor shall be in accordance with the prescription of Article 14 "Invoices and Payment" of the Contract Special Provisions.
- 24.3 In the event of this Contract being terminated in accordance with Article 40 "Termination for Convenience of the Purchaser" of General Provisions, the Contractor shall provide within ninety (90) days of the formal date of termination a detailed statement of all costs incurred since the initiation of the programme, together with the statement of all outstanding commitments for which the Contractor is legally liable.

ARTICLE 25 RESPONSIBILITY OF THE CONTRACTOR TO INFORM EMPLOYEES OF WORK ENVIRONMENT

- 25.1 The Contractor shall inform its employees under this Contract of the terms of the Contract and the conditions of the working environment.
- 25.2 Specifically, Contractor personnel shall be made aware of all risks associated with the performance under this Contract, the conditions of site in which the performance is to take place and living conditions while performing within the boundaries of the Contract.
- 25.3 The selection of adequate personnel shall remain sole responsibility of the Contractor.

ARTICLE 26 PERFORMANCE GUARANTEE

- 26.1 As a guarantee of performance under the Contract, the Contractor shall deposit with the Purchaser within ten (10) calendar days from the Effective Date of Contract, a bank guarantee to the value of ten per cent (10%) of the total Contract Price.
- 28.2 Such guarantee, the validity of this shall not elapse before the expiration of the warranty period as specified in Article 16.1 shall be made payable to the Purchaser and may be delivered in the form of:
- a) A certified cheque;
 - b) An irrevocable letter of credit; or
 - c) A bank guarantee such as a performance bond or promissory note.
- 28.3 The terms of the guarantee shall allow for payment to 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.
- 28.4 Certified cheques issued to fulfil the requirements of the 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.
- 28.5 The irrevocable letter of credit, performance bond or promissory note shall be subject to Belgian Law and financial practices and shall be issued by a Belgian bank or a Belgian affiliate of a non-Belgian bank licensed to operate in Belgium unless otherwise authorized by the Purchaser.

- 28.6 The Contractor shall request in writing relief from the performance guarantee upon expiration of the warranty period specified at Article 16.1 or such other period as may be specified in the Contract and, where appropriate, such relief will be granted by the Purchaser.
- 28.7 The Contractor shall be responsible, as a result of duly authorized adjustment in the total Contract price and/or period of performance by the Purchaser, for obtaining a commensurate extension and increase of the performance guarantee, the value of which shall not be less than ten per cent (10%) of the Contract Price (including all amendments), and for depositing such guarantee with the Purchaser within ten (10) calendar days from the effective date of the aforesaid duly authorized adjustment.
- 28.8 The failure of the Contractor to deposit such performance guarantee with the purchaser within the specified time frame, or any extension thereto granted by the Purchaser's Contracting Authority will constitute material breach of the Contract and shall be subject to Article 39 "Termination for Default for Default" of the NCI Agency General Provisions.
- 28.9 The rights and remedies provided to the Purchaser under this Article are in addition to any other rights and remedies provided by law or under this Contract. The certificate described in this Article at 32.3 above shall not be regarded as a Termination for Default and this Clause is in addition to and separate from Article 39 "Termination for Default" of the NCI Agency General Provisions.

ARTICLE 27 ASSIGNMENT

- 27.1 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.
- 27.2 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.

ARTICLE 28 PURCHASER FURNISHED PROPERTY

- 28.1 This Article supplements Article 13 "Purchaser Furnished Property" of the NCI Agency General Provisions hereafter.
- 28.2 Purchaser Furnished Equipment and Information specific to this Contract but not limited to are specified in the Statement of Work, Section 3.

ARTICLE 29 CONTRACTOR'S PERSONNEL WORKING AT PURCHASER FACILITIES

- 29.1 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.

- 29.2 Purchaser reserves the right to provide Purchaser Facilities for Contractor Key Personnel. In the event Purchaser does provide Purchaser Facilities, 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 under the Contract. These facilities may be provided free at the discretion of the Facility Representative. The Contractor shall be responsible for ascertaining what necessary facilities will be available and whether they will be provided free of charge, or determining what charges are payable.
- 29.3 The Contractor shall have no claim against the Purchaser for any such additional cost of delay occasioned by the closure for holidays, or other reasons, where this is generally published or made known to the Contractor by the Purchaser of his authorized representatives.
- 29.4 Notwithstanding the provisions of the "Purchaser Furnished Facilities" Clauses above, where those conditions form part of the Contract, 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, or by his servants, agents or sub-contractors, arising from his or their presence on Purchaser Facilities in connection with the Contract; provided that this Conditions 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 of sub-contractors, or by any circumstances within his or their control.
- 29.5 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.

ANNEX A: NCI AGENCY NON-DISCLOSURE DECLARATION

We, the undersigned.....(Company) duly represented by (hereinafter "Contractor") do hereby certify that we shall ensure that the following conditions be accepted and observed by all (Contractor) employees working under CO-14150-SMC-TA

_____Date	Full name (in block capitals)	Signature
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TO BE SIGNED BY THE CONTRACTOR'S EMPLOYEES WORKING IN THE NATO'S PREMISES
UPON COMMENCEMENT OF THEIR WORK.

I UNDERSTAND:

That I must preserve the security of all classified /commercial-in-confidence Information which comes to my knowledge as a result of this contract with NATO and that I undertake to comply with all relevant security regulations.

That I must not divulge to any unauthorised person, any classified/commercial-in confidence information gained by me as a result of my contract with NATO, unless prior permission for such disclosure has been granted by the General Manager of the NCI Agency or by his designated representative.

That I must not, without the approval of the General Manager of the NCI Agency, publish (in any document, article, book, CD, video, film, play, or other form) any classified /commercial-in-confidence information which I have acquired in the course of my work under CO-14150-SMC-TA.

That, at the end of contract and after performance of all required tasks, I must surrender any official document or material made or acquired by me in the course of my work under CO-14150-SMC-TA, save such as I have been duly authorised to retain.

That the provisions of the above Declaration apply not only during the period of work under CO-14150-SMC-SA, but also after my contract has ceased and that I am liable to prosecution if either by intent or negligence I allow classified/commercial-in-confidence information to pass into unauthorised hands.

ANNEX B: PERFORMANCE GUARANTEE STANDBY LETTER OF CREDIT

Standby Letter of Credit Number: _____

Issue Date: _____

Initial Expiry Date: _____

Final Expiry Date: _____

Beneficiary: NCI Agency, Financial Management,
 Avenue du Bourget 140, B-1140, 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 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 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.

NATO UNCLASSIFIED

**NATO COMMUNICATIONS AND INFORMATION
AGENCY**



CONTRACT GENERAL PROVISIONS

V 1.0 dated 16 Oct 2014

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ANNEX 1 TO GENERAL PROVISIONS: PURCHASER'S PRICING PRINCIPLESA1-1

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.

The Contract General Provisions

- 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.

- 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

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:

Ithe 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.

.....

.....
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.

Name of Company

Signature

Printed Name of Signatory

Title of Signatory

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,

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"

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

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

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.

* *

ANNEX 1 TO GENERAL PROVISIONS: PURCHASER'S PRICING PRINCIPLESA. 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.

N A T O U N C L A S S I F I E D



NATO Communications and Information Agency
Agence OTAN d'information et de communication

IFB-CO-14150-SMC-TA

BOOK II

PART IV

STATEMENT OF WORK

N A T O U N C L A S S I F I E D

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Section 1 Introduction

1.1 Background

NATO uses a wide array of CIS assets to achieve its strategic target, which are collectively termed the NATO CIS capability. This capability is composed of NATO owned and national assets supported by commercial services to deliver communication, information and application services to NATO users in multiple locations and security domains. Through information exchange gateways, these services are also extended to national users and communities of interest. NCI AGENCY as the primary provider of those services is responsible of management and control (SMC) of the CIS services.

CIS services are continuously being improved to align with alliance's changing needs and operational requirements. Service Management capability needs to be modernized to keep up with increasing demand and variety of the services while improving efficiency. NATO ICT Service Management Policy provides mandatory principles in terms of provision and control of services provided within NATO. [2] Some of the principles defined in this policy document are particularly important for implementation of this project:

- *In order to achieve a service-based ICT environment, NATO shall adopt ITIL as a service management framework, complemented by other industry best practices.*
- *The provision of services must be efficient, effective and measurable.*
- *To promote service management interoperability between services within NATO and at the interconnection with external entities, Service Management shall be based on NATO-agreed standards applicable to the provision, use and monitoring of all services in the enterprise.*
- *The provision of a service to a Service Customer may involve multiple Service Providers.*

It is therefore necessary to implement the Service Management & Control (SMC) capability covering the full spectrum of Technical services described in the C3 Taxonomy [5], and enable all the organisational units to operate the service management processes in order to support the political and military decision making processes and the conduct of joint, land, air and maritime operations.

NATO has an ever growing CIS Services portfolio and historically these services are bundled to a degree with management capabilities with varying levels of maturity. Outcome of this practice resulted in distributed zones of management with varying level of maturity per service or system. Ultimately the practice of non-centralized and non-standardized service management lead to low visibility on end-to-end performance and low efficiency.

As primary CIS provider for NATO, NCI AGENCY is transitioning into a service-based organisation and undertaking the objective of increased visibility and higher operational efficiencies. To achieve this goal, the Agency is utilizing large infrastructure modernization projects like IT Modernization to centralize IT infrastructure and Support Organization.

The ITM project will transform the way IT services are provided to users across the NATO enterprise. This will be achieved by modernizing, consolidating, and centralising the infrastructure and service management, and by pooling and abstracting resources. In turn, this will allow an enterprise perspective to be taken, and services to be delivered according to

standard and measurable service level agreements, offering a higher quality, more flexible, resilient, and secure set of services at significantly lower costs to the user community.

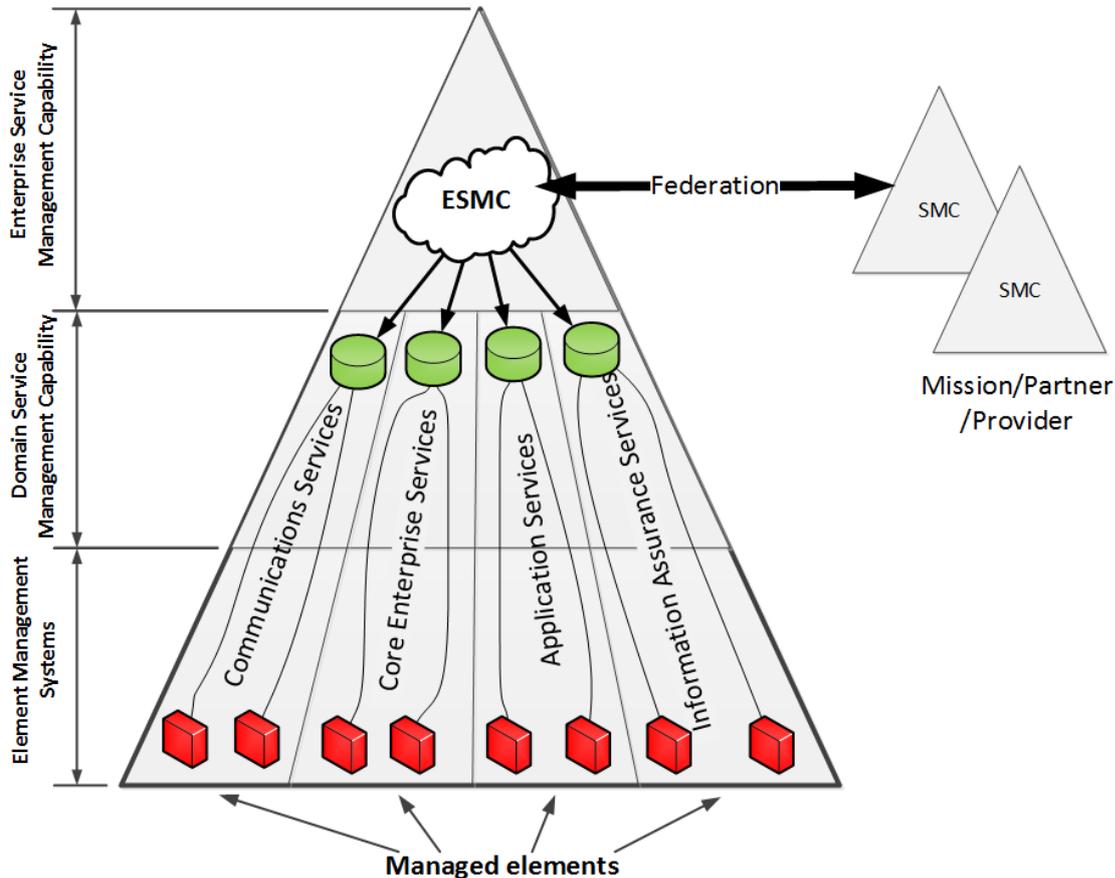


Figure 1 3-Tier SMC Capability

Enterprise SMC(ESMC) Capability can be examined in three tiers;

Enterprise Level SMC capabilities are high level management capabilities supporting business processes and are common for all enterprise. The applications and capabilities in this level can be mapped to ITIL processes & functions.

Service Domain Level SMC capabilities are specific to corresponding technical Service Domain. In this level, management is executed in technical service granularity. Examples are SATCOM Service Management, IT Infrastructure Management, and Cyber Security Service Management. These capabilities are implemented through projects or by capability packages (CP) for the major CIS domains, such as CP 9C0130 for SATCOM and CP 9C0150 for IT Infrastructure Service Management. Domain Level SMC capabilities usually involve integration of one or more Element Level SMC tools.

Element Level SMC capabilities are system management tools and mostly acquired together with the systems. These capabilities are provided by each project that implements a NATO CIS system. Mostly Element Level SMC relies on commercial off-the-shelf (COTS) SMC tools specific to an individual product or range of products. Element Level SMC can involve custom-developed SMC tools.

1.2 Scope

The primary aim of this project is to develop the SMC Baseline (as-is) & Target Architecture (to-be) Descriptions¹ (SMC BA & TA) in compliance with the NATO C3 Enterprise Architecture Policy[3] utilising NATO Architectural Framework (NAF) v.3.0 and TOGAF v9.1 in order to evolve the SMC capability as dictated by new operational requirements. The Target Architecture will describe the relevant facets of the SMC capability for the year 2022, and a migration path for reaching that from the current baseline.

The SMC Target Architecture will analyse all three levels of SMC capability defined in previous section to identify all relevant components (people, process and technology). However the focus is to describe the enterprise level SMC architecture and define integration requirements for domain level SMC into the enterprise level along with SMC federation interface.

In parallel to architecture development; implementation deliverables are planned to address urgent requirement to modernize particular legacy SMC tools. The scope of this task includes the analysis of legacy tools and databases, then to modernise by reusing current SMC tools and additional COTS software. Implementation tasks will be guided by architectural development and will also provide feedback to the architecture development.

Furthermore the SMC TA project will provide SMC projects portfolio management support by tracking SMC requirements, capabilities and plans for ongoing and planned CIS projects. It will ensure architecture development and implementations tasks will bilaterally feed each other to ensure enterprise wide alignment.

The project is composed of following activities described below:

- (1) As-is Data Collection and Analysis. The objective is to develop Baseline SMC Architecture. The contractor is expected to analyse the existing NATO SMC processes and capabilities and to identify and analyse their future usability and shortfalls. Data will be gathered via surveys and interviews with relevant NCI AGENCY staff to assess the “as-is” state and short-term plans.
- (2) Implementation of urgent SMC capabilities. Migration of the data and functionality of legacy management systems that are used for Change Management, Request Fulfilment into current SMC toolset and additionally implement the Unified Event Management System and Service Level Management system to develop a pilot for particular IT services.
- (3) Develop SMC Target Architecture. The aim is to develop Target Architecture to define Enterprise wide end to end service management capability for 2022. The Target Architecture shall be vendor and technology agnostic. Additionally System Design Specifications will be developed for implementations mentioned in line (2). In order to address the SMC’s Integration and Federation requirements, a set of Interface Profiles will also be developed within this project.

¹SMC Target Architecture Description will be referred as SMC Target Architecture for convenience in the rest of the document.

- (4) Provide SMC Project Portfolio Management Support. This activity will establish a continuous technical level coordination between ongoing CIS projects and the corresponding SMC capabilities at the time of implementation. It will manage the functional interdependencies between the project/domain-specific management systems and the Enterprise Service Management Systems (ESMS) and ensure that manageability requirements are taken into account in system design.

1.3 Stakeholders

SMC TA will be the blueprint of SMC capabilities and those capabilities will be utilised by various stakeholders. Figure 2 provides an overview of stakeholders.

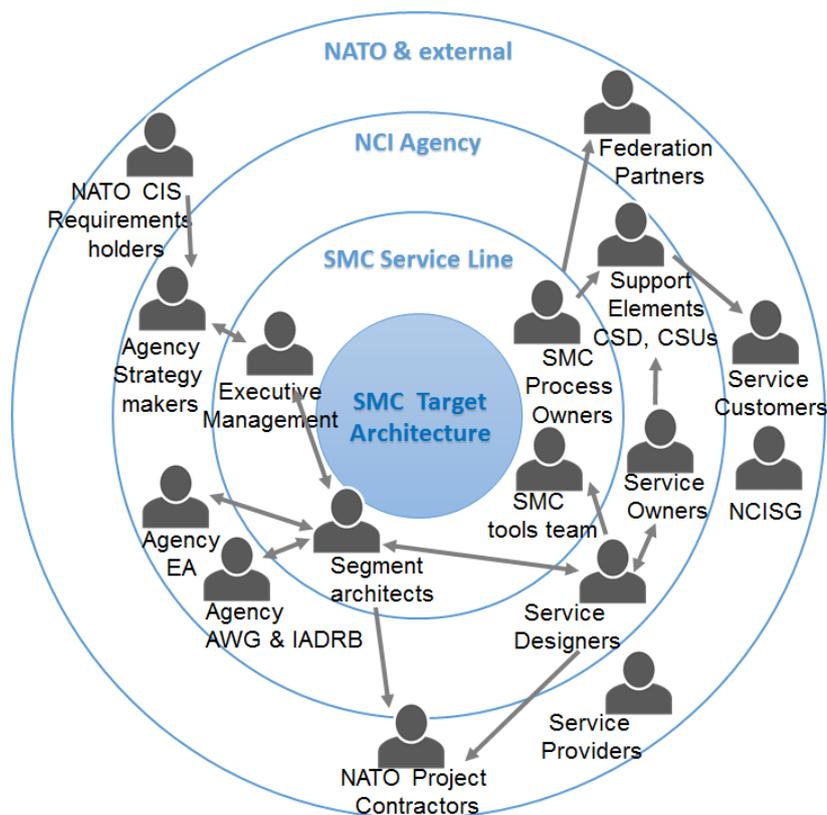


Figure 2 SMC TA Stakeholders

SMC Service Line is the major stakeholder of SMC TA project since they are responsible and accountable to implement majority of those capabilities. As the primary CIS service provider for NATO, NCI Agency will be the major user for the capabilities defined in SMC TA. Therefore the Agency will be providing the requirements for the SMC capabilities and interfaces. NATO CIS requirement holders are the third tier stakeholder indirectly affecting SMC capabilities this group also includes federation partners and service providers.

