



NATO UNCLASSIFIED

ACQUISITION

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NCIA/ACQ/16/0723
27 January 2016

To : See Distribution List

Subject : **INVITATION FOR BID**
Provision of Inmarsat Services for Alliance Ground Surveillance (AGS)
IFB-CO-14167-AGS

Reference(s) : A. AC/4-D/2261(1996 Edition)
B. AC/4(PP)D/27260-REV1-ADD2-REV1
C. AC/4-DS(2015)0017
D. NCI Agency NOI NCIA/ACQ/15/1536 dated 19 October 2015

Dear Sir / Madam,

1. Your firm is hereby invited to participate in an International Competitive Bid under the procedures set forth in NATO document AC/4-D/2261 (1996 Edition) (Ref. A) for the provision of Inmarsat Services for Alliance Ground Surveillance (AGS).
2. The scope of the envisaged project is described in the prospective Contract (Book II), attached to this letter.
3. NATO intends placing one contract to cover the entire scope of the project. No partial bidding will be allowed.
4. The evaluation procedure conducted under this Invitation for Bid will be the One-Envelope Procedure, lowest compliant bid.
5. The reference for the Invitation for Bid is **IFB-CO-14167-AGS**, and all correspondence concerning the IFB should reference this number.



NATO Communications
and Information Agency
Agence OTAN d'information
et de communication
Avenue du Bourget 140
1110 Brussels, Belgium
www.ncia.nato.int

6. THE CLOSING TIME FOR SUBMISSION OF BIDS IN RESPONSE TO THIS INVITATION FOR BID IS 14:00 HOURS (BRUSSELS TIME) ON 9 March 2016.

7. This Invitation for Bid consists of the Bidding Instructions, including Administrative Certificates and Bidding Sheets (Book I), and the Prospective Contract (Book II). The Prospective Contract contains the Schedule of Supplies and Services (Part I), the Contract Special Provisions (Part II), the Contract General Provisions (Part III) and the Statement of Work (Part IV).

8. The overall security classification of this bid is "NATO UNCLASSIFIED".

9. You are requested to complete and return the enclosed acknowledgement of receipt (Attachment A) as soon as possible and not later than within 10 days of receipt of this IFB, informing the NCI Agency of your intention to bid. Your firm is not bound by its initial decision, and if you decide to reverse your stated intention at a later date, you are requested to advise us by a separate letter.

10. 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.

11. The NCI Agency point of contact for all information concerning this IFB is:

NCI Agency
Avenue du Bourget 140
1110 Brussels, Belgium
Attention: Michel Trebaol – Senior Contracting Officer
E-mail: michel.trebaol@ncia.nato.int

FOR THE GENERAL MANAGER:



Peter Scaruppe
Director of Acquisition

Attachment:

A) Acknowledgement of Receipt of IFB-CO-14167-AGS

ATTACHMENT A
ACKNOWLEDGEMENT OF RECEIPT OF INVITATION FOR BID
IFB-CO-14167-AGS

Please complete and return within 10 days
by e-mail: michel.trebaol@ncia.nato.int
for the attention of: Mr Michel Trebaol, copy to Mrs Christel Giesau (e-mail:
christel.giesau@ncia.nato.int)

We hereby advise that we have received the Invitation for Bid (this letter) and have access the Bidding documentation related to IFB-CO-14167-AGS

on (Date) _____, together with all enclosures listed in the Table of Contents.

PLEASE CHECK ONE:

- As of this date and without commitment on our part, we do intend to submit a bid.

- We do not intend to submit a bid.

- We are reviewing the requirements of the IFB and will notify you of our decision as soon as possible.

Signature: _____

Printed Name: _____

Title: _____

Company: _____

Address: _____

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NATO UNCLASSIFIED

IFB-CO-14167-AGS
Book I – Instructions to Bidders



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

IFB-CO-14167-AGS

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

BOOK I

INSTRUCTIONS TO BIDDERS

NATO UNCLASSIFIED

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SECTION 1 INTRODUCTION

1.1. Purpose

- 1.1.1. The purpose of this solicitation is to invite Bids for the provision of Inmarsat Services for Alliance Ground Surveillance (AGS).
- 1.1.2. The NATO Communications and Information Agency (NCI Agency) is the designated Host Nation.

1.2. Scope

- 1.2.1. The scope of the procurement is the provision of Inmarsat services, terrestrial connectivity services, and service management including monitoring of service levels, access to a help desk and a service administration tool.
- 1.2.2. These services need to be available over a period of 10 years, starting from approximately 2Q 2016. It is intended to have the contract in place for the provision of services for the baseline period of performance (i.e. 4 years) with options for contract extensions to cover the full 10 year period.

1.3. Overview of the Prospective Contract.

- 1.3.1. The Prospective Contract is structured in the following manner:
 - 1.3.1.1. A Firm Fixed Price Part for the required Services for the 4-year duration of the Contract,
 - 1.3.1.2. Firm Fixed Priced Options for provision of the Services for a maximum of 6 further periods of 12 months duration,

1.4. Governing Rules, Eligibility, and Exclusion Provisions

- 1.4.1. This solicitation is an International Invitation for Bid and is issued in accordance with the procedures for International Competitive Bidding set forth in the NATO document AC/4-D/2261 (1996 Edition).
- 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.
- 1.4.3. The evaluation procedure conducted under this Invitation for Bid will be the One-Envelope Procedure, lowest compliant bid.
- 1.4.4. Award of the resulting contract will be made on a firm fixed price basis.

- 1.4.5. The solicitation, evaluation and award processes will be conducted in accordance with the terms and conditions contained herein.

1.5. Security

- 1.5.1. The overall security classification of this Invitation for Bid is “NATO UNCLASSIFIED”.

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.

1.7. Bidders’ Conference

- 1.7.1. Prospective Bidders are advised that the Purchaser will not conduct a Bidders’ Conference.

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 contributing to the project, namely, (in alphabetical order): ALBANIA, BELGIUM, BULGARIA, CANADA, CROATIA, CZECH REPUBLIC, DENMARK, ESTONIA, 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": NATO Communications and Information Agency (NCI Agency) or its legal successor.
- 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 1.4.1 above only firms from a Participating Country are eligible to engage in this competitive Bidding process. In addition, all Contractors, Subcontractors and manufacturers, at any tier, must be from Participating Countries.
- 2.2.2. None of the work, including project design, labour and services shall be performed other than by firms from and within Participating Countries.
- 2.2.3. No materials or items of equipment down to and including identifiable Sub-assemblies shall be manufactured or assembled by a firm other than from and within a Participating Country.
- 2.2.4. Unless otherwise authorised by the terms of the prospective Contract, the Intellectual Property Rights to all design documentation and related system operating software shall reside in 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 on/or before **14.00 hours (Brussels Time) on 9 March 2016**, at which time and date Bidding shall be closed.
- 2.3.2. Bids shall be delivered to the following address:
- 2.3.2.1. By Post:
- NCI Agency
ACQ/ASG (ATTN: Mr. Michel Trebaol)
Boulevard Leopold III
1110 Brussels
Belgium
- 2.3.2.2. Hand Carried Service or courier:
- NCI Agency
ACQ/ASG (ATTN: Mr. Michel Trebaol)
Bâtiment Z
Avenue du Bourget 140
1110 Brussels
Belgium
- 2.3.3. 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.
- 2.3.4. Late Bids

- 2.3.4.1. 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.
- 2.3.4.2. 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:
- 2.3.4.2.1. A Contract has not already been awarded pursuant to the Invitation for Bid, and
- 2.3.4.2.2. 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
- 2.3.4.2.3. 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.
- 2.3.4.3. 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.