Workshops tailored for specific stakeholders will be executed to gather requirements for target SMC capability. The key inputs from each stakeholder are identified in Section 4.2.

1.4 Applicable Documents

- [1] The Open Group, "TOGAF 9 - The Open Group Architecture Framework Version 9," The Open Group, USA, 2009.
- [2] AC/322-N(2014)0120-REV1, NATO ICT Service Management Policy.
- [3] AC/322-D(2015)0030, NATO (C3) Enterprise Architecture Policy.
- [4] NATO Architecture Framework, version 3
- [5] 3-AC/322-N(2012)0092 , "C3 Taxonomy," , June 2012.
- [6] NATO FMN Implementation Plan: C-M(2015)0003-AS1, dated 30 JAN 15
- [7] NCIA IT Change Management Process Definition and Execution Document, 08 October 2015
- [8] NCIA Request Fulfilment Process Definition and Execution Document, 29 NOV 2014
- [9] RD 3143 - SIP Proposal - Messaging Profile v.1.1
- [10] CS SL Catalogue of Security Settings, Installation Guides and Configuration Guidelines. V1.4, December 2015
- [11] AC/35-D/1014-REV3; - Guidelines for the Structure and Content of Security Operating Procedures (SecOPs) for CIS, 31 January 2012.
- [12] AC/35-D/1021-REV3 ,Guidelines for the Security Accreditation of Communication and Information Systems (CIS), 31 January 2013
- [13] Customer Request Form, DNBL Portal :
<https://dnbl.ncia.nato.int/nciaservicecatalogue/SitePages/Customer%20Request%20Form%20v2.aspx>
- [14] Customer Request Form, NR Reach Service :
https://www.ncia.nato.int/Documents/Customer_Request_Form_20151130_V2-0.pdf
- [15] ACMP-1 NATO Requirements do the Preparation of Configuration Management Plans, 27 February 2007
- [16] ACMP-2 NATO Requirements for Configuration Identification, 27 February 2007
- [17] ACMP-3 NATO Requirements for Configuration Control-Engineering Changes, Deviations and Waivers, 27 February2007
- [18] ACMP-4 NATO Requirements for Configuration Status Accounting and Configuration Data Management, 27 February 2007

Section 2 Project Management and Implementation

2.1 Project Management Approach

- PM-1 The Contractor shall apply a formal project methodology like PRINCE2 to the planning, delivery, and control of services under this Contract.
- PM-2 The Contractor shall establish and maintain a project management team to plan, coordinate, and manage all efforts necessary to discharge all his responsibilities under this Contract. The following Contractor staff shall be identified as key personnel:
- a. Project Manager (PM).
 - b. Architecture Lead (AL).
 - c. Implementation Lead (IL).
 - d. SMC Project Portfolio Manager (SPPM).
- PM-3 Architecture and SMC Project Portfolio Management activities shall be conducted in The Hague, whereas implementation activities shall be conducted in Mons.
- PM-4 The Contractor shall ensure coordination and communication between its staff members in Mons and The Hague.
- PM-5 The Contractor shall provide staff with the necessary skills and experience to meet the performance requirements and objectives of this contract.
- PM-6 The Contractor shall minimize personnel turnover, particularly for on-site positions, to sustain a positive learning curve.
- PM-7 The Contractor personnel that will work on-site shall ALL have Security Clearances of at least NATO SECRET Level before the Contract Award, and valid during the entire project.
- PM-8 The Contractor shall produce and maintain, throughout the project's life, the following project management documentation:
- a. Project Implementation Plan (PIP) See Section 2.2.
 - b. Project Master Schedule (PMS) See Section 2.2.2.
 - c. Project Work Breakdown Structure (PWBS) See Section 2.2.1.
 - d. Risk Register. See Section 2.2.3.

PM-9 The Contractor shall deliver all project management documentation in the formats defined in section 2.6 via Project Workspace defined in section 3.1.

2.2 Project Implementation Plan

The PIP serves as project implementation documentation, including all technical aspects. The PIP evolves over time starting as a plan to the definitive as-is documentation.

PM-10 The PIP shall cover all aspects of the project implementation, including the Contractor's project management structure and project control processes, personnel assignments, schedules, external relationships, configuration management and project control necessary to provide the capability as required by this Contract.

PM-11 The PIP shall describe how the Contractor shall implement project/contract administration, including details of the controls that shall be applied to supervise Sub-Contractor performance.

PM-12 The PIP shall also define the details of liaison amongst the Purchaser, the Contractor and any Sub-Contractors.

PM-13 The PIP shall be concise and yet provide 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-14 The PIP shall cover at least the following areas:

- a. Project Scope: Major Deliverables, Assumptions, Constraints
- b. Project Organization: Internal Structure (project organizational diagram)
- c. Personnel: Roles, Responsibilities, qualification (for onsite and off-site personnel)
- d. Performance Management: Progress Reviews
- e. Configuration Management Plan (Section 6.1)

PM-15 The PIP shall include the Project Master Schedule which details the milestones leading to the completion of the project. Project Master Schedule shall be in line with Schedule of Supplies and Services.

PM-16 The Contractor shall submit an initial Project Implementation Plan (PIP) two weeks after the contract award.

PM-17 The Purchaser shall review and respond after 2 week the PIP has been submitted.

2.2.1 Project Work Breakdown Structure (PWBS)

- PM-18 The Contractor shall establish and maintain a Project Work Breakdown Structure (PWBS) for Contract planning and reporting to the Purchaser.
- PM-19 The PWBS shall define the tasks needed to guarantee the successful management, delivery and acceptance of the project: design, survey, testing, delivery, installation, system acceptance, and support as well as management products (e.g. project plans, Project Status Reports, Purchaser reviews, provision of specific Purchaser-furnished items), including at least the initial version and the final one.
- PM-20 PWBS shall identify the start and finish dates, duration, predecessors, successors, and resource requirements for each task.
- PM-21 The PWBS shall decompose all tasks to a level that exposes all project risk factors and allows accurate estimation of each task's duration, resource requirements, inputs and outputs, and predecessors and successors.
- PM-22 The PWBS shall be traceable to performance and delivery requirements of the Schedule of Supplies and Services.
- PM-23 The Contractor shall not change the PWBS without the approval of the Purchaser.
- PM-24 The PWBS shall be provided to the Purchaser for acceptance and any changes to the PWBS are required to be approved by the Purchaser's PM for acceptance.
- PM-25 The workshop(s) and installation sequence and dates reflected in the PIP shall be co-ordinated by the Contractor with the Purchaser to accommodate specific requirements, exercises, holiday periods, and other considerations.

2.2.2 Project Master Schedule

- PM-26 The Contractor shall establish and maintain a Project Master Schedule (PMS) that contains all contract events and milestones. The PMS shall correlate with the Project Work Breakdown Structure (PWBS) and also be traceable to performance and delivery requirements of this SOW.
- PM-27 The PMS shall depict the sequence, duration, and relationship among Project work breakdown structure, stages, activities, and service areas.
- PM-28 The PMS shall identify the start and finish dates, duration, predecessors, successors, and resource requirements for each work item.
- PM-29 The PMS shall include the delivery dates for all management products, including at least the initial version and the final one.
- PM-30 The PMS shall include activity network, activity Gantt, milestone, and critical path views of the project schedule.

2.2.3 Risk Register

- PM-31 The Contractor shall perform risk management throughout the period of performance of this Contract. As part of this, the Contractor shall establish and maintain a Project Risk Register for the project.
- PM-32 The Contractor shall identify for each risk the measures being taken to mitigate any risk rated as high on any factor.
- PM-33 The Contractor shall make the Project Risk Register available on the Project Workspace. The Contractor shall include in the Project Highlight Report a chart that lists all active risks rated high on any factor and note any significant forecasted changes in these risks.
- PM-34 The Contractor shall ensure that risks are identified early, assessed accurately, and quickly mitigated with the Purchaser.
- PM-35 The Contractor shall identify any management, technical, schedule, and cost risks, evaluate each risk, and select a proposed response for each risk mentioned in the Risk Register.
- PM-36 Each risk shall be rated based on its probability of occurrence and impact.
- PM-37 The Contractor shall propose an appropriate response for each risk.
- PM-38 If the Contractor and the Purchaser agree that the response to a risk is other than accept it, the Contractor should plan risk response tasks (start, finish, work required, resources to be used, result expected).
- PM-39 The Contractor shall update the Project Risk Register before all monthly project checkpoint review meeting and brief the Purchaser in next meeting.

2.3 Purchaser Responsibilities

- PM-40 The Purchaser's Project Manager will be supported by specialists in certain areas who may, from time to time, be delegated to act on the Project Manager's behalf in their area of expertise.
- PM-41 Neither the Project Manager, the integrated project team, nor any other NATO personnel may make changes to the terms and conditions of the Contract but may only provide the Purchaser's interpretation of technical matters. All changes to the Contract will be made through the Purchaser's contracting office only.
- PM-42 The Purchaser will provide the Contractor with technical descriptions of existing NATO SMC Capabilities during SMC Baseline Architecture development. (Section 4.3.3).

- PM-43 The Purchaser will make available to the Contractor the facilities necessary to test and demonstrate testbed compliance with required interfaces to existing NATO systems.(Section 4.4.3)
- PM-44 The Purchaser will provide permanent office space in The Hague for the Contractor's SMC Project Portfolio Manager.
- PM-45 The Purchaser will provide temporary office space for the visiting and onsite contractor's personnel provided that the personnel has required level of security clearance and adhere with the local security rules.
- PM-46 The Purchaser will accommodate 4 visiting contractor personnel at a given time.
- PM-47 The Purchaser will provide software tools to do Architecture Development and Requirements Management. See Section 3.2
- PM-48 The Purchaser will provide the Virtual Machines and Operating Systems required for the implementation tasks. The purchaser is responsible to manage configurations for those infrastructure components.(Section 3.4)
- PM-49 The Contractors key personnel shall be equipped with NATO Reach Laptops provided by NCI AGENCY. The process with this service is explained in Section 3.1.

2.4 Project Controls

2.4.1 Project Highlight Reports

- PM-50 The Contractor shall provide, a Project Highlight Report a day before each Project Checkpoint Review Meeting. This report shall summarise activities, including:
- a. Summary of the activities during the preceding month, including the status of current and pending tasks.
 - b. Progress of work and schedule status, highlighting any changes since the preceding report.
 - c. Description of any identified problems, anomalies and high risk areas with proposed solutions and corrective actions.
 - d. Test(s) conducted and results.
 - e. Plans for activities during the following reporting period.
- PM-51 An archive of Project Highlight Reports shall be maintained on the Project Workspace. (Section 3.1)

2.4.2 Quality Assurance

PM-52 The Contractor shall establish, execute, and maintain an effective quality management system throughout the contract lifetime.

PM-53 The Purchaser have the right to reject poor quality documents and deliverables without review.

2.4.3 Meetings

PM-54 Unless otherwise specified, all meetings shall be conducted at a Purchaser facilities in The Hague, Brussels or Mons on Purchaser's decision.

PM-55 Contractor shall record the meeting minutes and post them on the Project Working Space (Section 3.1) following week.

2.4.3.1 Project Kick-off Meeting

PM-56 The Contractor shall meet with the Purchaser's Project Manager and members of the Purchaser's Integrated Project Management Team at the Purchaser's facility in The Hague (NLD) within one week after Contract Award to review the schedule of activities and to discuss any preparations.

2.4.3.2 Project Checkpoint Review Meeting

PM-57 The Contractor shall organize the first PCR no later than one month after the Effective Date of Contract (EDC).

PM-58 The Contractor shall conduct Project Checkpoint Review (PCR) meeting once a month throughout the Contract period of performance.

PM-59 At each PCR, the Contractor shall provide the status of all on-going tasks, identify any changes to the PMS, PWBS, Issues, Quality, and Risk Logs.

PM-60 The Contractor shall identify and discuss problems with the Purchaser promptly, however, and not delay this until the next PCR.

PM-61 Before each PCR Contractor shall submit draft Project Highlight Report. The report shall be discussed during PCR and then finalized by the Contractor.

2.4.3.3 SMC Project Portfolio Status Meetings

PM-62 The Contactor shall conduct SMC Project Portfolio Status Meeting (SPPS) every three months starting after 5 weeks from the Kick-off Meeting date.

PM-63 The SPPS meetings shall be organized by SMC Project Portfolio Manager to update all stakeholders across NATO about updates on SMC requirements and project tracking activities defined in Section 4.5 and SMC Roadmap development.

- PM-64 The SPPS meetings shall take place in Purchaser's premises in The Hague(NLD). Purchaser's Technical Lead will support the Contractor to arrange the meeting space, contact NATO stakeholders and prepare the brief.
- PM-65 The Contractor shall prepare and submit the brief for SPPS at least 1 week before the agreed meeting date for Purchaser's review.

2.5 Project Key Personnel Skillset Requirements

- PM-66 All Contractor's personnel engaged in this project and playing a role that involves any interaction with the Purchaser and/or contribution of any written deliverables shall have a thorough knowledge of the English language. Each of the Key Personnel, as identified in Section 2.5, employed on this project shall be in the possession of CEFR C1 or one of the following equivalent certificates:
- a. Test of English as a Foreign Language (TOEFL) Internet-based Test (iBT) 110 – 120.
 - b. Cambridge English Language Assessment CPE (45 to 59)/ CAE grade B or C / FCE grade A.
 - c. International English Language Testing System (IELTS) 6 points.
- PM-67 All Contractor's key personnel shall be ITIL v3 certified in at least foundation level.

2.5.1 Project Manager

- PM-68 The Contractor's Project Manager shall be responsible for:
- a. Project management, performance and completion of tasks and delivery orders;
 - b. Establishing and monitoring the project plan and schedule.
 - c. Allocating resources to ensure that the established and agreed upon plans and schedules are met;
 - d. Managing technical work, project risks, quality, and corporate performance;
 - e. Establishing and maintaining contact with the Purchaser and project team members;
 - f. Providing administrative oversight, handling contractual matters and serving as a liaison between the Purchaser and corporate management. Managing the Service Provisioning Phase of the Contract; and
 - g. Ensuring that all activities conform to the terms and conditions of the Contract procedures.

- PM-69 The Contractor shall provide an alternate project manager as stand-in as back-up. The alternate PM shall be able to assume the role without any interruption of the tasks at hand.
- PM-70 The Project Manager shall be prepared at all times to present and discuss the status of Contract activities with the Purchaser's Project Manager, Contracting Officer and/or Architecture Lead.
- PM-71 The PM shall have a Master's Degree in Engineering, management or business administration.
- PM-72 The PM shall have at least seven years of experience in information systems related project management, preferably including the application of a formal project management methodology such as PRINCE2.
- PM-73 The PM shall have demonstrated knowledge and experience with integration and testing processes as supported by project references, points of contact, and technical descriptions of the implemented projects.

2.5.2 Implementation team members and Lead

- PM-74 The Contractor's Implementation Lead shall be responsible of:
- a. Coordinate and lead all implementation related activities that will be executed in Mons.
 - b. Ensure continuity and coordination between architecture and implementations tasks.
 - c. Planning, executing and testing all implementation related tasks.
 - d. Coordinating with Purchaser's Technical Lead for actions needed to be taken by Purchaser.
 - e. Developing documentation for Testing, Evaluation and Accreditation of components used in implementation tasks.
- PM-75 The Implementation Lead (IL) shall lead the design, development, integration, migration efforts of the Contractor.
- PM-76 The Implementation Lead shall be in charge of Contractor's Implementation Team.
- PM-77 The IL and team members shall have a University Degree in Electronic Engineering, Computer Science or related discipline, preferably equivalent to a Master's, supported by relevant certificates / diplomas. Exceptionally, extensive relevant experience may be considered if the above qualifications are not met.

- PM-78 The IL shall have demonstrated practical experience in at least two of the followings products: Microsoft System Centre, Open Source ESB products, Oracle Database, BMC ITSM Remedy supported by valid certification.
- PM-79 The Contractor shall provide an alternate Implementation Lead as stand-in as back-up. The alternate Implementation Lead shall be able to assume the role without any interruption of the tasks at hand.
- PM-80 The Contractor shall assign at least one Subject Matter Expert during the design, implementation and testing per implementation task described in Section 4.4.
- PM-81 The Implementation Team shall have vendor certifications and demonstrated practical expertise (at least 3 years) covering the following technical domains:
- a. BMC ITSM Remedy 7.x and newer
 - b. Microsoft System Centre 2012
 - c. Oracle 11g or 12c
 - d. Deploying and configuring IT operations management solutions including but not limited to one of the below ;
 - i. BMC Truesight Operations Management,
 - ii. IBM Netcool,
 - iii. CA Service Operations Insight,
 - iv. HP Operations Manager,
 - v. Or similar.
 - e. Implementing XML-based web service interfaces (SOAP & REST) using Enterprise Service Bus solutions.

2.5.3 Architecture Lead

- PM-82 The Contractor's Architecture Lead shall be responsible to;
- a. Analyse baseline SMC capabilities, organization and processes,
 - b. Lead the SMC Architecture Development activities that will be executed in The Hague,
 - c. Support implementation tasks by developing implementation plans and design specifications.

- PM-83 The Architecture Lead shall have TOGAF 9 certification and demonstrable industry experience.
- PM-84 The Architecture Lead shall have at least five years of experience in developing information architecture and demonstrated expertise for an effort of similar scope.
- PM-85 The Architecture Lead shall have at least Intermediate level ITIL v3 certification on Service Transition or Service Operation.
- PM-86 The Architecture Lead shall have experience on an Architecture Development tool like IBM Rational System Architect tool or similar.
- PM-87 The Contractor shall provide an alternate Architecture Lead as stand-in back-up. The alternate Architecture Lead shall be able to assume the role without any interruption of the tasks at hand.