2.4. Requests for Extension of Bid Closing Date

- 2.4.1. Bidders are informed that requests for extension to the closing date for the IFB shall be submitted only via the point of contact indicated in paragraph 2.5.1 below. Any request for extension shall be submitted by the Bidder through its National Delegation to NATO or its Embassy in Belgium no later than fourteen (14) days prior to the established Bid closing date.

2.5. Purchaser's Point of Contact

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

Mr. Michel Trebaol - Senior Contracting Officer
Acquisition Support Group
Tel: +32 2 707 8266
Fax: +32 2 707 8770

E-mail: michel.trebaol@ncia.nato.int

2.5.2. All correspondence related to the IFB shall be forwarded to:

NCI Agency
Acquisition Support Group
Boulevard Leopold III
1110 Brussels, Belgium
Attn: Mr Michel Trebaol (contact details stated above)

2.6. Request 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 E of this Book I. Bidders are encouraged to keep the classification of their request NATO Unclassified where possible by making use of references to the specific Statement of Work (SoW) paragraphs instead of repeating the text in their requests. Such requests shall be forwarded via the appropriate mean of communication permitted by the Security classification of the request (e.g. unclassified per email, classified per courier) to the point of contact specified in paragraph 2.5.1 above and shall arrive not later than twenty eight (28) calendar days prior to the stated "Bid Closing Date". The Purchaser is under no obligation to answer requests for clarification submitted after this time. Requests for clarification must address the totality of the concerns of the Bidder, as the Bidder will not be permitted to revisit areas of the IFB for additional clarification except as noted in 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 not later than fourteen (14) calendar days before the established Bid Closing Date.
- 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 pursuant to AC/4-DS-2261 and 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 of artificially obtaining an extension of the bidding time (i.e. clarifications re-submitted using different wording where such wording does not change the essence of the clarification being requested).
- 2.6.9. 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. 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 2.3.4, except that unlike a "Late Bid", the Purchaser will retain the modification until a selection is made. A modification to a Bid which is determined to be late will not be considered in the evaluation and selection process. If the Bidder submitting the modification is determined to be the successful Bidder on the basis of the unmodified Bid, the modification may then be opened. If the modification makes the terms of the Bid more favourable to the Purchaser, the modified Bid may be used as the basis of Contract award. The Purchaser, however, reserves the right to award a Contract to the apparent successful Bidder on the basis of the Bid submitted and disregard the late modification.
- 2.9.3. 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 twelve (12) 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 Two Hundred and Fifty Thousand Euro (€250,000). The Bid Guarantee shall be substantially similar to Annex D 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 by certified cheque. 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 winning Bid, 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 winning Bid, 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 communicate answers to requests for clarification and amendments to this IFB to the prospective Bidders as soon as practicable.

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 NATO/ 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.

SECTION 3 BID PREPARATION INSTRUCTIONS

3.1. General

- 3.1.1. Bidders shall prepare a complete bid which comprehensively addresses all requirements stated herein. The Bid shall demonstrate the Bidder's understanding of the RFQ and his ability to provide all the deliverables and services listed in the Schedule of Supplies and Services.
- 3.1.2. The Bidder shall not restate the IFB requirements in confirmatory terms only. Bids shall provide the level of detail necessary for the Purchaser to make an objective assessment of what is being offered and whether such an offer meets the requirements of the contract. Bidders are advised that Bids that fail to provide such a level of detail or that address salient aspects of the IFB in a cursory manner may be declared non-compliant without recourse to further clarification.
- 3.1.3. Partial Bids will be declared non-compliant.
- 3.1.4. 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.
- 3.1.5. All documentation submitted as part of the Bid shall be classified no higher than "NATO UNCLASSIFIED".
- 3.1.6. Bidders are advised that the Purchaser reserves the right to incorporate the Bidders technical Proposal in whole or in part in the resulting contract.
- 3.1.7. 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) hard copy and one (1) soft copy of the documents specified in paragraph 3.4 below.
- 3.2.3. The Price Quotation, containing one (1) hard copy and two (2) soft copies in MS Excel format of the Price Quotation specified in paragraph 3.5 below.

- 3.2.4. The Technical Proposal Package, containing one (1) hard copy and two (2) soft copies of the documents specified in paragraph 3.5 b.

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:

SEALED BID IFB-CO-14167-AGS

BOX X of Y (1 of 3, 2 of 3, etc.)

NOTIFY Mr. Michel Trebaol (X8266) / Mrs. Christel Giesau (X8498) UPON RECEIPT

- 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-14167-AGS";

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. The Package shall include the certificates set forth in the Annex B 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:

3.4.2.1. Certificate of Legal Name of Bidder (Annex B-1)

3.4.2.2. Acknowledgement of Receipt of IFB Amendments (Annex B-2)

3.4.2.3. Certificate of Independent Determination (Annex B-3)

3.4.2.4. Certificate of Bid Validity (Annex B-4)

3.4.2.5. Certificate of Exclusion of Taxes, Duties and Charges (Annex B-5)

- 3.4.2.6. Comprehension and Acceptance of Contract Special and General Provisions (Annex B-6)
- 3.4.2.7. Disclosure of Requirements for NCI Agency Execution of Supplemental Agreements with the prospective text of such Agreements, as applicable (Annex B-7)
- 3.4.2.8. List of Prospective Subcontractors (Annex B-8)
- 3.4.2.9. Certificate of Origin of Equipment, Services, and Intellectual Property (Annex B-9)

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 "1.a_IFB-CO-14167-AGS Book I Bidding Instructions – Annex A-2 Bidding Sheets.xls" 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 complete set of sheets contained in the electronic file 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 yellow highlighted sections of the Bidding Sheets referred in paragraph 3.5.1.1.1 above and CLIN Price Breakdown Sheets, in accordance with the instructions specified in Annex A-1 and the bidding sheets.
- 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. 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. This includes Firm Fixed Prices for all optional CLINs.
- 3.5.2.4. 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.
- 3.5.2.5. 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.

- 3.5.2.6. 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:
 - 3.5.2.6.1. The currency is of a "participating country" in the project, and
 - 3.5.2.6.2. 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.
- 3.5.2.7. 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.
- 3.5.2.8. 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.
- 3.5.2.9. 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.
- 3.5.2.10. 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 for evaluation.

3.6. Technical Proposal Package

- 3.6.1. The Bidder shall prepare and submit a Technical Proposal for the Provision of Inmarsat Services for Alliance Ground Surveillance.
- 3.6.2. The Technical Proposal shall present the Bidder's proposal in the form of a draft Project Implementation Plan (PIP) as detailed in the SoW for the Provision of Inmarsat Services for Alliance Ground Surveillance (Book II Part IV), include invoice process details, and include a completed Technical Proposal Cross-Reference Matrix Table (Annex C of these instructions).
- 3.6.3. The Technical Proposal shall address each of the following areas below with the minimum information as requested in the paragraphs 3.6.4 till 3.6.11 below and as implied by the related section in the SoW.
- 3.6.4. Table of Contents