2.5.4 SMC Project Portfolio Manager

The Purchaser needs a subject matter expert on service management concepts and technologies to track all SMC undertakings including CIS projects, service operations, changes in service provisioning organization to analyse and report on compliance. SMC Project Portfolio Manager has a technical requirements analyst role to support architecture development activities. Furthermore this role will manage SMC Requirements developed during architecture development and will inform both ongoing projects and architecture development about risks, issues and opportunities.

- PM-88 The SMC Project Portfolio Manager shall be responsible to;
- a. Track and analyse all ongoing projects and programmes for their SMC related architecture and implementation especially for following projects:
 - i. NATO New Head Quarters Active Network Infrastructure (ANWI)
 - ii. IT Modernization
 - iii. NATO Communications Infrastructure
 - iv. Federated Mission Network Concept [6]
 - b. Analyse all SMC related roles, processes and activities in NATO.
 - c. Support architecture development activities by providing updates on projects and other SMC related activities.
 - d. Identify discrepancies in SMC capabilities in various service domains and update risk register.
 - e. Coordinate communication between Architecture and Implementation teams.

- PM-89 The SMC Project Portfolio Manager shall have University Degree in Electronic Engineering, Computer Science or related discipline, preferably equivalent to a Master's, supported by relevant certificates / diplomas. Exceptionally, extensive relevant experience may be considered if the above qualifications are not met.
- PM-90 The SMC Project Portfolio Manager shall;
- a. be able to demonstrate experience in Project Tracking, Requirements Management, and Stakeholder Communication.
 - b. have good interpersonal skills and be a good communicator.
 - c. Have experience in requirements gathering and analysis process.
 - d. be able to demonstrate experience in use case development using UML.
 - e. Be able to generate BPMN diagrams for ITIL processes.
 - f. be able to demonstrate experience in IBM Rational DOORS.

2.6 Deliverable Formats

- PM-91 The Contractor shall provide all deliverables electronically in a CD/DVD in one or more of the following formats:
- a. Reports in Microsoft Office 2013 Excel, Word and additionally in PDF format
 - b. Drawings in Microsoft Visio 2013 format
 - c. Presentations in Microsoft Office 2013 Power Point format
 - d. Gant Charts, Project Plans in Microsoft Project 2010 format
 - e. Architecture Artefacts in IBM System Architect and as a report
 - f. Requirements in DOORS and as a report (Section 3.2)
- PM-92 The Contractor shall use project workspace (Section 3.1) provided by Purchaser to host deliverables in progress.
- PM-93 The Contractor shall provide electronic copied in CD/DVD and printed hardcopy version of all deliverables to be signed for acceptance.

2.7 System Security Requirements Specification(SSRS)

- PM-94 The SSRS for the Implementation Deliverables shall be developed together with Purchaser and the Contractor before Gate 2(Section 5.2).
- PM-95 The SSRS shall also include System Interconnection Specific Security Requirements (SISRS).
- PM-96 The Purchaser is responsible to implement standard NATO security settings for the Purchaser Furnished Equipment including virtual machines and operating systems that shall host the COTS software delivered by the Contractor.

- PM-97 Although the final SSRS shall define the detailed security requirements, the contractor shall implement the following as a minimum:
- a. The Contractor is responsible to implement NATO Security Configuration[10] for the implementation deliverables defined in Section 4.4.
 - b. The Contractor shall use encryption to secure all communication between the components of the delivered systems and to external interfaces.
 - c. The Contractor shall not use any self-signed certificates for any purpose. All certificates shall be provided by the Purchaser through NPKI project.
 - d. The Contractor's design shall support 2-factor authentication via PFE admin Workstations.
 - e. The Contractor shall use NATO Active Directory for access management to all systems and services delivered. The systems shall no use local databases for identity and access management.
- PM-98 The implementation architecture shall need to go through Security Accreditation process(Section 4.4.4) for it to be granted the authority to go production.

2.8 Request For Change Process(RFC)

- PM-99 In case the Contractor propose a solution with COTS software components that are not certified previously by NATO, therefore not listed in Approved Fielded Product List (AFPL), it is Contractor's responsibility to follow the RFC process to certify the COTS software.
- PM-100 AFPL consists of COTS software that is certified to be used in NATO Networks. This list is being hosted in DNBL portal that can be accessible from internet to DNBL members. An industrial Organization can request access by filling the form in the URL[11] and sending it to Purchaser's Project Manager.
- PM-101 The Contractor shall initiate Request For Change (RFC) process for all software components which are not in listed in Approved Fielded Product List (AFPL).
- PM-102 The Purchaser will process RFC requests in the order received which may take up to 2 months to complete. The Contractor is responsible for timely initiating the RFC process so that all software components are in AFPL before Gate 5.

Section 3 Purchaser Furnished Equipment and Information

3.1 REACH and Project Workspace

- PM-103 The Purchaser will provide NATO Restricted REACH Laptops for each of the Contractor's key personnel duration of 2 years to the Contractor, as a service. The service will be charged to the Contractor as follows:
- a. NR REACH Laptop (NR) and User Mobility Service first year [2,900 Euro],
 - b. NR REACH Laptop (NR) and User Mobility Service following years [1,300 Euro],
 - c. Secure USB sticks, to enable uploading of files produced outside the REACH environment (REACH laptops do not recognize any other USB sticks or disks).
- PM-104 The REACH capability will grant the Contractor controlled access to a project collaborative environment hosted in the NATO RESTRICTED (NR) network of the Purchaser. Access will be possible over any Internet-enabled connection.
- PM-105 The REACH capability will grant the Contractor access to video conferencing applications to support live interaction with the Purchaser outside the regular project checkpoint review meetings (PCR).
- PM-106 After Contract Award and approval of Contractor's team members (NATO Secret Clearance), the Contractor shall request REACH Laptops for the team members using the Customer Request form on the NCI Agency internet website.[14]
- PM-107 The service for the first year will be invoiced after the Contractor submits the Customer Request form to Customer's Reach Service Owner. The second year will be invoiced 12 months after the delivery of the REACH Laptops to the Contractor.
- PM-108 Delivery of the REACH laptops can take 4 to 6 weeks and will be handed over to Contractor's Key Personnel as soon as possible, and remain with the Contractor until four weeks following FSA.
- PM-109 The REACH laptop is linked to one person and cannot be shared between Contractor staff. The Purchaser will provide a REACH laptop and REACH services training to Contractor staff that receives a REACH laptop. The REACH laptop and REACH services training is mandatory and will take approximately 90 minutes.
- PM-110 The Contractor staff intended to use the REACH laptops shall personally receive the equipment from the Purchaser. The Contractor staff, using the REACH laptop, shall attend the Purchaser's mandatory REACH laptop and services training before receipt of the laptop.

- PM-111 The Contractor shall consider the annual service costs of the REACH capability, as specified in [PM-103] above, as part of the project costs.
- PM-112 The Contractor shall conform to the rules for the use of REACH capability in accordance with NCIA CIS SECOPS [11]. The Contractor shall be responsible to obtain approval of their National Security Accreditation authority if required.
- PM-113 The Contractor shall make available and maintain all relevant classified (up to NATO Restricted) project documentation and datasets through a Microsoft SharePoint 2013 portal, established and maintained by the Purchaser on the collaborative REACH environment.
- PM-114 The Contractor shall be ready to use other collaborative tools available on the Purchaser's standard SharePoint 2013 portal environment to interact with the Purchasers on a daily basis, by means other than and complementary to NR e-mail.

3.2 Requirements Management and Architecture Development Tools

- PM-115 The Purchaser is using IBM Rational DOORS 9.6 as the main requirements management tool. The Contractor shall use this tool on NATO Restricted (NR) and NATO Unclassified (NU) domains to record and manage SMC Requirements.
- PM-116 The Purchaser is currently using IBM Rational System Architect (RSA) 11.4.3.4 for architecture development. The Contractor shall use this tool on NATO Restricted(NR) and NATO Unclassified (NU) domains to develop Architecture deliverables defined in Section 4.3.

3.3 ITSM Remedy Suite

NATO IT infrastructure is distributed, complex and is composed of diverse systems. Therefore there are multiple configuration and asset sources integrated with current NATO CMS.

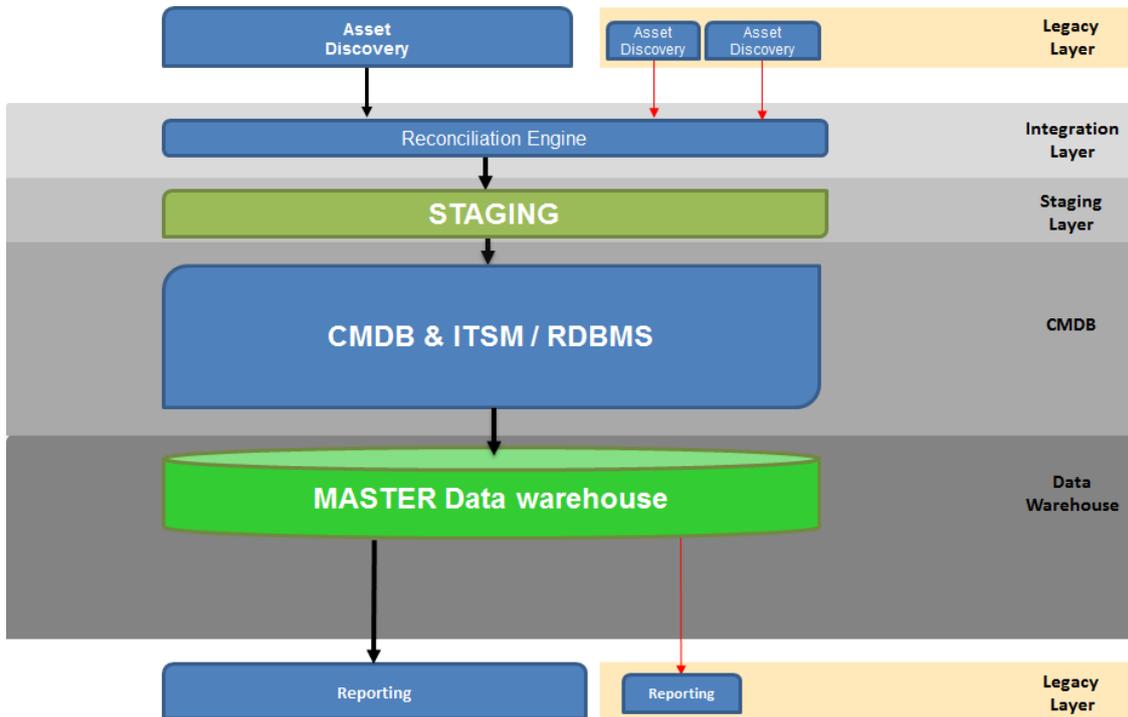


Figure 3 NATO Enterprise level CMS Logical Architecture

NATO Enterprise level CMS is based on BMC Atrium CMDB wrapped by a staging and data warehouse layers. There are multiple configuration data sources that require filtering and reconciliation before ending in the CMDB. The Integration and Staging layer provides this functionality. Master Data warehouse provides interface(s) to several consumers of configuration management system. There are legacy reporting tools currently fed by configuration data from CMS. Master Data warehouse will also be used to interface CMDB with Enterprise Business Applications. BMC Remedy Change Management and Request Fulfilment modules are already installed in NATO Secret domain.

PM-117 The Purchaser will provide access to the Contractor's Implementation team to the Master Data Warehouse through standard interfaces which will be provided during design phase.

PM-118 The Purchaser will provide testing environment for the CMS related implementation activities.

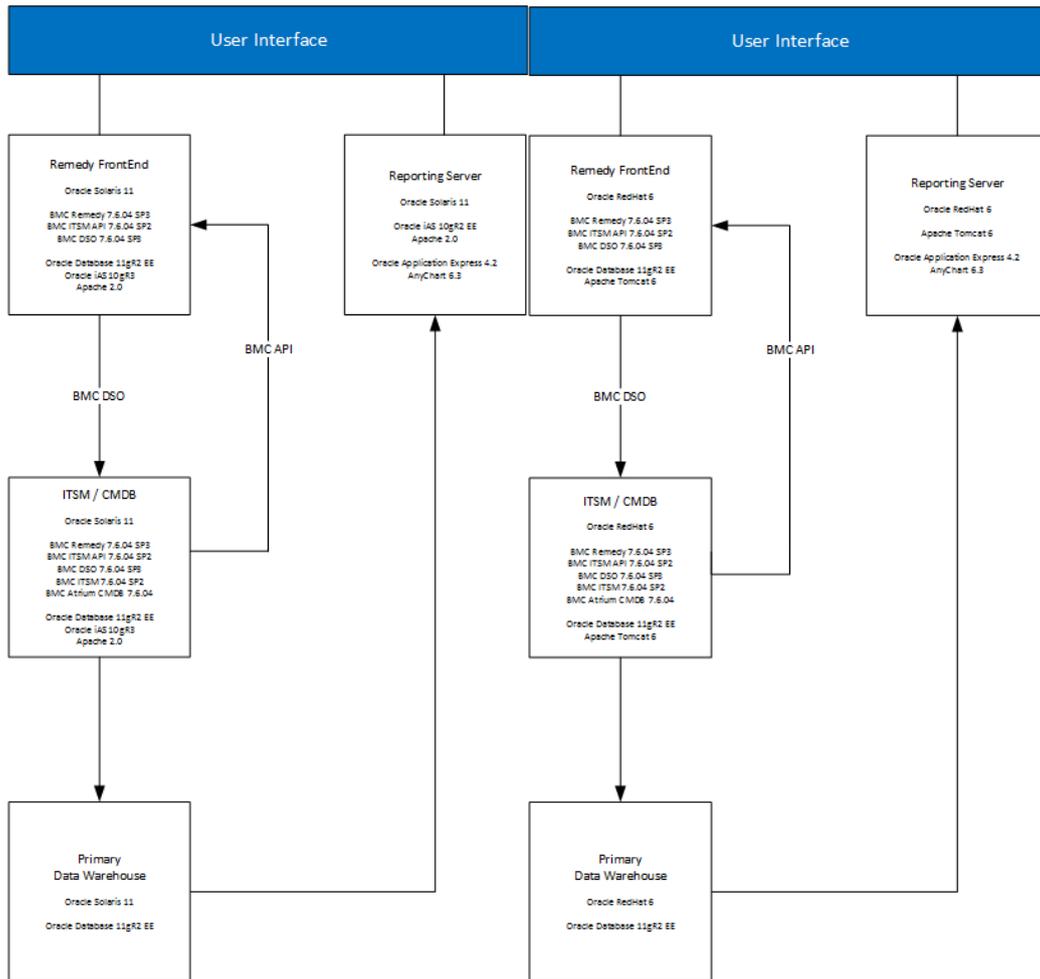


Figure 4 Configuration Management System NS & NR/NU

3.4 IaaS Hosting for Implementation and licenses

PM-119 The Purchaser will provide hosting infrastructure as a service to the Contractor to deploy the implementation deliverables with a cost. The cost of service is calculated depending on the performance, capacity and functionality of the virtual machines to be hosted. Since the design for those implementation deliverables will be delivered as a part of the project, it is not possible to identify those parameters and the exact cost. However the virtual machine baselines and platform licenses can be used for estimating the hosting costs:

- a. Virtual Machine with Windows 2012, 2 Virtual CPU, 4GB RAM, 80GB Disc Space [1,661 Euro/year]
- b. Virtual Machine with Windows 2012, 4 Virtual CPU, 8GB RAM, 80GB Disc Space [1,747 Euro/year]
- c. Virtual Machine with Windows 2012, 8 Virtual CPU, 16GB RAM, 80GB Disc Space [1,920 Euro/year]

- d. Virtual Storage 300GB [764.49 Euro/year]
- e. Microsoft System Centre 2012 Standard license [760.32 Euro/year]
- f. Microsoft System Centre 2012 Enterprise license [2,719.8 Euro/year]
- g. Microsoft SQL 2012 Standard license [897.84 Euro/year]
- h. Microsoft SQL 2012 Enterprise license [5,627.71 Euro/year]

PM-120 The Contractor shall deliver the Infrastructure Hosting Requirements (AR-62 a and AR-67 a) as part of SDS of each Implementation Deliverable in Gate 2. As soon as the Purchaser review and approve the design, the Contractor shall initiate request for the infrastructure hosting service. The service will be invoiced to the Contractor after the Contractor submits the Customer Request form.

PM-121 The Contractor is only responsible for the cost of infrastructure hosting for the first year of the implementation.

Section 4 Project Deliverables

4.1 Introduction

The SMC TA project has three work streams; Architecture Development, SMC Project Portfolio Management and SMC Implementations. Below figure provides an overview of those tasks and deliverables.

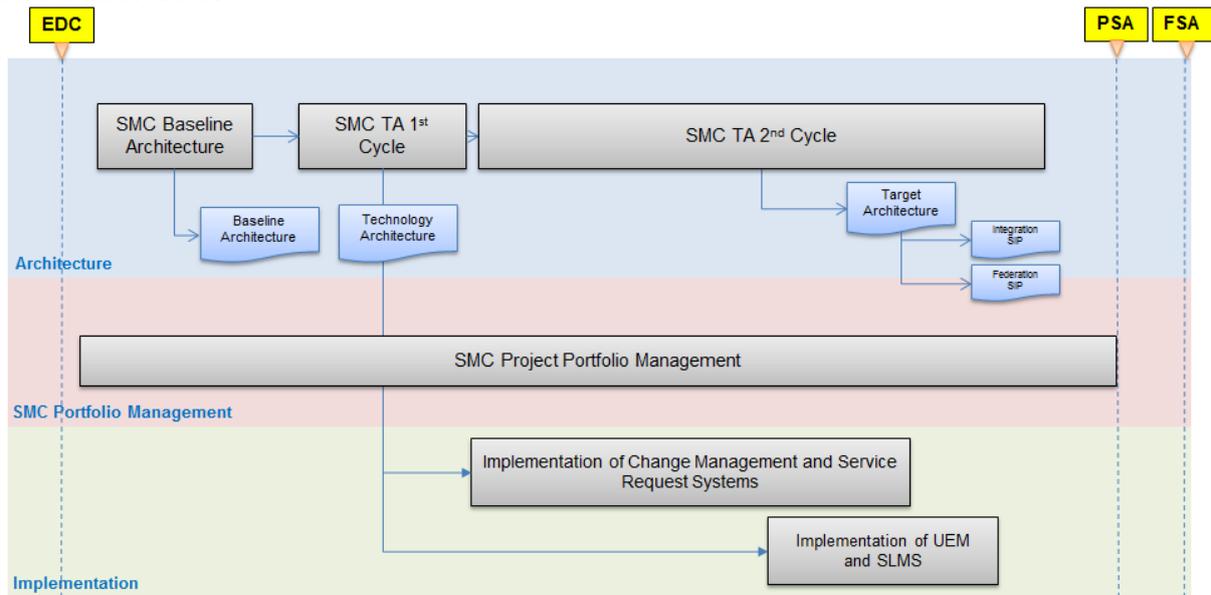


Figure 5 Major Project Deliverables and Tasks

These work streams will be executed in parallel by separate integrated teams (Contractor and Purchaser) at Mons and The Hague. The architecture development will support implementation tasks and the information gained during implementation will be fed into architecture work. In the meantime, SMC Project Portfolio Management will track all relevant CIS projects to ensure alignment and communication across all SMC stakeholders. Following table provides list of all deliverables and their start and delivery dates.

4.2 Architecture Vision

The following architecture vision aims to provide the necessary context on the Purchaser's current SMC capabilities and a high level view of the target level of ambition for Service Management and Control capability, in order to guide the architecture development process.

The architecture deliverables defined in this section will describe the baseline and target states of the Purchaser's SMC capability, and the corresponding implementation plans for the period from 2016 (Baseline Architecture) to 2022 (Target Architecture).

4.2.1 Problem Description

Currently NATO employs a disparate set of CIS systems management tools with basic *service* management, integration, and automation capabilities. The management systems are customised for the corresponding managed systems, do not facilitate SMC data sharing and significantly hinder centralised IT operations and service level reporting.

In order for the NCI AGENCY in its role as the NATO CIS service provider to deliver services to the specified levels whilst controlling costs, it needs to design and implement an effective enterprise SMC capability that will provide the staff with integrated tools and shared data to efficiently operate and mature quality driven SMC processes.

The expected value of the implementation of a successful SMC TA is higher efficiency in IT operations, improved visibility in deployed infrastructure and service utilisation, improved speed in on boarding new users and services and an open design that will reduce future integration costs to managed systems.

4.2.2 SMC Architecture Principles

AR-1 SMC TA shall adhere to the principles defined in NATO Alliance C3 policy on ICT Service Management[2].

AR-2 SMC TA development shall comply with the NATO C3 Enterprise Architecture policy.[3]

AR-3 The SMC TA shall be vendor and technology agnostic.

AR-4 The SMC TA shall employ the Service Oriented Architecture (SOA) pattern for loose coupling between the ESMS components and towards ESMS-DSMS integrations and external federation interfaces.

AR-5 The SMC TA shall maximize SMC processes automation within the support staff expertise and solution maintainability constraints of the NCI AGENCY.

AR-6 The SMC TA shall maximize user self-service capabilities within the user expertise and security constraints of NATO.

AR-7 The SMC TA shall minimize the total cost of ownership across the full lifecycle of a CIS service even if it entails a partial increase in service management costs.

AR-8 The SMC TA shall optimize cost and efficiency across all ITIL phases.

AR-9 The SMC TA shall optimise enterprise-wide and maximise the use of open standards-based interfaces to facilitate integration of existing and future SMC components.

AR-10 The SMC TA shall maximise reuse and integration of management components of existing and upcoming managed services including the NCI and ITM projects.

AR-11 The SMC TA shall consolidate and standardise SMC capabilities across security domains and C3 taxonomy [5] service groups.

4.2.3 Issues/Scenarios to be addressed

The Enterprise Service Management System (ESMS) consists of the technology components that consolidate common SMC functions and data at the highest level in the enterprise.

Each managed domain (generally a C3 taxonomy layer) is considered a management domain with its own Domain Service Management System (DSMS). At the element level the DSMS interfaces with Element Manager Systems (ELMs).

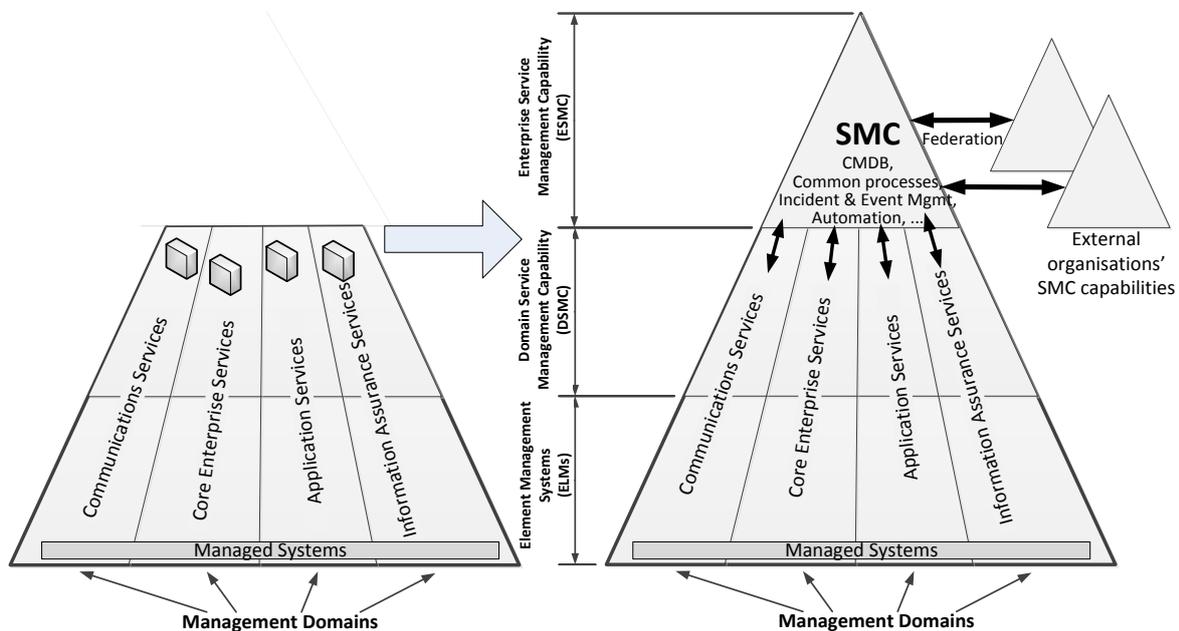


Figure 6 SMC Capability by layer

The ESMS is also envisioned to provide differentiated levels of federation with external entities (service providers and clients, NATO Nations, mission services and agencies) to match their requirements.

AR-12 The SMC Target Architecture shall address::

- a. Ensure a modular Enterprise SMC system enabling best of breed selection of Solution Building Blocks from different vendors.
- b. Centralise and consolidate SMC Information Assets (CIs, change records, service level metrics, etc.) to enable asset and service usage accounting, fault detection, service level management and change management.
- c. Ensure Cyber Security and SMC capabilities support each other and avoid duplication of similar functions implemented on both side.
- d. Enable NATO to interconnect SMC systems in a federated environment allowing SMC processes to span multiple governance domains.
- e. Enable NATO to interconnect SMC systems of different security classifications allowing SMC processes to span multiple security domains.
- f. Industrialize the service transition processes like verification & validation.

- g. Increase service support efficiency by implementing automation and self-service.

4.2.4 Environment and Process Models

The NATO IT environment consists of multiple security and governance domains as outlined in the Figure 7. These environments require corresponding SMC capabilities which include:

- Enterprise SMC instances at NU, NR, NS domains
- Mission SMC at MISSION SECRET (MS) domain,
- Federated SMC interfaces.

AR-13 The SMC Target architecture shall support seamless execution of the SMC processes across the boundaries to the extent possible in compliance with NATO Security Policies.

AR-14 SMC Target Architecture shall define NATO Enterprise SMC as the primary capability that integrates all governance domains (horizontally) and security domains (vertically) to connect with all Domain Management Systems within the Enterprise.(Figure 7)

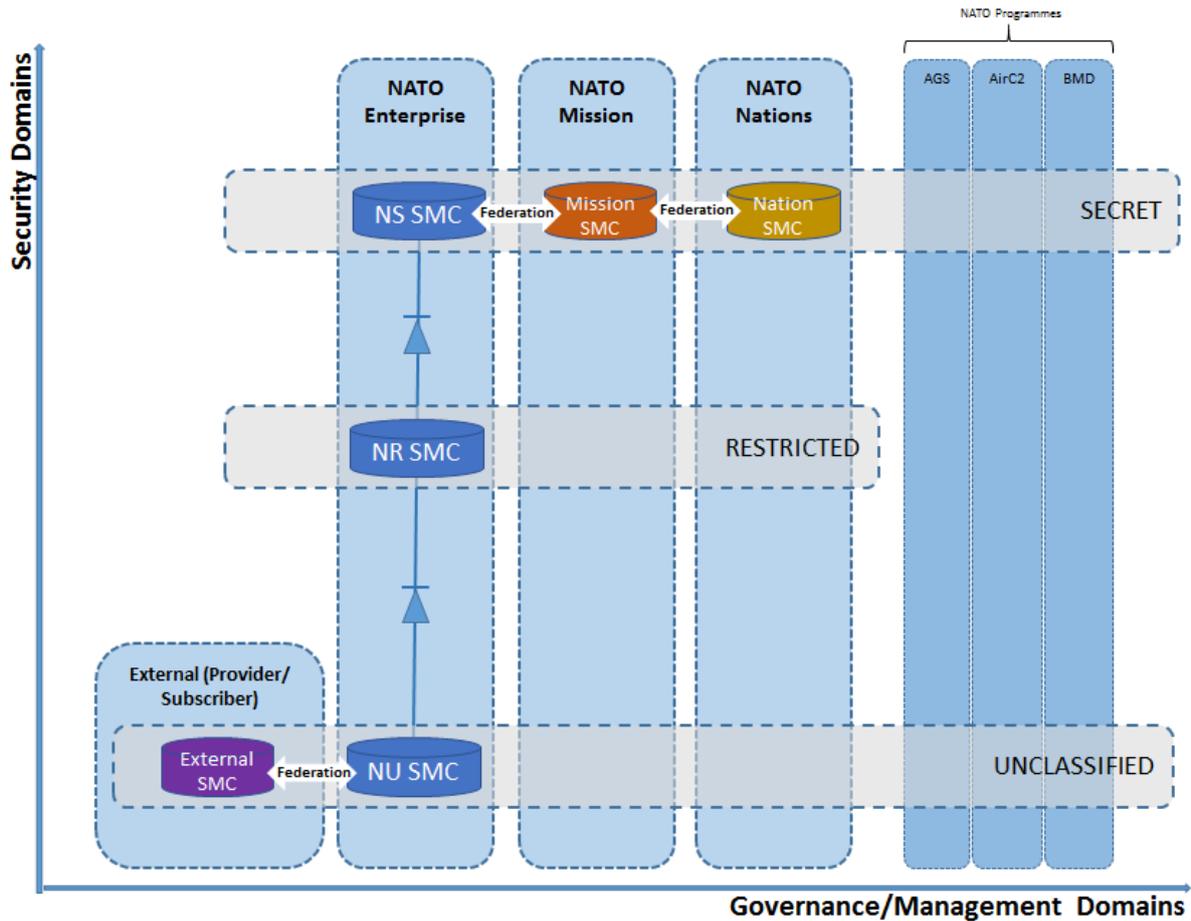


Figure 7 SMC Security and Governance Domains

4.2.5 SMC Processes and Functions scope

AR-15 SMC Target Architecture shall cover the processes listed below:

- a. Service Portfolio Management
- b. Demand Management
- c. Financial Management for IT Services
- d. Business Relationship Management
- e. Design Coordination
- f. Service Catalogue Management
- g. Service Level Management
- h. Capacity Management

- i. Availability Management
- j. IT Service Continuity Management
- k. Information Security Management
- l. Supplier Management
- m. Change Management
- n. Change Evaluation
- o. Transition Planning and Support
- p. Release and Deployment Management
- q. Service Validation and Testing
- r. Service Asset and Configuration Management
- s. Knowledge Management
- t. Event Management
- u. Incident Management
- v. Request Fulfilment
- w. Access Management
- x. Problem Management
- y. Service Review

AR-16 SMC Target Architecture shall cover the functions listed below:

- a. Service Desk
- b. IT operations management
- c. Technical Management
- d. Application Management

4.2.6 Stakeholders and key inputs

SMC Baseline Architecture and SMC Target Architecture depends on stakeholder inputs that will be gathered through Stakeholder Workshops (Section 4.3.1). The stakeholders are grouped in terms of their input to provide to Architecture development.

AR-17 The Contractor shall use Stakeholder Workshops as the main source of information gathering activity however when needed additional information gathering activities will be planned together with Purchaser’s Technical Lead including surveys, teleconference and video conference meetings.

Table 1 SMC TA Stakeholders and Key Inputs

Stakeholder Group	Stakeholder	Key inputs	Workshop Groups
Executive Management	General Manager, Directors, SMC SL Chief.	Strategic Requirements, Priorities, Define vision, mission and set targets	Group 1
SMC Service Line	SMC Tools Team SMC Process Owners Service Delivery Managers	Provide technical constraints Provide business process and organizational constraints	Group 2
NCI AGENCY	Service Lines, CSUs, Ops Centre	Baseline SMC Architecture (as-is), Skills/tools analysis, manning plan, training requirements, Functional/non-functional Requirements, Usability requirements, Automation requirements, Technical Service Catalogue (per SL), Service Provisioning and support model,	Group 3
	Cyber Security SL NCIRC	Information Assurance Analysis and Requirements, Develop Cyber Defence/SMC integration, Define Security Architecture for SMC Define Cross-domain SMC scenarios	Group 4
	Legacy SMC Tool Owners Relevant Process Owners	Analyse tools and processes and develop System Design Specifications for deliverables defined in 4.4.	Group 5
	Architecture Working Group	Provide Architecture constraints, guidance and quality control	Group 6
	Service Strategy	Enterprise Architecture Alignment Setting Strategic Priorities Agency Business Processes/Model Service Provisioning and support	

		model Business Service Catalogue Quality Indicators/management Requirements Agency Key Performance Indicators	
	Ongoing Infrastructure Projects: NATO Communications Infrastructure Project, New NATO HQ ANWI Project, IT Modernization Project Programmes : BMD, AGS, Air C2)	Domain SMC capabilities, interface and integration requirements, Roadmap of capabilities that would impact SMC, Guidance for ongoing projects for Enterprise SMC compliance	Group 7
	IV&V and PMIC	Validation and verification requirements, programme management requirements	
	Demand Management	Customer Perspective & Priorities	Group 8
	Finance, HR, Contracting, Project Management Office, Enterprise Business Applications Project	Supporting Service Dependencies Process Requirements	
Non-NCI Agency	FMN Secretariat, NATO Nations	Federated Mission Network SMC Requirements, Capabilities	Group 9
	NATO CIS Group	Deployed CIS Requirements, SMC Federation Requirements	
	Customers (ACO, ACT)	SLA reporting requirements(customer) Strategic and Policy Alignment	Group 10

4.2.7 Systems Context

AR-18 The key system actors that shall be examined under SMC segment are:

- a. Enterprise Service Management System (ESMS) which includes:
 - i. Service Asset and Configuration Management subsystem (CMDB)
 - ii. Incident Management & request fulfilment subsystem
 - iii. Change Management subsystem
 - iv. Data Warehouse

- v. Event Management subsystem
- vi. Service Level Management Subsystem
- b. Domain management systems (DSMSs) of each service domain
- c. Enterprise Asset Management System
- d. Enterprise Financial Management System
- e. Enterprise Service Knowledge Management System(SKMS) (See Figure 8 for SKMS Scope)
- f. Enterprise Project Management System

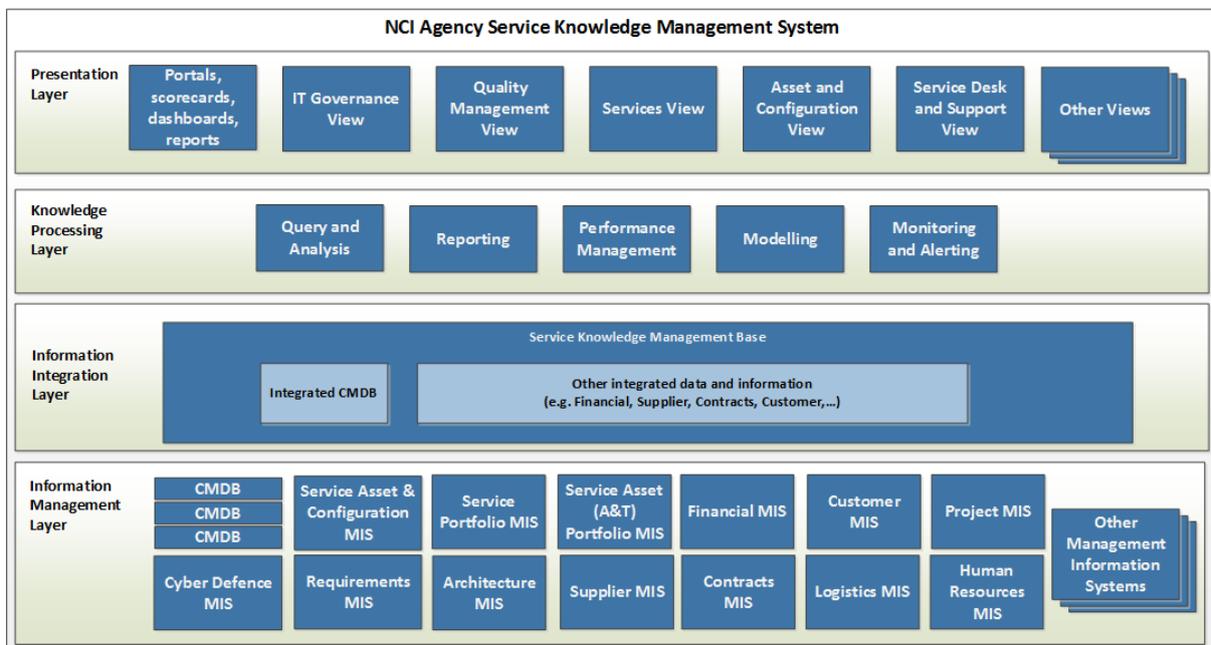


Figure 8 Service Knowledge Management System components

4.2.8 Information Products Scope

AR-19 The SMC Target Architecture shall define the following SMC information products defined in Table 2 Information Products Scope.