- 3.6.4.1. The Bidder shall compile a detailed Table of Contents which lists not only the section headings but also the major sub-sections, and topic headings required set forth in these Instructions or implicit in the organisation of the Technical Proposal.
- 3.6.5. Section 1: Project Overview
- 3.6.5.1. The Bidder shall in Section 1 provide the Project Overview which shall provide an executive summary overview of the offered services. The Project Overview shall also summarise the main features of each of the sections of the Technical Proposal and shall indicate in broad detail how the Project will be executed during the full lifetime of the Project.
- 3.6.6. Section 2: Project Management
- 3.6.6.1. The Bidder shall provide a description of the management structure of the Bidder's Project Team, indicating its relationships within the company structure.
- 3.6.6.2. The Bidder shall provide a curriculum vitae for the personnel proposed for the Bidder's Project Team. The Bidder shall provide a narrative describing the rationale for the selection of these individuals for these posts and provide detailed descriptions of the relevant experience of the individuals.
- 3.6.6.3. The Bidder shall specify any third party involvement giving description, details and relationship to the Bidder, and controls that will be applied to supervise third party performance.
- 3.6.6.4. The Bidder shall also specify the details of proposed liaison with the Purchaser.
- 3.6.6.5. The Bidder shall provide a draft Project Work Breakdown Structure and a Project Schedule through a Gantt chart.
- 3.6.6.6. The Bidder shall demonstrate its understanding of problems and risks of the project implementation and how the Bidder intends to overcome the problems and mitigate the risks.
- 3.6.7. Section 3: Service Design
- 3.6.7.1. The Bidder shall describe how these services will be implemented with sufficient technical detail for the Purchaser to determine whether the Bidder can implement these services in accordance with SoW.
- 3.6.7.2. The Service Design shall include the service description and SLA of the third party to which the Bidder will subcontract the terrestrial connectivity between the Inmarsat Meet-Me-Point (MMP) at Amsterdam (NLD) and the Terrestrial Connectivity Interface Point (TCIP) at SHAPE (Mons, BEL).
- 3.6.7.3. The Service Design shall include network diagrams of the intended implementation of the terrestrial connectivity, and show in detail how the Bidder will at the Inmarsat Meet-Me-Point (MMP) interface the terrestrial connectivity towards the TCIP.

- 3.6.7.4. The Service Design shall include a description of the Service Administration Tool, including features and the user interface, and demonstrate meeting the security requirements.
- 3.6.8. Section 4: Service Testing and Acceptance
- 3.6.8.1. The Bidder shall in this section demonstrate that he can meet the Service Testing and Acceptance requirements as specified in the SoW. Details shall include a draft description of the test setup and tools that will be used.
- 3.6.9. Section 5: Service Operation
- 3.6.9.1. The Bidder shall describe the solution that will be implemented to meet the monitoring requirements, and the processes followed to inform the Purchaser of relevant service degradations.
- 3.6.9.2. The Bidder shall describe how he ensures the Help Desk requirements as specified in the SoW will be met. Details shall include processes, staffing, quality assessment methods used, evidence of both past performance and access to Inmarsat support (i.e. of being an Inmarsat Distribution Partner).
- 3.6.10. Section 6: Invoice Process
- 3.6.10.1. The Bidder shall provide a detailed description of the invoice process and an example invoice. (Article 15 of the Contract Special Provisions). The Bidder shall demonstrate the ability to provide both hard and soft copies of invoices.
- 3.6.11. Annex A: Technical Proposal Cross Reference Matrix Table
- 3.6.11.1. The Bidder shall include at Annex A the completed Technical Proposal Cross Reference Matrix Table (see Annex C of Book 1). The Bidder shall complete Column 3 of the Table, citing the appropriate section of the Technical Proposal that corresponds to each paragraph of these Instructions for the Preparation of the Technical Proposal. The completed Table serves as an index for the Purchaser's Technical Evaluation Panel and also as an aide memoire to the Bidder to ensure that all the required information has been provided in the Technical Proposal.

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 IFB.
- 4.1.2. The evaluation of Bids 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. The Bidder shall furnish with his Bid all information requested by the Purchaser in Book I, Section 3, Bid Preparation Instructions. Significant omissions and/or cursory submissions may result in a determination of non-compliance without recourse to further clarification. The information provided by the Bidder in his proposal shall be to a level of detail necessary for the Purchaser to determine exactly what the Bidder proposes to furnish and whether the offer meets the technical, administrative and contractual requirements of this IFB.
- 4.1.4. During the evaluation, the Purchaser may request clarification of the Bid from the Bidder and the Bidder shall provide sufficient detailed information in connection with such requests as to permit the Purchaser to make a final assessment of the Bid based upon the facts. The purpose of such clarifications will be to resolve ambiguities in the Bid and to permit the Bidder to state 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 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. This includes the right to validate, by physical inspection, the facilities and assets of proposed Subcontractors.
- 4.1.6. 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. The evaluation will be conducted in accordance with NATO Procedures. Evaluation of this IFB will be conducted in accordance with the "One Envelope" procedure in which only the Technical Proposal of the lowest Bidder is evaluated for compliance with the requirements of the IFB. The Bidder who has offered

the lowest priced, technically compliant Bid will then be offered the contract for award.

- 4.1.7. Failure to satisfy any of the bidding requirements may result in a determination of non-compliance for the entire Bid.

4.2. Administrative Compliance

- 4.2.1. Prior to opening the price quotation envelopes, Bids will be reviewed for compliance with the Bid Submission Requirements of this Invitation for Bid. These are as follows:

- 4.2.1.1. the Bid was received by the Bid Closing Date and Time;
- 4.2.1.2. the Bid was packaged and marked properly;
- 4.2.1.3. the Bidder has submitted a Bid Guarantee in the required form, in the required amount and for the required validity.
- 4.2.1.4. the Bidder has submitted originally signed copies of the required Certificates in Annex B hereto.

- 4.2.2. A Bid that fails to conform to the above requirements may be declared non-compliant and may not be evaluated further by the Purchaser.

- 4.2.3. If it is discovered, during either the Technical or Price 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. Price Evaluation

- 4.3.1. The received Price Quotation will be evaluated according to the following criteria:

- a. Compliance with the requirements for preparation and submission of the Price Quotation set forth in the Bid Preparation Section.
- a. Accuracy and completeness of Price Schedules
- b. Adequacy/Traceability of detailed price information
- c. Realism of quoted prices.
- d. Lowest determined total Firm Fixed Price offered for CLINs (Contract Line Items) 1 to 5 for Year 1 to 4 and CLINs 2 to 5 of the Options 1 to 6 (covering optional Years 5 to 10) against pre-determined usage figures established in the Bidding Sheets.

- 4.3.2. Determination of Lowest Firm Fixed Price

- 4.3.2.1. General: In order to determine the lowest offered price the Purchaser will convert all prices quoted into Euros for purposes of comparison. 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.

- 4.3.2.2. Basis of Price Comparison: The Total Price Offered for the Contract will be compared on the basis of the prices offered converted to Euro as stated in paragraph 4.3.2.1 above. This Total Price includes all CLIN items in the Bidding Sheets for Years 1 to 4 plus the Options 1 to 6 for extending the provision of services for 6 further periods of 12 months duration as stated in paragraph 4.3.1.d. above.

4.3.3. Price Realism

- 4.3.3.1. In the event that the successful bidder has submitted a price quotation that is less than two-thirds of the average of remaining compliant bids, the Host Nation must ensure that the successful bidder has not artificially reduced the offered price to assure contract award. As such, the Purchaser will request the bidder to provide clarification of the bid and will inform the national delegation of the bidder. In this regard, the bidder shall provide an explanation to both the Purchaser and their national delegation on the basis of one of the following reasons:

- 4.3.3.2. 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 basis:

- a. 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:
 - (i) remain in the competition and accept the Contract at the offered price, or
 - (ii) to withdraw from the competition.
- b. The Bidder has a competitive advantage due to prior experience or industrial/technological processes that demonstrably reduce the costs of the Bidder's 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.
- c. 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.

- 4.3.3.3. 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.

- 4.3.3.4. If the Bidder responds on the basis of 4.3.3.2 (a) 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 with or without penalty in terms of drawing on the Bid Guarantee.
- 4.3.3.5. If the Purchaser accepts the Bidder's explanation of mistake in paragraph 4.3.3.2 (a) and allows the Bidder to accept the Contract at the offered price, or the Purchaser accepts the Bidder's explanation pursuant to paragraph 4.3.3.2 (c) 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.
- 4.3.4. If the Bidder presents a convincing rationale pursuant to paragraph 4.3.3.2 (b) 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. Technical Evaluation

4.4.1. Technical Proposal

- 4.4.1.1. The Bidder shall have provided a Technical Proposal for the Provision of Inmarsat Services for Alliance Ground Surveillance which includes all of information required in Section 3.6.