Table 2 Information Products Scope

Information, Tools and Systems	In scope of SMC TA
Service Portfolio	No
Configuration Management System (CMDBs)	Yes
Known Error Database	Yes
Definite Media Library	Yes
Supplier and Contract Management Information System	Yes

Availability Management Information System	Yes
Capacity Management Information System	Yes
Security Management Information System	Yes
CSI Register	Yes
Alerts & Events	Yes
Records Management	Yes
Change Records	Yes
Release Records	Yes
Service Requests	Yes
Incident Records	Yes
Problem Records	Yes
Service Level Agreements	Yes
Operational Level Agreements	Yes
Standard Operating Procedures(SOP)	No
Technical Documentation	No
Strategies, Policies and Plans	No
Reports	Yes

4.3 Architecture Deliverables

AR-20 The Contractor shall develop and deliver to the Purchaser the following main Architecture deliverables collectively termed as the “SMC Architecture Description”:

- a. SMC Baseline Architecture (SMC BA) reflecting the SMC capability,
- b. SMC Target Architecture (SMC TA) targeting the SMC capability,
- c. Implementation plan and System Design Specification for particular implementation deliverables.

AR-21 The SMC Architecture shall cover:

- a. All issues and scenario stated in Section 4.2.3
- b. All the actors described in Stakeholders and Key Section (Section 4.2.6) in the Architecture Vision.
- c. All the processes and functions described in SMC Processes and Functions Section (Section 4.2.5) in the Architecture Vision.
- d. The system context described in Systems Context (Section 4.2.7) described in the Architecture Vision.

AR-22 The SMC Architecture shall cover the whole NATO CIS environment including:

- a. All security domains (NS, NR, NU, MS)
- b. All management domains including STATIC networks and non-permanent NATO CIS environments such as Deployable CIS (DCIS).

AR-23 The SMC architecture shall cover the capabilities required for the NATO enterprise to federate SMC information and operate SMC processes with external organizations like Federated Mission Networks [6] partner nations, external service providers.

AR-24 The Contractor shall use the TOGAF Architecture Development Method (ADM) to develop the Architecture deliverables.

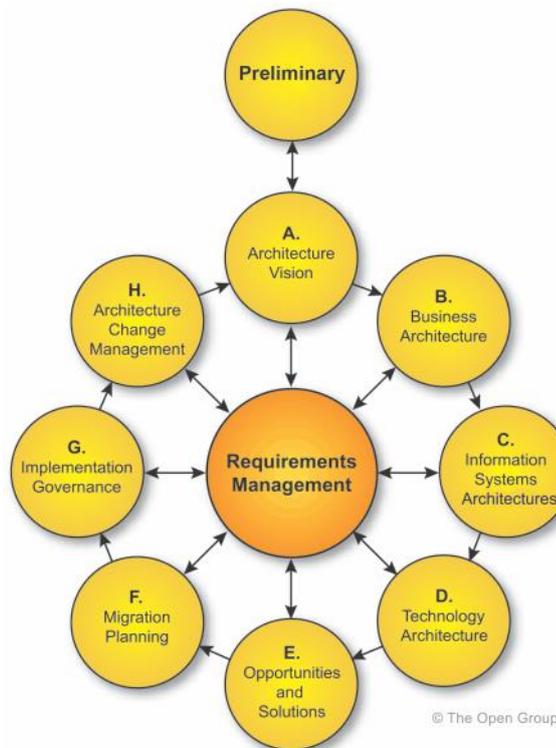


Figure 9 TOGAF ADM Phases

AR-25 The Contractor shall develop SMC Target Architecture in two iterations. As a minimum the Contractor shall perform two ADM cycles taking a “BA-first” approach as shown in Figure 10.

TOGAF Phase		Architecture Development			Transition Planning		Architecture Governance	
		Iteration 1	Iteration 2	Iteration <i>n</i>	Iteration 1	Iteration <i>n</i>	Iteration 1	Iteration <i>n</i>
Preliminary		Informal	Informal	Informal				Light
Architecture Vision		Informal	Informal	Informal	Informal	Informal		Light
Business Architecture	Baseline	Core	Light	Core	Informal	Informal		Light
	Target	Informal	Core	Core	Informal	Informal		Light
Application Architecture	Baseline	Core	Light	Core	Informal	Informal		Light
	Target	Informal	Core	Core	Informal	Informal		Light
Data Architecture	Baseline	Core	Light	Core	Informal	Informal		Light
	Target	Informal	Core	Core	Informal	Informal		Light
Technology Architecture	Baseline	Core	Light	Core	Informal	Informal		Light
	Target	Informal	Core	Core	Informal	Informal		Light
Opportunities and Solutions		Light	Light	Light	Core	Core	Informal	Informal
Migration Planning		Light	Light	Light	Core	Core	Informal	Informal
Implementation Governance					Informal	Informal	Core	Core
Change Management		Informal	Informal	Informal	Informal	Informal	Core	Core

- Core: primary focus activity for the iteration
- Light: secondary focus activity for the iteration
- Informal: potential activity for the iteration, not formally mentioned in the method

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Figure 10 BA-first ADM approach (as shown in TOGAF 19.5.2)

The Purchaser is currently using IBM Rational System Architect (RSA) for architecture development. The Purchaser will provide to the Contractor remote access through REACH Laptops to the Architecture Development tool to directly develop the deliverables on this system.

AR-26 The Contractor shall use the RSA to produce and store the required architecture deliverables (Section 3.2).

AR-27 The Contractor shall also provide the Architecture deliverables as Report in Microsoft Word format described in Section 2.6 for review and acceptance purposes.

AR-28 The Contractor shall use the TOGAF version 9 Architecture Definition Template developed by Open Group.

AR-29 The contractor shall use the Universal Modelling Language (UML) 2.4.1 to document the views where it is suitable (information model, class and component diagrams, Process/Event/Control/Product Catalogue) as specified in Table 3.

AR-30 The format and presentation of the corresponding SMC BA and SMC TA deliverables shall be aligned to enable comparison of the as-is with the to-be states.

4.3.1 Stakeholder Workshops

An initial list of stakeholders and their key inputs areas is provided in the Section 4.2.6 (Architecture Vision Stakeholders and Key Inputs). The Purchaser's Technical Lead will support the Contractor to identify and assign the individuals for each Workshop Group.

AR-31 The Contractor shall plan and conduct Baseline and Target Architecture stakeholder workshops using the stakeholder groupings defined in Table 1 .

AR-32 The Contractor shall;

- a. develop Stakeholder Workshops tailored per stakeholder group using the key inputs included but not constrained to the ones provided in Table 1.
- b. conduct stakeholder workshops to survey and record architecture requirements , information about the available capabilities and NATO specific constraints.
- c. Conduct at least one workshop session per stakeholder group in Table 1. However particular areas may require multiple sessions because of the complexity.
- d. Conduct the workshops in NCI AGENCY locations The Hague, Mons or Brussels depending the availability of meeting facilities and the location of attending personnel, decided by Purchaser.

AR-33 The Contractor shall conduct the stakeholder workshops with maximum of 10 persons from Purchaser's side at each workshop and at least 4 hour sessions.

AR-34 The Contractor shall consolidate all meeting minutes from the workshops into final "Workshop Report" after each meeting and update the project portal.

AR-35 After receiving the PIP, the Purchaser shall help the contractor to finalize stakeholder lists for workshops and refine workshop design and planning.

4.3.2 SMC Architecture Views

AR-36 The SMC Architectures shall include as a minimum the TOGAF Architecture views [1] indicated in Table 3.

AR-37 The Contractor shall read the Required Architecture Views(Table 3) as;

- a. Create a new view if it is mentioned as "create" in corresponding column for Baseline and Target Architecture
- b. Update the existing view if it is mentioned as "update" in corresponding column for Baseline and Target Architecture.
- c. Do nothing if it is mentioned as "-in corresponding column for Baseline and Target Architecture.

- d. Notes in the Remarks column provides either reference information or describe the scope of the deliverable.

Table 3 provides the list of required Architecture Views for Baseline Architecture and Target Architecture development per ADM phase. Remarks column defines the scope of the artefact and in some cases corresponding NAF view.

Table 3 Required Architecture Views

Architecture View Number	ADM Phase	View	Baseline Architecture	Target Architecture	Remarks
1	P	Principles Catalogue	-	update	Section 4.2.2
2	A	Stakeholder Map Matrix	update	update	Table 1
3	A	Value Chain Diagram	create	create	
4	A	Solution Concept	update	create	NAF equivalent NAV-1 Overview and Summary Information
5	B	Organization/Actor Catalogue	create	create	Details will be determined during phase B with relevant stakeholders
6	B	Driver/Goal/Objective Catalogue	create	create	Service Management and Control scope only
7	B	Role Catalogue	create	create	Actual BA requirement will be determined during phase B with relevant stakeholders
8	B	Business Service/Function Catalogue	create	create	Details will be determined during phase B with relevant stakeholders
9	B	Location Catalogue	create	create	
10	B	Process/Event/Control/Product Catalogue	update	create	NAF equivalent: NOV-5 Operational Activity Model
11	B	Contract/Measure Catalogue	-	-	Out of scope.
12	B	Business Interaction Matrix	create	create	Interdependency diagram for SMC capability
13	B	Actor/Role Matrix	create	create	Enterprise SMC Roles with RACI matrix.
14	B	Business Footprint diagram	create	create	To link business functions to services to tools (Not locations)
15	B	Business Service/Information diagram	update	create	NAF equivalent: NOV-7 Information Model.
16	B	Functional Decomposition diagram	create	create	Scope: The enterprise with highlighted SMC related functions
17	B	Product Lifecycle Diagram	create	create	Delivered as a diagram and also data inserted into the Agency's portfolio management tool (IBM Focal Point)
18	B	Goal/Objective/Service Diagram	create	create	Alternative view to the "Driver/Goal/Objective Catalogue" above. Details will be determined during phase B with relevant stakeholders
19	B	Business Use Case Diagram	create	create	For all SMC services
20	B	Organizational Decomposition Diagram	-	-	Content largely covered by the "Functional Decomposition diagram" above
21	B	Process Flow Diagram	update	update	PDEs are largely in place already for many SMC processes. TA to only take process design role for the remaining SMC

					processes after coordination with the Agency's Business Process & Quality Management Team
22	B	Event Diagram	-	create	To show process handover points and triggers.
23	C	Data Entity/Data Component Catalogue	create	create	Actual TA requirement will be determined during phase B with relevant stakeholders
24	C	Data Entity/Business Function Matrix	-	create	To identify data entities for which SMC is the authoritative source to drive data governance and reuse.
25	C	Application/Data Matrix	create	create	To assist implementation decisions and allocation of data & functions to systems.
26	C	Conceptual Data Diagram	create	create	Actual BA requirement will be determined during phase B with relevant stakeholders A more abstract version of the Logical Data Diagram provided in Architecture Vision
27	C	Logical Data Diagram	-	create	Including SMC external data sources in order to help the interfaces definition task.
28	C	Data Dissemination Diagram	create	create	Partially covered by the Data Entity/Business Function Matrix and Application/Data Matrix above. Details will be determined during phase B with relevant stakeholders
29	C	Data Security Diagram	create	create	To assist in security accreditation of the resultant SMC solutions.
30	C	Data Migration Diagram	-	create	For the applications that are to be migrated in Implementation Tasks [Section 4.4.1]
31	C	Data Lifecycle Diagram	create	Create	As a basis for SMC data retention policy. Actual BA requirement will be determined during phase B with relevant stakeholders
32	C	Application Portfolio Catalogue	-	update	Exists in the Agency's portfolio management tool (IBM Focal Point)
33	C	Interface Catalogue	create	create	Corresponding to NSV-2
34	C	Application/Organization Matrix	-	-	
35	C	Role/Application matrix	create	create	Details will be determined during phase B with relevant stakeholders
36	C	Application/Function matrix	update	create	Exists in SMC RA which is equivalent to: NSOV-4 Services to Operational Activities Mapping
37	C	Application Interaction Matrix			table listing the interfaces between applications (corresponding to NSV-1 & 2)
38	C	Application Communication Diagram		create	Including: SMC Integration SIPs SMC Federation SIPs
39	C	Application and User Location Diagram	create	create	
40	C	Application Use Case Diagram	create	create	For selective SMC applications which will be defined during project execution with relevant stakeholders.
41	C	Enterprise Manageability Diagram	create	create	A key diagram for ESMS-to-DSMS integrations

42	C	Process/ Application Realization Diagram	create	create	Details will be determined during phase B with relevant stakeholders. Only if long running cross-system SMC workflows are identified in the business architecture phase
43	C	Software Engineering Diagram	create	create	Details will be determined during phase B with relevant stakeholders
44	C	Application Migration Diagram	-	create	For the legacy applications to be migrated.
45	C	Software Distribution Diagram	create	create	To drive SMC tools further consolidation.
46	D	Technology Standards Catalogue	-	create	Corresponding to NAF NTV
47	D	Technology Portfolio Catalogue	create	create	Probably covered by the “Application Portfolio Catalogue” above. Details will be determined during phase B with relevant stakeholders
48	D	Application/Technology Matrix	create	create	Mapping of applications to technology platforms. To consult for SMC tools consolidation. Details will be determined during phase B with relevant stakeholders
49	D	Environments and Locations Diagram	create	create	
50	D	Platform Decomposition Diagram	-	-	
51	D	Processing Diagram	-	create	Only if needed for capacity estimation. Details will be determined during phase B with relevant stakeholders
52	D	Networked Computing/Hardware Diagram	-	create	Only if needed for capacity estimation. Instead of physical hardware diagrams, provide SMC hosting capacity requirements to be used as input to CES hosting service requests.
53	D	Communications Engineering Diagram	-	create	Only if needed for capacity estimation. Actual requirement will be determined during phase B with relevant stakeholders
54	E	Project Context Diagram	update	update	SMC Capability roadmap (Section 4.5)
55	R	Requirements Catalogue	update	update	ESMS and Interface Requirements and Manageability Requirements for Service domains

4.3.3 SMC Baseline Architecture

AR-38 The Contractor shall develop the SMC BA including the information below;

- a. As-is management capabilities information from the stakeholder workshops.
- b. SMC capabilities planned to be delivered by the major projects currently in implementation phase.
- c. .Analysis of existing Configuration Management Databases.
- d. Assessment of available business processes.

- e. Analysis of current Cyber Security Capabilities that can be harmonised with SMC capabilities.

AR-39 The SMC BA shall provide initial analysis on available configuration management data sources.

4.3.4 SMC Target Architecture

AR-40 The Contractor shall conduct TA Stakeholder Workshops to gather SMC requirements from the stakeholders described in the Architecture Vision and use collected information to develop the SMC TA.

AR-41 The Contractor shall develop the SMC TA including as a minimum the views listed in Table 3.

AR-42 The Contractor shall develop SMC TA in two releases following TOGAF (9.1) Architecture Development Method (ADM). At the end of each Implementation and Governance phase the deliverables shall be reviewed by the Purchaser. The detailed acceptance criteria for Release 1.0 will be defined after Kick-off meeting.

AR-43 The Contractor shall identify all configuration data sources and develop a CMDB Data Model to map all relevant CIs. The Contractor shall also define the interfaces to the configuration data sources.

AR-44 The Contractor shall analyse Purchaser's CMDB and based on the Purchaser's initial review the Contractor shall either indicate reuse of the existing or develop a new CMDB Data Model.

AR-45 The Contractor shall develop SMC requirements using the Purchaser's Requirements Management software(Section 3.2) for the following areas:

- a. Enterprise-wide, common SMC requirements
- b. Domain to Enterprise SMC interface requirements and Service Interface Profile (See sample SIP [9]) per domain
- c. SMC Federation requirements and Service Interface Profile(SIP)
- d. Interoperability Requirements with Cyber Security Situational Awareness Capability

AR-46 The Contractor shall develop the SMC TA in coordination with Purchaser's Segment Architects and the progress will be guided and monitored by the NCI AGENCY's Architectural Working Group (AWG).

AR-47 The SMC TA shall provide designs aimed at:

- a. 99.9% availability measured on a weekly cycle (10.1 minutes per week downtime) for components supporting the ITIL Service Operations functions and processes.
- b. 99.5% availability measured on a weekly cycle (50.4 minutes per week downtime) for components supporting the rest of the ITIL processes.

AR-48 The SMC TA shall include a Security Architecture that complies with the security mechanisms approved by NATO [7]. The Contractor shall support development of security architecture by helping Purchaser's Security Architects on developing the requirements and defining architecture building blocks.

AR-49 The Contractor shall develop Interface Profiles (See Sample SIP [9]) per interface for the following interfaces:

- a. Incident Management Interface
- b. Event Management Interface
- c. Performance Data Interface (SLM)
- d. Asset Management Interface

4.3.5 Planning and Design for Implementation Deliverables

SMC Target Architecture project will implement particular SMC capabilities that are high priority to the Purchaser. Therefore in parallel with SMC TA development, planning and design for the following items shall be developed by the Contractor.

4.3.5.1 BMC Remedy Change Management Module Implementation Plan

Purchaser has been utilising a legacy software tool, developed in-house called CAMS to manage and track the Change Management process. CAMS also provides the users the ability to monitor the activities of all Change Advisory Boards (CAB) to ensure that Change Management policy and procedures are being adhered to. The Purchaser has recently implemented BMC Remedy ITSM Change Management module but did not consolidated the change processes and migrate all the relevant data from CAMS.

AR-50 The Contractor shall analyse the following items in a specific BA stakeholder workshop:

- a. Change management process with Purchaser's Change Managers,
- b. Data model and workflow of CAMS with the System Owner,
- c. Current ITSM Change Management implementation with Purchaser's ITSM Tools Team.

AR-51 The Contractor shall implement Purchaser's Change Management process [7] by taking into account of implemented workflows and stored data in CAMS application.

- AR-52 The Implementation Plan shall be composed of:
- a. Functional and non-functional requirements defined during the specific stakeholder workshop,
 - b. Current Configuration of ITSM Change Management Module,
 - c. Proposed changes in configuration of ITSM Change Management Module,
 - d. Detailed Task plan for implementation,
 - e. Test Cases developed with CAMS System Owner.