4.4.2. Table of Contents

- 4.4.2.1. The Bidder has provided a Table of Contents as required.

4.4.3. Section 1: Project Overview

- 4.4.3.1. The Bidder has provided the Project Overview as required.

4.4.4. Section 2: Project Management

- 4.4.4.1. The Bidder shall have proposed a Project Team that demonstrates adequate depth of resources with the overall corporate organisation to ensure a reserve capability in order to successfully perform the Contract.
- 4.4.4.2. The Bidder has provided the information about Key Personnel as requested, and the Key Personnel has relevant experience and qualifications for this Project.
- 4.4.4.3. The Bidder has provided the information about third party involvement as requested in these Bidding Instructions.
- 4.4.4.4. The Bidder has specified the details of proposed liaison with the Purchaser.
- 4.4.4.5. The Bidder has provided a realistic draft Project Work Breakdown Structure and Project Schedule.

- 4.4.4.6. The Bidder has demonstrated its understanding of problems and risks of the project implementation and how to overcome the problems and mitigate the risks.
- 4.4.5. Section 3: Service Design
 - 4.4.5.1. The Bidder has shown thorough understanding of the technical service requirements, detailing the connection of NATO terminals, the Inmarsat Meet-Me-Point and terrestrial infrastructure into SHAPE, and implementation in accordance with the SoW can be assumed.
 - 4.4.5.2. The Bidder has provided the SLA of the 3rd party supplier of terrestrial connectivity which shows meeting the technical requirements.
 - 4.4.5.3. The Bidder has provided network diagrams with sufficient detail.
 - 4.4.5.4. The Bidder has included a description of the Service Administration Tool, which demonstrates meeting functional requirements, and has demonstrated meeting the OWASP Application Security Verification Standard 3.0, level 2.
- 4.4.6. Section 4: Service Testing and Acceptance
 - 4.4.6.1. The Bidder has demonstrated that he can meet the Service Testing and Acceptance requirements.
- 4.4.7. Section 5: Service Operation
 - 4.4.7.1. The Bidder has detailed how he will monitor the Inmarsat and terrestrial connectivity services with a feasible implementation, and how he ensures relevant service degradations are communicated timely with the Purchaser.
 - 4.4.7.2. The Bidder has demonstrated the Help Desk will be available for 24/7 support including access to Inmarsat support (i.e. of being an Inmarsat Distribution Partner), the internal processes that are followed, and how he will ensure effective and timely support is provided. This is backed up by evidence such as incident resolution statistics.
- 4.4.8. Section 6: Invoice Process
 - 4.4.8.1. The Bidder has described the invoice process and demonstrated the ability to provide both hard and soft copies of invoices.
- 4.4.9. Annex A: Technical Proposal Cross Reference Matrix Table
 - 4.4.9.1. The Bidder provided a completed Technical Proposal Cross Reference Matrix Table.

Annex A Bidding Sheets

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 3.3 – Price Quotation (Part II) and hereunder.

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

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

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 and 8 hours/day at NATO sites and Contractor facilities located in the United States.

Should the Bid be in other than Euro currency, the award of the Contract will be made in the currency or currencies of the Bid.

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.

3. INSTRUCTIONS FOR COMPLETION OF BIDDING SHEETS

A. COMPLETING SECTION 1 (Offer Summary)

Bidders are to complete the offer summary sheet by providing the grand totals from the CLIN Summary sheets in the corresponding line on the offer summary sheet.

B. COMPLETING SECTION 2 (CLIN Summary Sheet)

Section 2 corresponds to the Schedule of Supplies and Services of the Prospective Contract.

A.1 Filling the CLIN Summary Sheet

Bidders shall fill in the CLIN summary sheet based on the information provided in the detailed bidding sheets (CLIN Price Breakdown Bidding sheets). The detailed bidding sheets are broken down in to the categories listed in Section B. Bidders are expected to aggregate the prices in the detailed bidding sheets that make up the line items in the CLIN summary sheet. The line items in the CLIN Summary Sheet shall be all **INCLUSIVE** of the price being bid in order to fulfil the requirement for the line item in the CLIN Summary Sheet. Bidders shall make sure that the total price indicated in the CLIN Price Breakdown Sheets matches the price stated in the CLIN summary sheet for the same corresponding CLIN or sub-CLIN. For the CLINs that do not have CLIN Price Breakdown sheets, the unit prices are to be only filled in on the CLIN summary sheets. The Grand total on the CLIN Summary sheets must be traceable to the Offer Summary Sheet

C. COMPLETING SECTION 2 (CLIN Price Breakdown Bidding Sheets)

Bidders are instructed to prepare their cost proposals in sufficient detail to permit thorough and complete evaluation. For each of the CLINs the Bidder shall use the separate Sheets as provided, adding additional sheets if multiple currencies are used. Change the currency in the header (drop down) of the Sheets if necessary.

B.1. MATERIAL

A. Purchased Parts: Provide a consolidated priced summary of individual material quantities included in the various tasks, orders, or contract line items being proposed and the basis for pricing.

(1) Raw Material: Consists of material in a form or state that requires further processing. Provide priced quantities of items required for the proposal. Show total cost.

(2) Standard Commercial Items: Consists of items that the Bidder normally fabricates, in whole or in part, and that are generally stocked in inventory. Provide an appropriate explanation of the basis for pricing on attached schedule.

(3) The bidder shall provide a level of detail down to the unique sellable item level (e.g. A server, a laptop, a printer)

(4) In the CLIN breakdown sheets the bidder shall provide unit prices that shall be EXCLUSIVE of any applicable overhead, general and administrative costs, profit, costs associated to travel, per-diem and/or incidentals as well as Personnel Installation costs at the sites of performance. Factors for overhead shall be applied in the MATERIAL LABOUR OVERHEAD section of the detailed bidding sheet to the total cost of material.

B.2 DIRECT LABOUR

Show the hourly rate by year and the total hours for the categories and disciplines of direct labour proposed.

Unit prices shall be EXCLUSIVE of any applicable overhead, general and administrative costs, profit, costs associated to travel, per-diem and/or incidentals as well as Personnel Installation costs at the sites of performance. Factors for overhead shall be applied in the DIRECT LABOUR OVERHEAD section of the detailed bidding sheet to the total cost of direct labour.

B.3 SUBCONTRACT LABOUR

Show the hourly rate by year and the total hours for the categories and disciplines of subcontract labour proposed

Unit prices shall be EXCLUSIVE of any applicable overhead, general and administrative costs, profit, costs associated to travel, per-diem and/or incidentals as well as Personnel Installation costs at the sites of performance. Factors for overhead shall be applied in the SUBCONTRACT LABOUR OVERHEAD section of the detailed bidding sheet to the total cost of subcontract labour.

B.4 TRAVEL

Show the number of trips being made, the number of people travelling, the number of days per trip, the cost of traveling (e.g. flight costs), and the daily per diem rate.

Insert comments/descriptions/references/explanation of calculation method under the 'Notes' column including the location & reference to the SoW.

B.5 OTHER DIRECT COSTS

A. Special Tooling/Equipment. Identify and support specific equipment and unit prices. Use a separate schedule if necessary.

B. Individual Consultant Services. Identify and support the proposed contemplated consulting. State the amount of services estimated to be required and the consultant's quoted daily or hourly rate.

C. Other Costs. List all other direct charge costs not otherwise included in the categories described above (e.g., services of specialized trades, computer services, preservation, packaging and packing, leasing of equipment, ex-pat costs etc.) and provide bases for pricing.

4. GRAND TOTAL

This is the Bidders final Firm Fixed Price total for the identified CLIN or sub-CLIN and should match the price entered in the corresponding CLIN Summary sheet in Section 2 of the bidding sheets.