AR-53 The Contractor shall work with Purchaser's tools team to finalize the Implementation Plan.

4.3.5.2 BMC Remedy Service Request Management Module Implementation plan

Service Request Tracking System is an in-house developed, work flow management software for automating the service provisioning for Communication Services only, from request to implementation and cessation at the end of its service life. The Purchaser aims to implement its Service Request fulfilment process in BMC ITSM toolset and migrate workflows and CIs in SRTS into BMC ITSM tool.

- AR-54 The Contractor shall analyse the following items in a specific BA stakeholder workshop:
- a. Request Fulfilment process with Process Owner,
 - b. Data model and workflow of SRTS with System Owner,
 - c. Current ITSM implementation with Purchaser's tools team.

AR-55 The Contractor shall implement Purchaser's Request Fulfilment process [7] by taking into account of workflows and data in SRTS.

- AR-56 The Implementation Plan shall be composed of:
- a. Functional and non-functional requirements recorded during the stakeholder meeting,
 - b. Current Configuration of relevant ITSM Modules,
 - c. Proposed changes in configuration of ITSM Request Fulfilment Module,
 - d. List of Data to be migrated from SRTS into ITSM CMDB,
 - e. Detailed Task plan for implementation and data migration,

- f. Impact and Risk analysis of migration,
- g. Test Cases developed with SRTS System Owner.

AR-57 The Contractor shall work with Purchaser's tools team to finalize the Implementation Plan.

4.3.5.3 Legacy CMS Database (CAST+) Analysis and Migration Roadmap

The Purchaser has developed an Oracle based database application named CAST+ which stores configuration database and business logic for NNCS applications. NATO Network Control System (NNCS) is composed of several SMC applications being used for executing day-to-day service management (including CAMS, SRTS). The objective of this task is to analyse the database schema and workflow to prepare for migration of legacy data and applications to a modern platform.

AR-58 The Contractor shall provide onsite (Mons (BEL)) SME to conduct analysis and develop report at least for 3 months.

AR-59 The contractor shall analyse CAST+ Database and dependent NNCS applications to

- a. Survey NNCS application owners to develop the business processes and workflow requirements of CAST+ migration.
- a. Develop data models and views in the form of Entity Relationship Diagrams (ERDs) and Data Flow Diagrams (DFDs) to support planning of a future migration of CAST+.
- b. Application dependencies of CAST+.
- c. A roadmap to migrate data and applications dependent on CAST+ to a modern solution based on capabilities that will be delivered in short term.

4.3.5.4 System Design Specification (SDS) for Unified Event Management System (UEMS)

The Purchaser is currently using separate systems to handle events for each service domain. The objective of this task is to unify the event management process across management domains to enable proactive handling of failures and root cause analysis. This will be achieved by deploying an event management system leveraging common agents, existing DSMSs and the Unified Enterprise Service Bus to implement the event data flows from the service components to the UEMS.

AR-60 The Contractor's Implementation Lead shall work with Service Support Management Tools Branch (Mons, BEL) to develop SDS for UEMS.

AR-61 The System Design Specification as a minimum shall be composed of following NAF 3.1 Views:

- a. NAV-1 Overview and Summary Information

- b. NCV-1 Capability Vision, NCV-2 Capability Taxonomy, NCV-4 Capability Dependencies
- c. NOV-2 Operational Node Connectivity, NOV-3 Operational Information Requirements, NOV-5 Operational Activity Model
- d. NSV-1 System Interface Design, NSV-4 System Functionality Description, NSC-5 System Function to Operational Activity Matrix, NSV-10a Systems Rule Model, NSV-11b Physical Data Model
- e. NTV-1 Technical Standards Profile, NTV-2 Technical Standards Forecast
- f. NSOV-2 Service Definitions, NSOV-3 Services to Operational Mapping

AR-62 The System Design Specification shall include the following information to support the implementation:

- a. Minimum Infrastructure Hosting Requirements of the COTS Software,
- b. Configuration/Installation Guide,
- c. Impact and Risk Assessment for the Installation,
- d. Test Plan including Security Test and Verification Plan.

AR-63 The Contractor's Implementation Lead shall work with Service Support Management Tools Branch (Mons, BEL) on-site to develop SDS for UEMS.

AR-64 The Contractor shall develop a SDS for Unified Event Management System that:

- a. Supports open source standards to intake performance and event data from domain management and element management systems
- b. Supports performance data parsing and event management policy enforcement.
- c. Shall not require disruptive changes to current (Baseline) tools.
- d. Utilise a component that implements the SOA loose coupling approach specified in the architecture principles.

4.3.5.5 System Design Specification (SDS) for Service Level Management System

The Purchaser is currently using an in-house developed tool to collect performance data, calculate KPIs and report on Service Levels. The objective of this task is to deploy a modern end-2-end service level reporting capability ideally leveraging common agents and the SOA to implement the performance data flows from the service components to the SLMS. Four services have been selected for the pilot implementation of the SLM.

AR-65 The Contractor's Implementation Lead shall work with Service Support Management Tools Branch (Mons, BEL) to develop SDS for SLMS for the selected services(See Section 4.4.2.2)

AR-66 The System Design Specification as a minimum shall be composed of following NAF 3.1 Views:

- a. NAV-1 Overview and Summary Information
- b. NCV-1 Capability Vision, NCV-2 Capability Taxonomy, NCV-4 Capability Dependencies
- c. NOV-2 Operational Node Connectivity, NOV-3 Operational Information Requirements, NOV-5 Operational Activity Model
- d. NSV-1 System Interface Design, NSV-4 System Functionality Description, NSC-5 System Function to Operational Activity Matrix, NSV-10a Systems Rule Model, NSV-11b Physical Data Model
- e. NTV-1 Technical Standards Profile, NTV-2 Technical Standards Forecast
- f. NSOV-2 Service Definitions, NSOV-3 Services to Operational Mapping

AR-67 The System Design Specification shall include the following information to support the implementation:

- a. Minimum Infrastructure Hosting Requirements of the COTS Software,
- b. Configuration/Installation Guide,
- c. Impact and Risk Assessment for the Installation,
- d. Test Plan including Security Test and Verification Plan

4.4 Implementation Deliverables

The Purchaser's Service Management capabilities are currently based mainly on BMC Remedy ITSM and Microsoft System Centre products. However there are several legacy, in-house developed applications which are still used to handle processes like Change Management, Request Fulfilment for specific service domains.

The Purchaser intends to transfer the processes that are executed by these legacy tools into modern COTS toolsets, which would result in standardization and operational efficiency. The Contractor will analyse the process and data that is handled by these legacy toolsets. Based on the analysis the Contractor will implement the SMC processes and migrate the data.

In addition to this activity there is an urgent need to implement the Unified Event Management (UEMS) and Service Level Management (SLMS) systems. These two systems will standardize performance and availability data gathering from underlying technical services.

- IR-2 The Contractor shall make use of Enterprise Agreements and Licenses owned by the Purchaser if the selected components are already in Purchaser's inventory.
- IR-3 The Contractor shall only use COTS software to fulfil implementation requirements defined in this section.
- IR-4 The Contractor shall execute all implementation related tasks (setup, test, and acceptance) on premises (SHAPE, Mons) with the Purchaser's Service Support Management Tools Branch by Contractor's implementation team.
- IR-5 The Contractor shall install and implement all components initially in development/testing environment provided by the Purchaser. After successful testing the Contractor shall install all the components of the solution in production environment.
- IR-6 The Contractor shall deliver all the system and end user software licenses and installation material including CD/DVDs, download URL, installation documentation prior to the start of implementation tasks.

4.4.1 Implementation of Change Management and Request Fulfilment Modules

- IR-7 The Contractor shall assign at least one subject matter expert for this task that will provide onsite engineering services during implementation, testing and acceptance.
- IR-8 The Contractor shall provide 20 floating BMC ITSM end-user licenses before Gate 5 (Section 5.5).
- IR-9 The Contractor shall start implementation not later than 2 weeks after Gate 2 (See Section 5.2)

4.4.1.1 Change Management Implementation

The Purchaser has already installed BMC ITSM Change Management module but haven't completed the deployment of the processes and data migration to retire the legacy application.

- IR-10 The Contractor shall complete the implementation of the BMC Remedy ITSM Change Management module to replace the legacy SMC tool CAMS on the NS Domain by implementing the architecture description developed previously. (Section 4.3.5).
- IR-11 The Contractor shall conduct tests with actual users of CAMS application to test that functional and non-functional requirements are met with ITSM implementation.

4.4.1.2 Request Fulfilment System Implementation

- IR-12 The Contractor shall implement the appropriate BMC Remedy ITSM Suite modules to replace the legacy SMC tool SRTS on the NS domain by implementing the architecture description developed (Section 4.3.5).

IR-13 The Contractor shall conduct tests with actual users of the SRTS application to test functional and non-functional requirements are met with the ITSM implementation.

4.4.2 Implementation of new SMC capabilities

Purchaser aims to implement particular SMC capabilities to address critical gaps in Event Management and Service Level Management. Due to the limited scope of the project, these new SMC capabilities will be pilot capabilities that will be implemented in production environment. The experience gained with these activities shall be utilised in upcoming projects to extend the footprint.

The main outcome of this task is to develop a vendor agnostic mechanism for event collection which can integrate to multiple management domains. Then this event management mechanism will be used to build an SLM reporting capability for selected set of services.

Figure 11 provides a high level view of the Unified Event Management (UEM) system and Service Level Management (SLM) capabilities and their components defined on logical level. The components in black/grey are Purchaser’s systems that Contractor shall integrate with. The Contractor shall deliver systems defined in following sections are shown in blue in the figure.

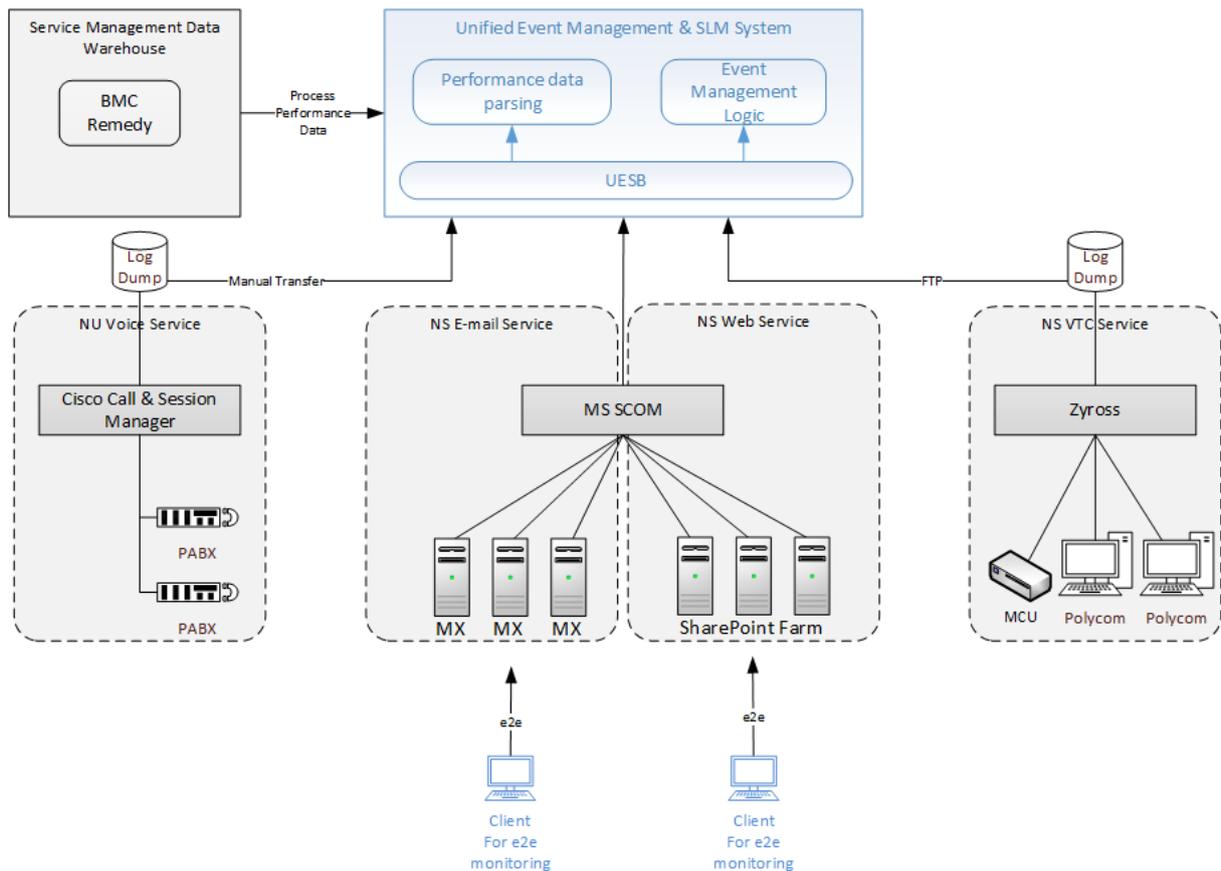


Figure 11 Implementation of UEM and SLM capabilities

Selected services have corresponding domain management systems and the UEM system shall interface with these Domain Management Systems to collect event information. Unified Enterprise Service Bus (UESB) is used as abstraction layer to create a vendor agnostic,

standardized event collection capability. SLM will process event information coming from UEMS to generate SLA reports.

IR-14 The Contractor shall use the PFE IT infrastructure(Section 3.4) that has been identified in SDS and approved by the Purchaser including:

- a. Virtual Machines and Operating Systems
- b. Network and firewall setups
- c. Platform and Database instances

IR-15 The Contractor shall configure all relevant components of the solution described in the SDS according to NATO Security Policies [10].

IR-16 The Contractor shall execute tests that has been identified in Test Plans within SDS developed.

IR-17 The Contractor shall support the execution of security tests defined in SAP (Section 4.4.4)

4.4.2.1 Unified Event Management System (UEMS)

IR-18 The Contractor shall implement a Unified Event Management System (UEMS) on the NS domain by implementing the architecture description developed (Section 4.3.5).

IR-19 The UEMS shall be able to receive event information from the four target services listed in sections 4.4.2.2.1, 4.4.2.2.2, 4.4.2.2.3, 4.4.2.2.4.

IR-20 The UEMS shall be configured to support all steps of the ITIL v3 Event Management process.

IR-21 The UEMS shall be configurable to provide different views for different support teams based on event type, impact and management domain.

IR-22 The UEMS shall be able to correlate event information from different management domains.

IR-23 The UEMS shall be able to de-duplicate related event information to reduce the volume of events that the IT Operations team needs to review.

IR-24 The UEMS shall provide the user with a configurable function allowing them to initiate remediation actions (restart an OS service, execute a script) from the UEM screen.

IR-25 The UEMS shall provide a root cause analysis function able to correlate events and CI information and suggest probable causes for each alert.

- IR-26 The UEMS shall provide a web service API able to receive event information from other systems and acknowledge taking ownership of the events.
- IR-27 The UEMS shall provide a web service API able to send event information to other systems.
- IR-28 The UEMS shall support twice the message volume required to monitor the target services as specified in sections 4.4.2.2.1, 4.4.2.2.2, 4.4.2.2.3, 4.4.2.2.4.
- IR-29 The UEMS shall enable the Purchaser to define a data retention policy matching evolving maintenance and auditing requirements.
- IR-30 The UEMS shall be configured to retain all de-duplicated events for a minimum of 1 week.
- IR-31 The UEMS shall be configured to retain critical events for a minimum of 2 years.
- IR-32 The UEMS shall be configured to retain events especially tagged for root cause analysis or specialised auditing for a minimum of 1 year.
- IR-33 The contractor shall work with the Purchaser to develop more detailed requirements for the UEMS while developing SDS to be reviewed and validated by the Purchaser.
- The Purchaser aims to implement a standard set of integration and federation APIs for SMC functions. The key implementing component for this will be a Unified Enterprise Service Bus (UESB) which will implement the APIs and act as an API gateway to the internal ESMS components.
- IR-34 The Contractor shall implement a Service Bus component to enable the ESMS to exchange SMC payloads (Events, Performance Data, Incidents, CIs) with DSMSs and federate with ESMSs of external organisations.
- IR-35 The UESB shall support protocol transformation.
- IR-36 The UESB shall support the SNMP, HTTP, HTTPS, SFTP, FTP, JMS, POP3 and SMTP communications protocols.
- IR-37 The UESB shall support routing of messages based on their content.
- IR-38 The UESB shall support the following Message Exchange Patterns: Asynchronous invocations, One Way, Publish-subscribe, Request-response.
- IR-39 The UESB shall provide a framework for custom adapters (connectors).
- IR-40 The UESB shall provide adapters for the following technologies: Web Services, Windows Communication Foundation, SQL server, ORACLE database, MSMQ.
- IR-41 The UESB shall support UDDI as the Service Discovery protocol.

- IR-42 The UESB shall support WSDL as the interface specification format.
- IR-43 The UESB shall support SOAP and REST protocols.
- IR-44 The UESB shall support WS-Addressing, WS-Metadata Exchange, WS-Discovery, and WS-Policy.
- IR-45 The UESB shall support XSD schema validation.
- IR-46 The UESB shall support XSLT and schema mapping to define transformations.
- IR-47 The UESB shall support tracking and debugging of message flows in the development and in the operational phase.
- IR-48 The UESB shall provide a development and orchestration graphical IDE.
- IR-49 The UESB shall provide visual schema mapping integrated with metadata and semantic definitions in the IDE.
- IR-50 The UESB shall provide message throttling.
- IR-51 The UESB shall support WS-atomic transaction.
- IR-52 The UESB shall support the following security mechanisms:
- a. WS-Security
 - b. Content Encryption and Decryption
 - c. Content Based Authentication and Authorization
 - d. Digital Signatures
 - e. Non-Repudiation
- IR-53 The UESB shall support the following management functions:
- a. Logging
 - b. Message tracking
 - c. Exception Reporting and Alerting to external monitoring systems
 - d. Endpoint, process and performance monitoring.
- IR-54 The UESB shall provide an Integrated Development Environment (IDE) to allow the Purchaser's staff to develop new message flows.
- IR-55 The UESB shall provide following security features;

- a. Authentication and authorization for inbound requests
- b. Message Encryption
- c. Digital Signatures
- d. 3rd party Identity management integration
- e. Support SSL

4.4.2.2 Service Level Management System (SLMS)

- IR-56 The Contractor shall implement a Service Level Management System (SLMS) on the NS security domain by implementing the architecture description developed (Section 4.3.5).
- IR-57 The SLMS shall be able to gather raw service performance data from the components or the management systems of the target services listed below, calculate KPIs and provide service level dashboards and reports.
- IR-58 The SLMS shall be configurable for specific KPIs, SLOs, calendars and reporting periods per service and SLA.
- IR-59 The SLMS shall be configured to support all the Service Level Management process activities described in ITIL v3.
- IR-60 The SLMS shall be configured to provide separate SLA dashboards and reports to different customers ensuring data confidentiality between customers.
- IR-61 The SLMS shall provide a web service API able to register/unregister services for monitoring and receive performance data from other systems.
- IR-62 The SLMS shall provide a web service API able to send raw performance data and calculated KPI values to other systems.
- IR-63 The Contractor shall collect process related data from Purchaser's Data Warehouse (See Section 3.3) in order to monitor and report on the process related KPIs.
- IR-64 The SLMS shall enable the Purchaser to define a data retention policy matching evolving business requirements.
- IR-65 The SLMS shall be configured to retain raw performance data for a minimum of 3 months.
- IR-66 The SLMS shall be configured to retain calculated KPI values for a minimum of 3 years.
- IR-67 The contractor shall develop more detailed requirements for the SLMS while developing SDS to be reviewed and validated by the Purchaser.