5. SPECIAL INSTRUCTIONS

CLINs 1-5 of Table Year 1 to 4 (Total Base Contract) and CLINs 2-5 of Tables Options 1 to 6 (Evaluated options) shall be priced at the lowest sub-CLIN level and rolled up to the next highest sub-CLIN or CLIN level.

CLINs for "Service Operation" and subCLINs for "SIM card incl shipment and activation" and "Static private IP address" are not separately price. The price for these CLINs and sub-CLINs are expected to be included in the price for the other services.

Annex A-2. Bidding Sheets – Excel Format

The Bidding Sheets are contained in the electronic file “1.a_IFB-CO-14167-AGS Book I Bidding Instructions – Annex A-2 Bidding Sheets.xls” submitted as part of this IFB.

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

FORM INPUTS

PRICING SUMMARY ASSUMPTIONS	
Currency:	Select currency of input values from drop down list.
Calendar Year:	Enter Year of Contract Work
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
MATERIAL	Purchased Material - Items purchased as part of the proposed solution. Please provide vendor quotes and/or invoices along with quantity and prices.	<ol style="list-style-type: none"> 1. Insert the Material Item Name(s). 2. Provide unit prices against each equipment item. 3. Insert comments/descriptions/references to the ITEM Design/explanation of calculation method under the 'Notes' column
DIRECT LABOUR	Direct labour is all effort directly expended by the bidder for the proposed solution	<ol style="list-style-type: none"> 1. Insert the direct labour title(s). 2. Provide hourly rates against each labour title. 3. 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.	<ol style="list-style-type: none"> 1. Insert the subcontract labour title(s). 2. Provide hourly rates against each labour title. 3. 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.	<ol style="list-style-type: none"> 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.	<ol style="list-style-type: none"> 1. Insert the Other Direct Cost title(s). 2. Provide unit costs against each title. 3. Insert comments/descriptions/references/explanation of calculation method under the 'Notes' 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.

OFFER SUMMARY

CLIN DESCRIPTION	PRICE
FIRM FIXED PRICE REQUIREMENTS	
<i>CLIN Summary years 1-4</i>	
<i>CLIN Summary Option 1 - Year 5</i>	
<i>CLIN Summary Option 2 - Year 6</i>	
<i>CLIN Summary Option 3 - Year 7</i>	
<i>CLIN Summary Option 4 - Year 8</i>	
<i>CLIN Summary Option 5 - Year 9</i>	
<i>CLIN Summary Option 6 - Year 10</i>	
GRAND TOTAL Bid Firm Fixed Price	0.00

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Delivery	Remarks
	Total Firm Fixed Price CLINs 1-5 years 1-4							
1	Project Management							
1.1	Project Implementation Plan (PIP)	SoW 2.3	PIP		1		EDC + 2 weeks	
1.2	Project Progress Reports (PPR)	SoW 2.5	PPR		LOT		EDC + 6 weeks	
1.3	Project Meeting Minutes (PPM)	SoW 2.4	PPM		LOT		EDC + 6 weeks	
2	Service Operation							
2.1	Service Management	SoW 5.4	NSP*				EDC + 6 weeks	
2.2	Help Desk	SoW 5.4.1	NSP*				EDC + 6 weeks	
2.3	Service Administration tool	SoW 5.4.2	NSP*				EDC + 6 weeks	
3	Terrestrial connectivity							
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		48		EDC + 12 weeks	
4	BGAN service							
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*		6		EDC + 6 weeks	
4.2	Subscription fee	SoW 3.2	Per month per SIM		288		EDC + 6 weeks	
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		EDC + 6 weeks	
4.4	Streaming 128 kbps	SoW 3.2	Per minute		33000			
4.5	Streaming 32 kbps	SoW 3.2	Per minute		1000		EDC + 6 weeks	
4.6	Background	SoW 3.2	Per MB (MegaByte)		1000		EDC + 6 weeks	
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		1000		EDC + 6 weeks	
5	Swift Broadband service, Class 7 terminal (IGA)							
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*		6		EDC + 6 weeks	
5.2	Subscription fee	SoW 3.2	Per month per SIM		288		EDC + 6 weeks	
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		EDC + 6 weeks	
5.4	Streaming 128 kbps	SoW 3.2	Per minute		72500		EDC + 6 weeks	
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		EDC + 6 weeks	
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		EDC + 6 weeks	
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		EDC + 6 weeks	
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		EDC + 6 weeks	

* NSP= Not Separately Priced - Prices are included in the Service Lines

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Remarks
	Total Firm Fixed Price Option 1						
1	Project Management						
1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Service Operation						
2.1	Service Management	SoW 5.4	NSP*				
2.2	Help Desk	SoW 5.4.1	NSP*				
2.3	Service Administration tool	SoW 5.4.2	NSP*				
3	Terrestrial connectivity						
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		12		
4	BGAN service						
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
4.2	Subscription fee	SoW 3.2	Per month per SIM		72		
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
4.4	Streaming 128 kbps	SoW 3.2	Per minute		8700		
4.5	Streaming 32 kbps	SoW 3.2	Per minute		100		
4.6	Background	SoW 3.2	Per MB (MegaByte)		100		
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		100		
5	Swift Broadband service, Class 7 terminal (IGA)						
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
5.2	Subscription fee	SoW 3.2	Per month per SIM		72		
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
5.4	Streaming 128 kbps	SoW 3.2	Per minute		36800		
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		

* NSP= Not Separately Priced - Prices are included in the Service Lines

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Remarks
	Total Firm Fixed Price Option 2						
1	Project Management						
1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Service Operation						
2.1	Service Management	SoW 5.4	NSP*				
2.2	Help Desk	SoW 5.4.1	NSP*				
2.3	Service Administration tool	SoW 5.4.2	NSP*				
3	Terrestrial connectivity						
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		12		
4	BGAN service						
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
4.2	Subscription fee	SoW 3.2	Per month per SIM		72		
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
4.4	Streaming 128 kbps	SoW 3.2	Per minute		8700		
4.5	Streaming 32 kbps	SoW 3.2	Per minute		100		
4.6	Background	SoW 3.2	Per MB (MegaByte)		100		
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		100		
5	Swift Broadband service, Class 7 terminal (IGA)						
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
5.2	Subscription fee	SoW 3.2	Per month per SIM		72		
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
5.4	Streaming 128 kbps	SoW 3.2	Per minute		57200		
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		

* NSP= Not Separately Priced - Prices are included in the Service Lines

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Remarks
	Total Firm Fixed Price Option 3						
1	Project Management						
1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Service Operation						
2.1	Service Management	SoW 5.4	NSP*				
2.2	Help Desk	SoW 5.4.1	NSP*				
2.3	Service Administration tool	SoW 5.4.2	NSP*				
3	Terrestrial connectivity						
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		12		
4	BGAN service						
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
4.2	Subscription fee	SoW 3.2	Per month per SIM		72		
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
4.4	Streaming 128 kbps	SoW 3.2	Per minute		8700		
4.5	Streaming 32 kbps	SoW 3.2	Per minute		100		
4.6	Background	SoW 3.2	Per MB (MegaByte)		100		
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		100		
5	Swift Broadband service, Class 7 terminal (IGA)						
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
5.2	Subscription fee	SoW 3.2	Per month per SIM		72		
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
5.4	Streaming 128 kbps	SoW 3.2	Per minute		57200		
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		

* NSP= Not Separately Priced - Prices are included in the Service Lines

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Remarks
	Total Firm Fixed Price Option 4						
1	Project Management						
1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Service Operation						
2.1	Service Management	SoW 5.4	NSP*				
2.2	Help Desk	SoW 5.4.1	NSP*				
2.3	Service Administration tool	SoW 5.4.2	NSP*				
3	Terrestrial connectivity						
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		12		
4	BGAN service						
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
4.2	Subscription fee	SoW 3.2	Per month per SIM		72		
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
4.4	Streaming 128 kbps	SoW 3.2	Per minute		8700		
4.5	Streaming 32 kbps	SoW 3.2	Per minute		100		
4.6	Background	SoW 3.2	Per MB (MegaByte)		100		
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		100		
5	Swift Broadband service, Class 7 terminal (IGA)						
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
5.2	Subscription fee	SoW 3.2	Per month per SIM		72		
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
5.4	Streaming 128 kbps	SoW 3.2	Per minute		57200		
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		

* NSP= Not Separately Priced - Prices are included in the Service Lines

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Remarks
	Total Firm Fixed Price Option 5						
1	Project Management						
1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Service Operation						
2.1	Service Management	SoW 5.4	NSP*				
2.2	Help Desk	SoW 5.4.1	NSP*				
2.3	Service Administration tool	SoW 5.4.2	NSP*				
3	Terrestrial connectivity						
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		12		
4	BGAN service						
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
4.2	Subscription fee	SoW 3.2	Per month per SIM		72		
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
4.4	Streaming 128 kbps	SoW 3.2	Per minute		8700		
4.5	Streaming 32 kbps	SoW 3.2	Per minute		100		
4.6	Background	SoW 3.2	Per MB (MegaByte)		100		
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		100		
5	Swift Broadband service, Class 7 terminal (IGA)						
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
5.2	Subscription fee	SoW 3.2	Per month per SIM		72		
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
5.4	Streaming 128 kbps	SoW 3.2	Per minute		57200		
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		

* NSP= Not Separately Priced - Prices are included in the Service Lines

CLIN	Item	Reference	Unit	Price per Unit	Quantity	Price	Remarks
	Total Firm Fixed Price Option 6						
1	Project Management						
1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Service Operation						
2.1	Service Management	SoW 5.4	NSP*				
2.2	Help Desk	SoW 5.4.1	NSP*				
2.3	Service Administration tool	SoW 5.4.2	NSP*				
3	Terrestrial connectivity						
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		12		
4	BGAN service						
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
4.2	Subscription fee	SoW 3.2	Per month per SIM		72		
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
4.4	Streaming 128 kbps	SoW 3.2	Per minute		8700		
4.5	Streaming 32 kbps	SoW 3.2	Per minute		100		
4.6	Background	SoW 3.2	Per MB (MegaByte)		100		
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		100		
5	Swift Broadband service, Class 7 terminal (IGA)						
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*				
5.2	Subscription fee	SoW 3.2	Per month per SIM		72		
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		6		
5.4	Streaming 128 kbps	SoW 3.2	Per minute		57200		
5.5	Streaming 120 kbps	SoW 3.2	Per minute		1000		
5.6	Streaming 112 kbps	SoW 3.2	Per minute		1000		
5.7	Streaming 32 kbps	SoW 3.2	Per minute		1000		
5.8	Background	SoW 3.2	Per MB (MegaByte)		1000		

* NSP= Not Separately Priced - Prices are included in the Service Lines

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: _____

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 Invitation for Bid CO-14167-AGS 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 IFB-CO-14167-AGS. 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 twelve (12) 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 Contract Special Provisions and the NCI Agency Contract General Provisions set forth in the Prospective Contract, Book II of this Invitation for Bid. The Bidder hereby provides 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 Contract Special Provisions and Contract 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-9. Certificate of Origin of Equipment, Services, and Intellectual Property

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 Bidder to firms, individuals or Governments other than within the NATO member countries.

Date

Signature of Authorised Representative

Printed Name

Title

Company

Annex C Technical Proposal Cross Reference Matrix Table

The bidding instructions and evaluation criteria in the table below have been summarized or truncated. The Bid shall follow the original instructions in 3.6, and will be evaluated according to the original instructions in 4.4

BIDDING PREPARATION INSTRUCTION	ASSOCIATED BID EVALUATION CRITERIA	BID REFERENCE
3.6.1. The Bidder shall prepare and submit a Technical Proposal for the Provision of Inmarsat Services for Alliance Ground Surveillance.	4.4.1.1. The Bidder shall have provided a Technical Proposal.	
3.6.4. Table of Contents	4.4.2 Table of Contents	
3.6.4.1. The Bidder shall compile a detailed Table of Contents	4.4.2.1. The Bidder has provided a Table of Contents as required.	
3.6.5. Section 1: Project Overview	4.4.2. Section 1: Project Overview	
3.6.5.1. The Bidder shall in Section 1 provide the Project Overview.	4.4.2.1. The Bidder has provided the Project Overview as required.	
3.6.6. Section 2: Project Management	4.4.3. Section 2: Project Management	
3.6.6.1. The Bidder shall provide a description of the management structure of the Bidder’s Project Team.	4.4.3.1. The Bidder shall have proposed a Project Team that demonstrates adequate depth of resources.	
3.6.6.2. The Bidder shall provide a curriculum vitae and security clearance information for the personnel proposed.	4.4.3.2. The Bidder has provided the information about Key Personnel as requested.	
3.6.6.3. The Bidder shall specify any third party involvement	4.4.3.3. The Bidder has provided the information about third party involvement.	
3.6.6.4. The Bidder shall also specify the details of proposed liaison with the Purchaser.	4.4.3.4. The Bidder has specified the details of proposed liaison with the Purchaser.	
3.6.6.5. The Bidder shall provide a draft Project Work Breakdown Structure and a Project Schedule through a Gantt chart.	4.4.3.5. The Bidder has provided a realistic draft Project Work Breakdown Structure and Project Schedule.	
3.6.6.6. The Bidder shall demonstrate its understanding of problems and risks of the project implementation and how the Bidder intends to overcome the problems and mitigate the risks.	4.4.3.6. The Bidder has demonstrated its understanding of problems and risks of the project implementation and how to overcome the problems and mitigate the risks.	
3.6.7. Section 3: Service Design	4.4.4. Section 3: Service Design	
3.6.7.1. The Bidder shall describe how these services will be implemented.	4.4.4.1. The Bidder has shown thorough understanding of the technical service requirements, and implementation in accordance with the SoW can be assumed.	

3.6.7.2. The Service Design shall include the service description and SLA.	4.4.4.2. The Bidder has provided the SLA of the 3rd party supplier.	
3.6.7.3. The Service Design shall include network diagrams of the intended implementation of the terrestrial connectivity.	4.4.4.3. The Bidder has provided network diagrams with sufficient detail.	
3.6.7.4. The Service Design shall include a description of the Service Administration Tool.	4.4.4.4. The Bidder has included a description of the Service Administration Tool.	
3.6.8. Section 4: Service Testing and Acceptance	4.4.5. Section 4: Service Testing and Acceptance	
3.6.8.1. The Bidder shall in this section demonstrate that he can meet the Service Testing and Acceptance requirements.	4.4.5.1. The Bidder has demonstrated that he can meet the Service Testing and Acceptance requirements.	
3.6.9. Section 5: Service Operation	4.4.6. Section 5: Service Operation	
3.6.9.1. The Bidder shall describe the solution that will be implemented to meet the monitoring requirements, and the processes followed to inform the Purchaser of relevant service degradations.	4.4.6.1. The Bidder has detailed how he will monitor the Inmarsat and terrestrial connectivity services with a feasible implementation, and how he ensures relevant service degradations are communicated timely with the Purchaser.	
3.6.9.2. The Bidder shall describe how he ensures the Help Desk requirements as specified in the SoW will be met.	4.4.6.2. The Bidder has demonstrated the Help Desk will be available for 24/7 support, the internal processes followed, and how he will ensure effective and timely support is provided.	
3.6.10. Section 6: Invoice Process	4.4.7. Section 6: Invoice Process	
3.6.10.1. The Bidder shall provide a detailed description of the invoice process and an example invoice. (Special Provisions 3.1). The Bidder shall demonstrate the ability to provide both hard and soft copies of invoices.	4.4.7.1. The Bidder has described the invoice process and demonstrated the ability to provide both hard and soft copies of invoices.	
3.6.11. Annex A: Technical Proposal Cross Reference Matrix Table	4.4.8. Annex A: Technical Proposal Cross Reference Matrix Table	
3.6.11.1. The Bidder shall include at Annex A the completed Technical Proposal Cross Reference Matrix Table.	4.4.8.1. The Bidder provided a completed Technical Proposal Cross Reference Matrix Table.	