IR-68 The Contractor shall develop tests to demonstrate that the SLM System fulfils the final validated set of requirements.

4.4.2.2.1 NS E-mail Service

This service is managed by Core Enterprise Services Line. The pilot service level monitoring system shall monitor 5 Microsoft Exchange 2010 servers, serving over 11000 users in Lago Patria and SHAPE. These servers are monitored by Microsoft System Centre Operations Manager 2012 with standard Microsoft Exchange Management Pack.

IR-69 The Contractor shall implement an automated interface between UESB and DMS (Microsoft SCOM 2012) to collect event information for this service.

IR-70 The Contractor shall provide monitoring capabilities for the following KPIs that are currently monitored and reported:

- a. Mean Time To Restore
- b. Mean Time Between Failures
- c. Availability (%)
- d. Number of Incidents resolved in SLA
- e. Number of incidents resolved out of SLA
- f. Number of Major Incidents
- g. Number of Incidents responded in SLA
- h. Number of incidents responded out of SLA
- i. Transaction Response Time
- j. Delivery time for a sample email with a 5MB attachment

IR-71 The Contractor shall provide monitoring capabilities for the following KPIs in addition to above:

- a. Performance Monitoring
 - i. time to transfer a message between Exchange servers
 - ii. the time for the user to access a message from his mailbox in the datacentre
 - iii. Client to client delivery time
 - iv. Queue delay

- b. Capacity Monitoring:
 - i. real user message quantities,
 - ii. size distribution (body/attachment), time distribution, origin/destination distribution,
 - iii. tendency to keep chains,
 - iv. multiplication by number of addressees,
 - v. usage of hyperlinks versus direct attachments
 - vi. Number of e-mails received and number of emails sent (per user, per site)

4.4.2.2.2 NS Web Service

NS Web Service is managed by Core Enterprise Services Line. Core Enterprise Services has implemented NATO Information Portal (NIP) project to build the modern infrastructure for web services. The pilot service level monitoring system shall be implemented to monitor NIP servers composed of 4 Microsoft Share point 2013 servers located in Mons. These servers are managed by System Centre Operations Manager 2012 (with standard Microsoft Share point Management Pack).

IR-72 The Contractor shall implement an automated interface between UESB and DMS (Microsoft SCOM 2012) to collect event information for this service.

IR-73 The Contractor shall provide monitoring capabilities for the following KPIs that are currently monitored and reported:

- a. Availability(%)
- b. Mean Time To Restore
- c. Mean Time Between Failures
- d. Number of Incidents resolved in SLA
- e. Number of incidents resolved out of SLA
- f. Number of Major Incidents
- g. Number of Incidents responded in SLA
- h. Number of incidents responded out of SLA
- i. Transaction Response Time

- j. WAN/LAN download rate
- k. Tested pages sizes
- l. Storage capacity

IR-74 The Contractor shall provide end-to-end monitoring for portal implementations serving users in Mons and Lago Patria. The Contractor shall implement end-to-end monitoring and reporting on following KPIs

- a. Response time broken down to location, URL and page components.

4.4.2.2.3 NU Voice Service

The Voice Service is managed by Network Services and IT Infrastructure Service line. The pilot service level monitoring system shall monitor centralized PABX (Alcatel 4400) managed by Cisco Call Manager and Session Manager (v10.5) applications.

IR-75 The Contractor shall support the manual data dump into UESB to collect event information for this service.

IR-76 The Contractor shall provide monitoring capabilities for the following KPIs that are currently monitored and reported:

- a. Availability (as call success rate)
- b. Mean Time To Restore
- c. Mean Time Between Failures
- d. Number of Incidents resolved in SLA
- e. Number of incidents resolved out of SLA
- f. Number of Major Incidents
- g. Number of Incidents responded in SLA
- h. Number of incidents responded out of SLA
- i. Ring Duration
- j. Call Duration
- k. Number of calls per month

4.4.2.2.4 NS Video Teleconference Service

The VTC service is managed by Network Services and IT Infrastructure Service line. VTC Service is available on all NATO locations based on MCUs, RMX Polycom Devices (approximately 250 endpoints) and software clients which are managed by ZyrOSS 2.3.11

software. The pilot service level monitoring system shall connect to ZyrOSS server in SHAPE Mons to generate reporting on all locations.

IR-77 The Contractor shall support the manual data dump via FTP into UESB to collect event information for this service.

IR-78 The Contractor shall provide monitoring capabilities for the following KPIs that are currently monitored and reported:

- a. Full VTC participation
- b. VTC Presence from first to last connection (per participant)
- c. Continuity factor
- d. Number of Incidents resolved in SLA
- e. Number of incidents resolved out of SLA
- f. Number of Major Incidents
- g. Number of Incidents responded in SLA
- h. Number of incidents responded out of SLA
- i. Number of VTC connections per Month
- j. Number of served participants per month
- k. Number of VTC hours

4.4.3 Test Plan

This section defines all the Test Activities for implementation deliverables.

IR-79 The contractor shall develop Test Plan including all implementation deliverables defined in Section 4.4 based on Test Cases as a system for conformance, performance, and acceptance.

IR-80 The Test Plan shall;

- a. Define and explain how testing and acceptance will be conducted and the procedures used.
- b. provide clear evidence that the SOW requirements are fully met.
- c. Provide clear evidence that Test Cases developed by System owners are addressed by the tests.

- d. Identify the format of a structured testing of the deliverable led by the Contractor – precondition, requirement, input and output.
- e. Identify the documentation that will be provided as a result of each type test.
- f. Define the set of test activities to verify each deliverable's compliance with the contractual requirements, to demonstrate its operational suitability.

IR-81 The Contractor shall provide draft version of the Test Plan in the first Project Checkpoint Meeting after Gate 2.

IR-82 The Purchaser will review the Test Plan and provide the testbed infrastructure for the Contractor to;

- a. Setup the test configuration,
- b. Execute the test cases
- c. Report on test results.

IR-83 The Contractor shall coordinate with the Purchaser and conduct tests after the installation, configuration and data migration activities at the site.

IR-84 The Contractor shall complete testing for all implementation deliverables (Sections 4.4.1 and 4.4.2) before Gate 5. Any discrepancies will be identified and the schedule for completion will have to be agreed. A Purchaser representative will be present to witness and sign off the test results.

IR-85 The tests shall verify and confirm the proper installation of the software components and shall be demonstrated to the operational users of the implemented systems.

IR-86 Following receipt of the Test Report the Purchaser will assess and categorize the observations in the report as follows :

- a. Class 1 discrepancies: the Purchaser will assign this category to those discrepancies or deviations that need to be cleared before PSA can be declared;
- b. Class 2 discrepancies: the Purchaser will assign this category to those discrepancies or deviations that are not critical enough to hold PSA, but need to be cleared before declaring FSA.

IR-87 The tests shall be conducted at Purchaser's facilities in Mons(BEL) and The Hague(NLD).

4.4.4 Security Accreditation Plan (SAP)

IR-88 Security accreditation documentation will be mainly written by the Purchaser. However in order to produce this security documentation, the Contractor shall be requested

to provide material which will be included in the documentation such as as-built drawings, updated diagrams or technical deliverable documentation.

IR-89 The Security Accreditation Plan shall be developed according to Guidelines for the Security Accreditation of Communication and Information Systems (CIS)[12].

IR-90 The NCI Security Accreditation Plan (SAP) shall outline the tasks, dates, documentation products and milestones, associated with the following activities for implementation deliverables (Section 4.4.2):

- a. Production, review and acceptance of the CIS Description document;
- b. Production, review and acceptance of the Security Risk Assessment (SRA) if needed. This will be decided during SDS development;
- c. Production, review and acceptance and of the delta System Specific Security Requirements Specifications (dSSRS);
- d. Production, review and acceptance and of the System Interconnection Specific Security Requirements (SISRS);
- e. Production, review and acceptance of the delta Security Operating Procedures (dSecOPs) [11];
- f. Delta Security Testing and Verification Plan(dSTVP)
- g. Request for Change plan for COTS software. (Section 2.8)

IR-91 The SAP shall be developed together with each SDS for Implementation Deliverables (Section 4.4.2) will be subject of approval by the Security Accreditation Authority (SAA) in Gate 5 (Section 5.5)

IR-92 The Contractor shall support security testing as planned in STVP.

4.5 SMC Project Portfolio Management Service

The Contractor will be informed by the Purchaser about all relevant CIS Services and projects that should be analysed during the Initial Stakeholder meetings. The SMC Project Portfolio Manager assigned by the Contractor will be part of architecture development activities defined in section 4.3 and continue analysing ongoing and upcoming CIS projects to track SMC related requirements and gaps. SMC Project Portfolio Manager is responsible to inform SMC TA development team about issues to address for new capabilities and inform project managers or service owners about the alignment with the target state of Enterprise SMC capability.

PSR-1 The Contractor shall employ a SMC Project Portfolio Manager to work on-site with Purchaser's project team in NCI AGENCY, The Hague for 56 weeks.

PSR-2 The SMC Project Portfolio Manager shall execute the following tasks in coordination with combined Architecture Team to develop SMC Project Portfolio Report:

- a. Track and analyse SMC related requirements of all planned and ongoing CIS especially for following projects:
 - i. NATO New HQ Active Network Infrastructure
 - ii. IT Modernization
 - iii. NATO Communications Infrastructure
- a. Prepare requirements impact assessment for all the projects within Bi-SC AIS Programme.(Table 4)
- b. Identify risks and gaps in current and future SMC tool and process implementations.
- c. Coordinate SMC TA knowledge dissemination between stakeholders and SMC TA team.
- d. Manage SMC Technical requirements using Purchaser provided DOORS Software.(Section 3.2)
- e. Execute Purchaser's processes for Requirements Management.
- f. Develop a transition roadmap from the SMC BA to the SMC TA.

PSR-3 The SMC Project Portfolio Manager shall identify service management related dependencies, exceptions that has an impact on SMC Capabilities and incompatibilities with the SMC Target Architecture. The contractor shall organize meetings to brief SMC TA team on weekly basis.

PSR-4 The SMC Project Portfolio Manager shall prepare SMC Project Portfolio Status reports on the progress and support Contractor team to conduct stakeholder update meetings for every quarter. The Purchaser shall review and accept the reports a week later than the submission.

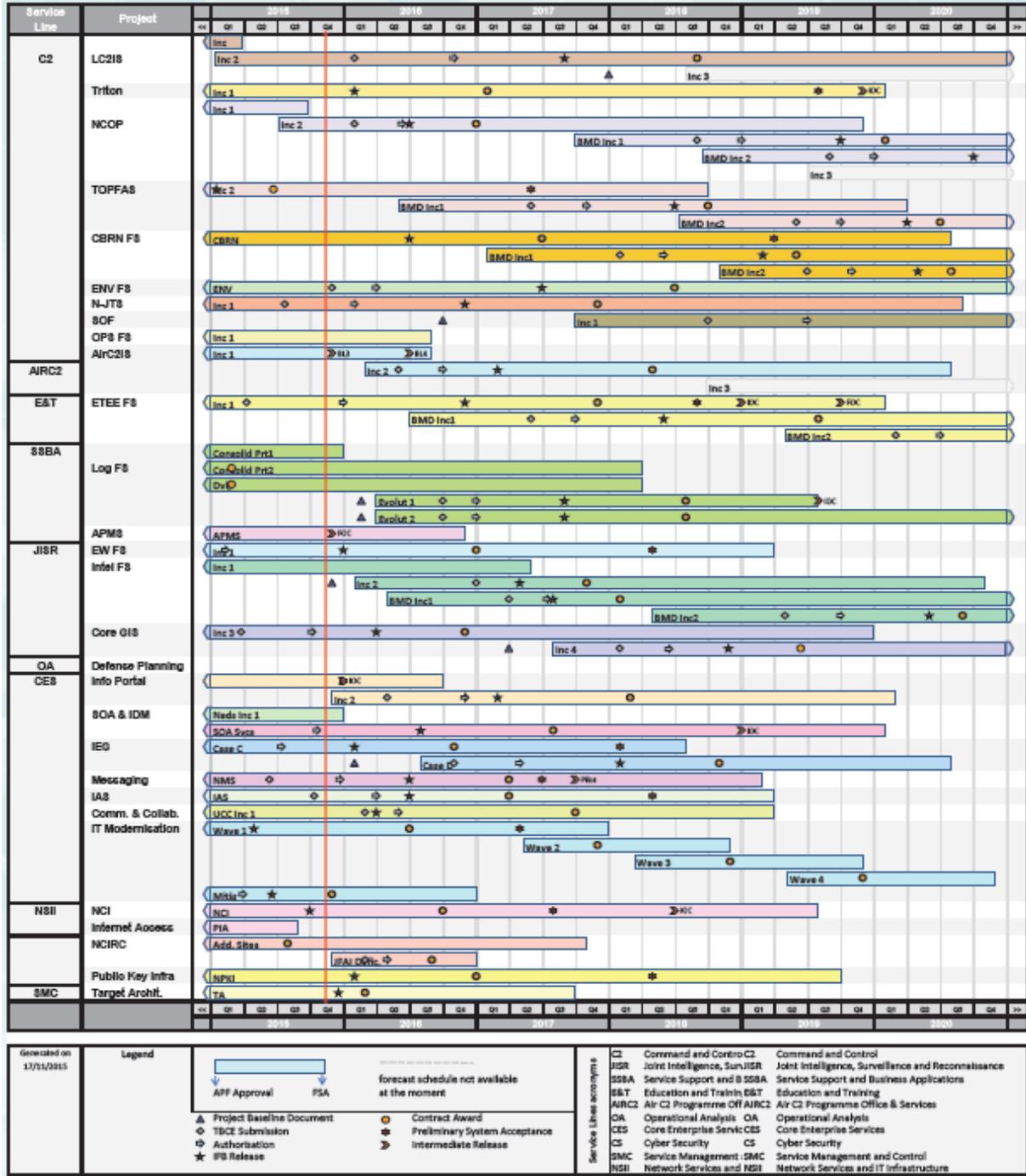


Table 4 Bi-SC AIS Project Roadmap Q4 2015

Section 5 Acceptance

- TA-1 In the interest of assuring project quality, all Supplies and Services will culminate in a designated acceptance gate. The Purchaser will hold a Gate Acceptance Meeting at the time the gate is scheduled as defined in the Schedule of Supplies and Services (SSS).
- TA-2 The objective of the gate is to formally collate all deliverables from the phase and ensure they are completed and accepted to the level previously agreed between the Contractor and the Purchaser.
- TA-3 Each Gate will have entry criteria, and exit criteria.
- TA-4 Entry Criteria will be defined in accordance with the deliverables of the associated Gate. Once all the entry criteria has been achieved, the contractor shall formally state their readiness for the Gate to the Purchaser Project Manager.
- TA-5 When planning their activities, the Contractor shall assume the Purchaser requires no less than 5 working days to process Gate entry and exit criteria.
- TA-6 The Contractor may wish to prearrange the gate, in the interests of expedience. Doing so may result in attempting a Gate review without fulfilling the Gate entry criteria, or the Purchaser or the Contractor failing to fully review all necessary deliverables or align schedules. Where gates are prearranged, any costs or delay incurred are solely the responsibility of the Contractor.
- TA-7 Although at the discretion of the Contractor, submission of entry criteria can be made when the product is deemed complete and ready for assessment by the contractor.
- TA-8 The exit criteria will be defined for each associated Gate. Exit criteria will consist of a subset of the deliverables being accepted by the Purchaser as meeting the quality as defined and agreed during the project kick-off phase.
- TA-9 Until the Purchaser confirms acceptance of all the exit criteria deliverables, the gate will not be passed.
- TA-10 Once all entry criteria have been accepted by the Purchaser, the Purchaser shall request a Gate Acceptance Meeting to confirm acceptance.
- TA-11 The Contractor shall not progress to the next Gate of a delivery lifecycle until the previous Gate has been successfully passed as shown in Figure 12 Acceptance Gate Flow.