Annex D Bid Guarantee - Standby Letter of Credit

Standby Letter of Credit Number:

Issue Date: _____

Beneficiary: NATO CI Agency,
Financial Management Resource Centre,
Boulevard Leopold III,
B-1110 Brussels,
Belgium

Expiry Date: _____

1. We, (issuing bank) hereby establish in your favour our irrevocable standby letter of credit number {number} by order and for the account of (NAME AND ADDRESS OF BIDDER) in the original amount of € 250,000.00 (Two Hundred and Fifty Thousand Euro). We are advised this Guarantee fulfils a requirement under Invitation for Bid IFB-CO-14167-AGS dated _____.

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

a) (NAME OF BIDDER) has submitted a Bid and, after Bid Closing Date (including extensions thereto) and prior to the selection of the lowest priced, technically compliant Bid, has withdrawn 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 NATO CI Agency has offered (NAME OF BIDDER) the Contract for execution but (NAME OF BIDDER) has been unable to demonstrate compliance with the security requirements of the Contract within a reasonable time, or

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

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

4. It is a condition of this letter of credit that the expiry date will be automatically extended without amendment for a period of sixty (60) calendar days from the current or any successive expiry date unless at least thirty (30) calendar days prior to the then current expiry date the NATO CI Agency Contracting Officer notifies us that the Letter of Credit is not required to be extended or is required to be extended for a shorter duration.

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

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

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

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

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

8. Multiple drawings are allowed.

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

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

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

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

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IFB-CO-14167-AGS

Annex E Clarification Request Form

INSERT COMPANY NAME HERE
INSERT SUBMISSION DATE HERE

**INVITATION FOR BID
IFB-CO-14167-AGS**

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				



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

IFB-CO-14167-AGS

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

BOOK II

PROSPECTIVE CONTRACT

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NCI Agency Contract CO-14167-AGS

between

NATO Communications and Information Organisation

**- represented by the General Manager, NATO Communications and
Information Agency -**

**Boulevard Leopold III,
B-1110 Brussels,
Belgium**

and

[TBD]

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

Effective Date: [TBD]

Total Contract Value: [TBD]

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SIGNATURE SHEET

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their duly authorised officers on the date shown hereunder:

FOR THE CONTRACTOR:	FOR THE PURCHASER:
..... Signature Signature
..... Printed Name Printed Name
..... Title of Signer Title of Signer
..... Date Date

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PART I – SCHEDULE OF SUPPLIES AND SERVICES

PART II - CONTRACT SPECIAL PROVISIONS

PART III – CONTRACT GENERAL PROVISIONS

PART IV – STATEMENT OF WORK



IFB-CO-14091-EWFS

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

BOOK II PART I
SCHEDULE OF SUPPLIES AND SERVICES

NATO UNCLASSIFIED
Schedule of Supplies and Services

IFB-CO-14167-AGS Book II Part I

CLIN	Item	Reference	Unit	Price per Unit	Delivery	Remarks
1	Project Management					
1.1	Project Implementation Plan (PIP)	SoW 2.3	PIP		EDC + 2 weeks	
1.2	Project Progress Reports (PPR)	SoW 2.5	PPR		EDC + 6 weeks	
1.3	Project Meeting Minutes (PPM)	SoW 2.4	PPM		EDC + 6 weeks	
2	Service Operation					
2.1	Service Management	SoW 5.4	NSP*		EDC + 6 weeks	
2.2	Help Desk	SoW 5.4.1	NSP*		EDC + 6 weeks	
2.3	Service Administration tool	SoW 5.4.2	NSP*		EDC + 6 weeks	
3	Terrestrial connectivity					
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		EDC + 12 weeks	
4	BGAN service					
4.1	SIM card incl shipment and activation	SoW 3.2	NSP*		EDC + 6 weeks	
4.2	Subscription fee	SoW 3.2	Per month per SIM		EDC + 6 weeks	
4.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		EDC + 6 weeks	
4.4	Streaming 128 kbps	SoW 3.2	Per minute			
4.5	Streaming 32 kbps	SoW 3.2	Per minute		EDC + 6 weeks	
4.6	Background	SoW 3.2	Per MB (MegaByte)		EDC + 6 weeks	
4.7	Voice Mobile to fixed	SoW 3.2	Per minute		EDC + 6 weeks	
5	Swift Broadband service, Class 7 terminal (IGA)					
5.1	SIM card incl shipment and activation	SoW 3.2	NSP*		EDC + 6 weeks	
5.2	Subscription fee	SoW 3.2	Per month per SIM		EDC + 6 weeks	
5.3	Static private IP address (NCIA specified)	SoW 3.2	NSP*		EDC + 6 weeks	
5.4	Streaming 128 kbps	SoW 3.2	Per minute		EDC + 6 weeks	
5.5	Streaming 120 kbps	SoW 3.2	Per minute		EDC + 6 weeks	
5.6	Streaming 112 kbps	SoW 3.2	Per minute		EDC + 6 weeks	
5.7	Streaming 32 kbps	SoW 3.2	Per minute		EDC + 6 weeks	
5.8	Background	SoW 3.2	Per MB (MegaByte)		EDC + 6 weeks	

* NSP= Not Separately Priced - Prices are included in the Service Lines

NATO UNCLASSIFIED
Schedule of Supplies and Services

IFB-CO-14167-AGS Book II Part I

CLIN	Item	Reference	Unit	Price per Unit	Remarks
1	Project Management				
1.1	N/A	N/A	N/A	N/A	N/A
2	Service Operation				
2.1	Service Management	SoW 5.4	NSP*		
2.2	Help Desk	SoW 5.4.1	NSP*		
2.3	Service Administration tool	SoW 5.4.2	NSP*		
3	Terrestrial connectivity				
3.1	Terrestrial connectivity to SHAPE	SoW 3.3	Per month		
4	BGAN service				
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NATO Communications and Information Agency
Agence OTAN d'information et de communication

IFB-CO-14167-AGS

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

BOOK II - PART II

CONTRACT SPECIAL PROVISIONS

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1 ALTERATIONS, MODIFICATIONS AND DELETIONS OF THE CONTRACT GENERAL PROVISIONS

- 1.1 Article 3 “Order of Precedence” modifies Clause 1 “Order of Precedence” of the Contract General Provisions.
- 1.2 Article 8 “Participating Countries” augments Clause 9 “Participating Countries” of the Contract General Provisions.
- 1.3 Article 10 “Security” augments Clause 11 “Security” of the Contract General Provisions.
- 1.4 Article 11 “Pricing of Changes, Modifications, Follow-on Contracts and Claims” augments Clause 19 “Pricing of Changes, Amendments and Claims” of the Contract General Provisions.
- 1.5 Article 14 “Price Basis” augments Clause 7 “Firm Fixed Price Contract” of the Contract General Provisions.
- 1.6 Article 15 “Invoices and Payment” augments Clause 25 – “Invoices and Payment” of the Contract General Provisions
- 1.7 Article 18 “Acceptance of Documentation and Service” augments Clause 22 “Inspection and Acceptance of Documentation” of the Contract General Provisions.

2 SCOPE

- 2.1 The Contractor shall provide Inmarsat Services as per Part IV - Statement of Work and in accordance with Part I - Schedule of Supplies and Services for the firm fixed prices stated in this Contract.