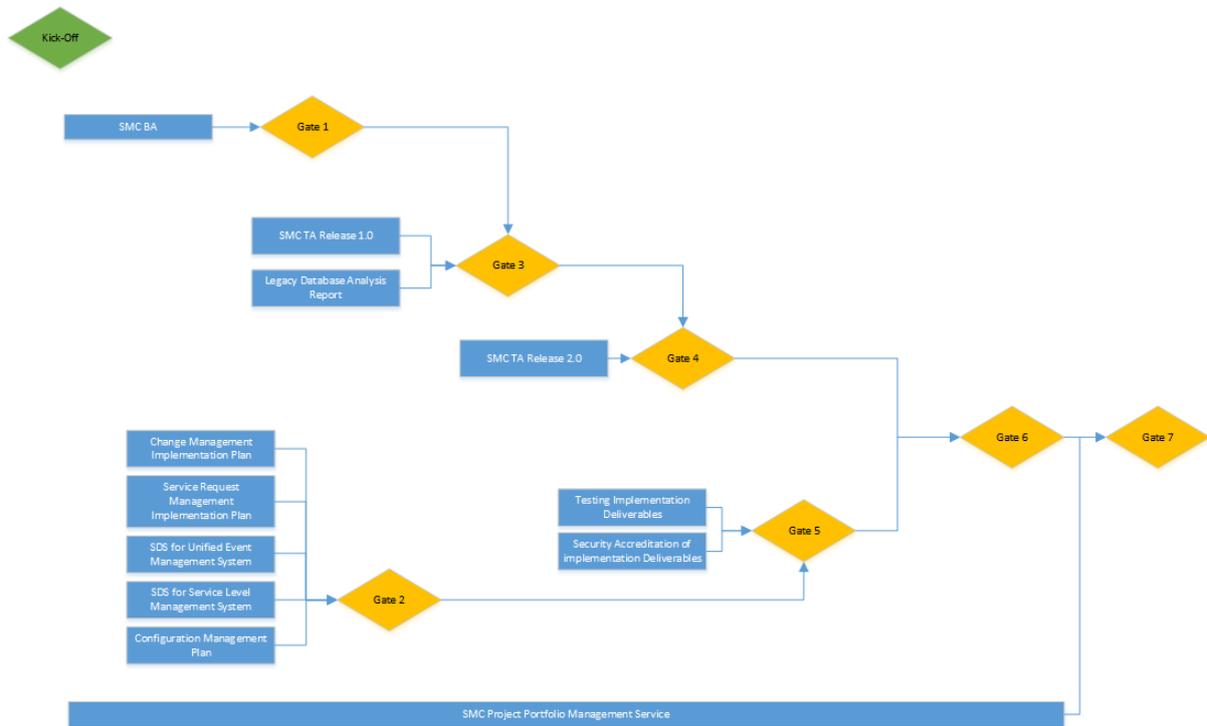


Figure 12 Acceptance Gate Flow

Figure 12 represents the major deliverables and the order of the acceptance gates. Entry and exit criteria for all gates are defined below.

5.1 Gate-1 :Baseline Architecture

TA-12 The Gate-1 Entry Criteria are:

- a. SMC Baseline Architecture.

TA-13 The Gate-1 Exit Criteria are:

- a. Completed and accepted SMC Baseline Architecture:
 - i. All “mandatory” architecture views completed in accordance with Section 4.3,
 - ii. All SMC BA stakeholder workshops are conducted.

5.2 Gate-2 : Design of Implementation Deliverables

TA-14 The Gate-2 Entry Criteria are:

- a. System Design Specification for the Unified Event Management System.
- b. System Design Specification for the Service Level Management System.
- c. BMC Remedy Change Management Implementation Plan.
- d. BMC Remedy Request Fulfilment Implementation Plan.
- e. Configuration Management Plan.

- f. Software Release Plan.
- g. Delta System Specific Security Requirements.

TA-15 The Gate-2 Exit Criteria are:

- a. Completed and accepted BMC Remedy Change Management Implementation Plan.
- b. Completed and accepted BMC Remedy Request Fulfilment Implementation Plan.
- c. Completed and accepted System Design Specification for the Unified Event Management System.
- d. Completed and accepted System Design Specification for the Service Level Management System.
- e. Completed and accepted Configuration Management Plan.
- f. Completed and Accepted Software Release Plan.
- g. Completed and Accepted Delta System Specific Security Requirements.

5.3 Gate-3: Target Architecture Release 1.0

TA-16 The Gate-3 Entry Criteria are:

- a. Gate 1 has been passed.
- b. SMC Target Architecture Release 1.0
- c. Legacy Database(CAST+) Analysis report.

TA-17 The Gate-3 Exit Criteria are:

- a. Completed and accepted Target Architecture Release 1.0,
 - i. Acceptance criteria will be set in the Project Kick-off meeting.
 - ii. All SMC TA stakeholder workshops(Release 1.0) are conducted.
- b. Completed and accepted Legacy Database(CAST+) Analysis report.

5.4 Gate-4: Target Architecture Release 2.0

TA-18 The Gate-4 Entry Criteria are:

- a. Gate 3 has been passed.
- b. SMC Target Architecture Release 2.0.

TA-19 The Gate-4 Exit Criteria are:

- a. Completed and accepted Target Architecture Release 2.0,
 - i. All mandatory Architecture Views defined in Table 3 for SMC TA Release 2.0 are completed.

- ii. All SMC TA(Release 2.0) stakeholder workshops are conducted.

5.5 Gate-5: Test and Acceptance of Implementation Deliverables

TA-20 The Gate-5 Entry Criteria are:

- a. Gate 2 has been passed.
- b. All COTS documentation, licenses and installation media is delivered to the Purchaser.
- c. RFC process is completed for all COTS software not in AFPL.(Section 2.8)
- d. Final Test Plan is delivered to the Purchaser 4 weeks before Gate 5 milestone.
- e. Final SAP is delivered to the Purchaser 4 weeks before Gate 5 milestone.
- f. Maintenance Plan for each Software Release(See Section 6.4)

TA-21 The Gate-5 Exit Criteria are:

- a. All tests including security tests are conducted successfully to the satisfaction of the Purchaser.
- b. Completed and accepted Maintenance Plan for each Software Release(See Section 6.4).
- c. Completed and accepted Test Reports.

5.6 Gate-6: Provisional System Acceptance

The below observation list will be the log of all discrepancies raised during the PSA meeting and are classified in two categories with a statement on the resolution required and resolution timeline.

- Class 1 discrepancy: The Purchaser will assign this category to those discrepancies or deviations that need to be cleared before PSA can be declared
- Class 2 discrepancies: The Purchaser will assign this category to those discrepancies or deviations that are not critical enough to declare PSA but need to be cleared prior to declaring Final System Acceptance (FSA).

TA-22 PSA will mark the provisional project's acceptance by the Purchaser. PSA shall demonstrate to the Purchaser's satisfaction that all project management, design, development and testing documentation has been delivered and accepted; that all system/operational/functional requirements have been met; that any outstanding test discrepancies from previous Tests have been resolved; and system performance levels attained.

TA-23 The Gate-6 Entry Criteria are:

- a. Gate 4 and Gate 5 have been passed.
- b. The inventory for the deliverables.

- c. Certificate of Conformity (CoC) that conforms to the contractual standards.
- d. O&M Manuals Delivered.

TA-24 The Gate-6 Exit Criteria are:

- a. An inventory for the deliverables supplied duly verified and endorsed by the Purchaser.
- b. The Purchasers acceptance of the Test Report confirming that no Class 1 discrepancies are outstanding.
- c. Completed and Accepted O&M Manuals.

5.7 Gate-7: Final System Acceptance

TA-25 The Gate-7 Entry Criteria are:

- a. Gate 6 has been passed.
- b. In service Support Plan.

TA-26 Within 2 weeks after the Contractor has declared the System ready for Final Acceptance. The Contractor shall participate in the FSA Meeting, which shall be held at the Purchaser's Premises in either Brussels, The Hague, at the Purchaser's discretion. The Contractor shall demonstrate at the FSA Meeting to the Purchaser that:

- a. All Contractual deliverables have been accepted.
- b. Completed and Accepted In Service Support Plan.
- c. All Class 2 discrepancies outstanding have been resolved to the entire satisfaction of the Purchaser.

Section 6 Integrated Logistics Support (ILS)

This section outlines the support requirements for all delivered Software under this contract.

6.1 Configuration Management (CM)

- ILS-1 The Contractor shall develop and maintain one Configuration Management Plan in accordance with the ACMP-1.[15]
- ILS-2 The Configuration Management Plan (CMP) shall define:
- a. The Software Configuration Item (SCI) attributes,
 - b. The Types of SCI dependencies,
 - c. The Selection criteria for SCI's,
 - d. The process to identify the SCI's,
 - e. The process to control the SCI's (incl. Change Management),
 - f. The process to report on CI status and to verify completeness and correctness of the SCI's,
 - g. The planned schedule for Configuration Management related process activities,
 - h. The electronic format to store the SCI's into the Purchaser furnished Configuration Management Database.
 - i. The selection criteria to identify Software Configuration Items
- ILS-3 The Contractor shall create and maintain three Configuration Baselines in accordance to the ACMP's:
- a. Functional Baseline: Requirements documentation
 - b. Development Baseline: Architecture, Design, and Test documentation
 - c. Product Baseline: Software and Documentation.
- ILS-4 The Contractor shall perform Configuration Item identification as defined in the CMP and in accordance with the ACMP-2.[16]
- ILS-5 The Contractor shall perform constant Configuration Control on the Configuration Baselines and their CI's as defined in the CMP and in accordance with the ACMP-3.[17]

- ILS-6 The Contractor shall frequently report on the Configuration Baseline and CI status as defined in the CMP and in accordance with the ACMP-4.[18]
- ILS-7 The Contractor shall baseline the Configuration Baselines and its CIs at each Acceptance Gate.
- ILS-8 The Contractor shall provide the Configuration Baselines and its CI's in electronic format upon Purchaser request.

6.2 Software Release Management

- ILS-9 The Contractor shall develop and maintain one Software Release Plan (SRP).
- ILS-10 The SRP shall define:
- a. The Software Release attributes, e.g. Release Version, Classification, Release Type, and other,
 - b. The Software Release Unit and Package composition, e.g. Release Notes and other,
 - c. The process to release software to the Purchaser,
 - d. The process to deploy software on Purchaser furnished CIS infrastructure and/or platforms (incl. Accreditation testing),
 - e. The planned schedule for Software Release Units and Packages,
- ILS-11 The Contractor shall deliver all Software CI's in accordance with the SRP.
- ILS-12 The Contractor shall deploy all Software CI's in accordance with the SRP.
- ILS-13 The Contractor shall align the SRP release schedule with the Purchaser release schedule of affected Purchaser furnished software CI's.

6.3 Software Support

6.3.1 Software Support during Implementation

6.3.1.1 Operational Support

- ILS-14 The Contractor shall provide 1st, 2nd, and 3rd Level support for all Software CI's released and deployed to Purchaser operational environment during the Implementation period.
- ILS-15 The Contractor furnished 1st Level Support shall provide a Point of Contact (POC) for the Purchaser to escalate any Software related issue to.

- ILS-16 The Contractor furnished 1st Level Support shall be reachable over phone and email during normal NATO working hours (Reference location: NCIA Agency, The Hague). The telephone number shall be free of charge for the Purchaser.
- ILS-17 The Contractor furnished 1st Level Support POC shall be located at in a NATO member country.
- ILS-18 The Contractor furnished 1st Level Support records the Issue and try's to solve it immediately or escalates it to the Contractor furnished 2nd Level Support.
- ILS-19 The Contractor furnished 2nd Level Support shall solve Problems that result from one or more Issues escalated from the Contractor furnished 1st level Support.
- ILS-20 The Contractor shall analyse the Problem, identify the root cause and create a Problem Analysis Report.
- ILS-21 Based on the Problem Analysis Report, the Contractor shall propose options to solve the problem and submit them to the Purchaser as Change Request (using the CMP process) for approval.
- ILS-22 The Contractor furnished 3rd Level Support shall release and deploy the Purchaser approved Change Request in accordance with the SRP.

6.4 O&M Manuals

- ILS-23 The Contractor shall create and maintain one (1) Operation and Maintenance (O&M) Manual for each Software Release Package.
- ILS-24 The O&M Manual shall contain the following Standard Operating Procedures (SOP's), but is not limited to:
- a. Installation, de-installation, setup & configuration, starting, stopping, updating, backup, restore, fault finding and fault isolation.
- ILS-25 The O&M Manual shall include the following 1st Level Maintenance Procedures (no-specialised knowledge required), but is not limited to:
- a. Basic system health status, readout of simple log files, system clean-up.
- ILS-26 The O&M Manual shall include the following 2nd Level Maintenance Procedures (specialised knowledge required), but is not limited to:
- a. Advanced system health status, readout of complex log files, installation of Patch/Bug-fix- Releases, change of configuration settings.
- ILS-27 The O&M Manual shall include the following 3rd Level Maintenance Procedures (expert knowledge required), but is not limited to:

- a. Installation and de-installation of Major Software Releases (e.g. COTS Maintenance Release), Change of core configuration settings, Tuning.

ILS-28 The O&M Manual shall include the following 4th Level Maintenance Procedures (Software COTS/Developer), but is not limited to:

- a. Development and Release of COTS/custom developed maintenance releases in response to bugs or deficiencies,
- b. Development and Release of Software upgrades as part of the software evolution (e.g. Release version upgrade from 2.1 to 2.2).

ILS-29 The Contractor shall create and maintain one (1) Maintenance Plan for each Software Release Package.

ILS-30 The Maintenance Plan shall define what Maintenance procedures shall be executed when, where, and by whom. For the duration of the Implementation, all procedures shall be performance by the Contractor.

6.4.1.1 In-Service Support Plan

ILS-31 The Contractor create and maintain one (1) In-Service Support Plan for all Software Packages delivered under this contract that defines the Operation, Maintenance and Support procedures, the required support tools and required skillsets to perform them.

ILS-32 The In-Service Support Plan shall contain procedures for IT-Continuity (e.g. Backup and Restore procedures in specific “stress” or “failover” scenarios).

ILS-33 The In-Service Support Plan shall reference to the O&M Manuals and COTS documentation as shall be structured as an oversight document.

6.4.2 Software Support after Implementation (Post-FSA)

ILS-34 Operational Support Levels of Operational Support will be performed by the Purchaser.

6.4.2.1 Support Plan

ILS-35 For the duration of the Warranty period, the Purchaser will perform all 1st, 2nd, and 3rd Level Maintenance procedures.

ILS-36 For the duration of the Warranty period the Contractor shall provide 4th Level Maintenance.

ILS-37 The Contractor shall develop and maintain a Support Plan for the Implementation Deliverables, covering the project phases and the in-service support for the

systems delivered by the project and aligned with the PIP in terms of milestones and deliverables.

ILS-38 The Support Plan is a standalone Product Lifecycle document that will survive the project post-FSA. As such, these documents are not to be submitted as part of the PIP, but will be part of the Technical Proposal.

6.4.2.2 Software Warranty

ILS-39 The Contractor shall provide Warranty for all Software Configuration Items of the Product Baseline procured under this Contract;

ILS-40 The period of Warranty for the Software Configuration Items shall be one (1) year, starting at the time of FSA;

ILS-41 The Contractor furnished Software Warranty Support use the 4th Level Maintenance Procedure to provide updates to the Product Baseline.

ILS-42 The Contractor furnished Software Warranty Support shall use the 3rd Level Support procedure to Release and Deploy updated software CI's into the Purchaser Operational environment.

ILS-43 If the Contractor becomes aware at any time before acceptance by the Purchaser that a defect exists in any Software CI, the Contractor shall coordinate with the Purchaser and promptly correct the defect.

ILS-44 The Contractor shall warrant that any developed Software CI(s) shall perform according to the Development Baseline (Design) and that any defects discovered shall be corrected;

ILS-45 The Contractor shall be responsible for updating and maintaining the Product Baseline throughout the Warranty period.

ILS-46 The Contractor shall be responsible for the provision of any alternative or superseding Software CI in case of "End of Life" or "End of Support".

ILS-47 During the warranty period the Contractor shall be responsible to release and deploy all COTS vendor released software upgrades using the 3rd level Support procedure;

ILS-48 The Contractor shall submit a bi-annual Warranty Report that documents the identified Warranty cases, affected CI's, taken activities, cost (if any) and schedule.

Appendix 1 Terminology

For terms not defined below the definitions given in ITIL v2011 apply.

ABL	The Allocated Baseline.
ADM	Architecture Development Method
AFPL	Approved Fielded Products List
AGS	Alliance Ground Surveillance
AirC2	Air Command and Control
AL	Architecture Lead
AWG	Architectural Working Group-NCIA
BA	Baseline Architecture
BMD	Ballistic Missile Defence
C3	Consultation, Command and Control
CAB	Change Advisory Board
CIS	Communications and Information Systems
CM	Configuration Management
CMP	Configuration Management Plan
CMS	Configuration Management System
COTS	Commercial of the Shelf
CP	Capability Package
CSU	Customer Support Unit
DCIS	Deployable CIS
DFD	Data Flow Diagrams
DNBL	Distributed Networked Battle Labs
DSMC	Domain level Service Management and Control
DSMS	Domain Service Management System
EDC	Effective Date of Contract
ELM	Element Manager
ERD	Entity Relationship Diagrams
ESB	Enterprise Service Bus
ESMC	Enterprise level Service Management and Control
ESMS	Enterprise Service Management System.
FSA	Final System Acceptance.
FMN	Federated Mission Network
ICT	Information and Communications Technology
IL	Implementation Lead
IT	Information Technology
NAF	NATO Architecture Framework
NAV	NATO All View
NCIRC	NATO Computer Incident response Capability
NCV	NATO Capability View
NNCS	NATO Network Control System
NOV	NATO Operational View
NPV	NATO Programme View
NPKI	NATO Public Key Infrastructure
NR	NATO Restricted
NS	NATO Secret
NSOV	NATO Service-Oriented View
NSV	NATO Systems View
NTV	NATO Technical View
NU	NATO Unclassified

OBL	The Operational Baseline.
PBL	The Product Baseline.
PCR	Project Checkpoint Review
PFE	Purchaser Furnished Equipment
PFI	Purchaser Furnished Information
PIP	Project Implementation Plan
PM	Project Manager
POC	Point of Contact
PSA	Provisional System Acceptance
PMS	Project Master Schedule
PWBS	Project Work Breakdown Structure
RACI	Responsibility Assignment Matrix
RAM	Reliability, Availability and Maintainability (requirements)
RFC	Request for Change
SAP	Security Accreditation Plan
SCI	Software Configuration Item
SHAPE	Supreme Headquarters Allied Powers Europe, NATO, Mons, Belgium
SECOPS	Security Operating Procedures
SIP	Service Interface Profile
SMC	Service Management and Control:
SOA	Service Oriented Architecture
SOP	Standard Operating Procedures
SOW	Statement of Work
SL	Service Line
SLM	Service Level Management
SLT	Service Level Target
SMC	Service Management and Control
SPPM	SMC Project Portfolio Manager
SISRS	System Interconnection Specific Requirements Specification
SRA	Security Risk Assessment
SRP	Software Release Plan
SSRS	System Security Requirements Specification
STVP	Security Testing and Verification Plan
TA	Target Architecture
TAP	Test and Acceptance Plan
UEM	Unified Event Management