3 ORDER OF PRECEDENCE

- 3.1 Clause 1 of the Contract General Provisions is modified to read as follows;

“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. Schedule of Supplies and Services, Part I,
- 2. Contract Special Provisions, Part II,
- 3. Contract General Provisions, Part III,
- 4. Statement of Work, and its Annexes, Part IV,

4 TYPE OF CONTRACT

- 4.1 This is a requirements contract of a fixed rate/indefinite quantity nature. The Purchaser obligates himself to ensure that all requirements for Inmarsat services as specified in this Contract will be satisfied under this Contract within the maximum monetary value of (*Amount to be specified at contract award*) EURO and within the Period of Performance. The Contractor obligates himself to furnish such services during the Period of Performance at the fixed rates for each service specified in Part I - Schedule of Supplies and Services.

5 MAXIMUM VALUE OF CONTRACT

- 5.1 The maximum value of this Contract is (*Amount to be specified at contract award*) EURO and the Purchaser has no obligation to compensate the Contractor for services that cumulatively exceed this amount, unless the Contractor is notified in writing by the Purchaser Contracting Authority that such maximum has been increased.
- 5.2 If at any time, the Contractor foresees that the current level of service requirements are expected to result in charges that, if furnished at the current rate over the next quarter would exceed the cumulative maximum value as specified, the Contractor shall immediately inform the Purchaser Contracting Authority in writing of this situation.

6 PERIOD OF PERFORMANCE

- 6.1 The Period of Performance of this Contract is for 4 years from the Start of Service Date which will be notified to the Contractor at least 3 months prior to the commencement of provision of the services. The Period of Performance may be extended by exercise of the options specified in Article 7.

7 OPTIONS

- 7.1 The Purchaser shall have the right to exercise any or all of the Options so identified in Part I Schedule of Supplies and Services at the prices and at the same terms and conditions as per the contract.
- 7.2 Years 5 to 10 in Part I Schedule of Supplies and Services represent Options to extend the Period of Performance for 6 additional periods of 12 months. The Purchaser shall notify the Contractor of its intent to exercise this Option not later than 3 months before the end of the performance of the basic period of performance or of the previous Option. For each Option exercised, a Contract Amendment will be issued by the Purchaser confirming the notification previously provided and obligating an amount of funding for the Maximum Value of the Contract. The Contractor shall continue providing the services required under the Contract and will be compensated at the fixed rates specified for these Options.
- 7.3 The Contractor understands that there is no obligation under this contract for the Purchaser to exercise any of the optional line items and that the Purchaser bears no liability should it decide not to exercise the options (totally or partially). Further, the Purchaser reserves the right to order another Contractor (or the same), to perform the tasks described in the optional line items of the current contract through a new contract with other conditions

8 PARTICIPATING COUNTRIES

- 8.1 This Article augments Clause 9 of the Contract General Provisions.
- 8.2 The following NATO member nations have agreed to fund this acquisition effort: (in alphabetical order): ALBANIA, BELGIUM, BULGARIA, CANADA, CROATIA, THE CZECH REPUBLIC, DENMARK, ESTONIA, GERMANY, GREECE, HUNGARY, ICELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, THE NETHERLANDS, NORWAY, POLAND, PORTUGAL, ROMANIA, SLOVENIA, SLOVAKIA, SPAIN, TURKEY, THE UNITED KINGDOM and THE UNITED STATES.
- 8.3 The Contractor may issue sub-contracts to firms and purchase from qualified vendors in any NATO member nation. None of the work, including project design, labour and services, shall be performed other than by firms from and within participating countries and Afghanistan, as per NATO policy.
- 8.4 The Contractor shall notify in writing to the Purchaser immediately upon being informed of any change in the nationality of its Sub-contractor(s) which would prevent the Contractor from further complying with Clause 8.3 above. Upon receipt of this information from the Contractor, the Purchaser may, within three months from this notification, require the Contractor to find an alternate subcontractor, complying with the requirements set out in Clause 8.3 above.
- 8.5 Unless authorised by NATO Policy, no material or items of equipment down to and including identifiable sub-assemblies delivered under this Contract shall be manufactured or assembled by a firm other than from and within a participating country.
- 8.6 The Intellectual Property Rights to all designed documentation and system operating software shall reside in NATO member countries, and no license fee, or royalty charges shall be paid by the Contractor to firms, individuals or governments other than within the NATO member community.

9 CONTRACT ADMINISTRATION

- 9.1 The Purchaser is the NATO CI Agency (NCI Agency). The Purchaser is the Point of Contact for all Contractual and Technical issues. The Contractor shall accept Contract modifications only in writing from the Purchaser's Contracting Authority
- 9.2 All notices and communications between the Contractor and the Purchaser shall be written and conducted in English. Contract modifications only become valid when received in writing from the General Manager, NCI Agency, and his authorised representative.
- 9.3 Formal letters and communications shall be personally delivered or sent by mail, registered mail, email, courier or other delivery service, to the official points of contact quoted in this Contract.

- 9.4 Informal notices and informal communication may be exchanged by any other means, including telephone.
- 9.5 All notices and communication shall be effective upon receipt.
- 9.6 Official Points of Contact are:

PURCHASER

Contractual issues:

NCI Agency
ACQ/ASG
Bâtiment Z
Boulevard Léopold III
B-1110 Brussels
Belgium

POC: Michel Trebaol
Tel: +32 2 707 8266
Fax: +32 2 707 8770
E-mail michel.trebaol@ncia.nato.int

Technical issues:

NCI Agency
DAS/JISR
Bâtiment Z
Boulevard Léopold III
B-1110 Brussels
Belgium

POC: Gokhan Alptekin
Tel: + 32 2 707 8236
Fax: + 32 2 707 8770
E-mail: gokhan.alptekin@ncia.nato.int

CONTRACTOR

Contractual issues:

Company Name
Address

POC:
Tel:
Fax:
E-mail

Technical issues:

Company Name
Address

POC:
Tel:
Fax:
E-mail:

10 SECURITY

- 10.1 This Article augments Clause 11 of the Contract General Provisions.
- 10.2 The security classification of this contract is “NATO UNCLASSIFIED”.
- 10.3 In the performance of all works under this contract it shall be the Contractor’s responsibility to ascertain and comply with all applicable NATO security regulations as implemented by the Purchaser and by the local sites

11 PRICING OF CHANGES, MODIFICATIONS, FOLLOW-ON CONTRACTS AND CLAIMS

- 11.1 This Article augments Clause 19 of the Contract General Provisions.

- 11.2 The Purchaser may at any time, by written order designated or indicated to be a change order, and without notice to the sureties, if any, make changes within the scope of any Contract or Task Order, in accordance with Clause 16 (Changes) of the Contract General Provisions.
- 11.3 Changes, modifications, follow-on Contracts of any nature, and claims shall be priced in accordance with Clause 19 (Pricing of Changes, Amendments and Claims) of the Contract General Provisions, and with the "Purchaser's Pricing Principles" as set out in the Annex to the Contract General Provisions.
- 11.4 Contractor price quotations for Contract changes or modifications shall be provided at no cost to the Purchaser and shall have a minimum validity period of six (6) months from submission.
- 11.5 The pricing information contained in the cost breakdown sheets submitted with the Bidding sheets, as part of the Contractor's proposal, and especially the forward labour rates provided, will constitute the basis for any future negotiations related to possible future amendments to this Contract.

12 KEY PERSONNEL

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

POSITION	NAME
Contractor Project Manager (CPM)	<i>[To be completed at award]</i>

- 12.2 In such cases where the services of the Key Personnel are lost to the Contractor beyond the reasonable control of the Contractor, the Contractor must nominate a substitute(s) of equivalent or higher qualification and experience within 15 working days of the date at which the Contractor has knowledge of the loss of service of such key personnel. The replacement personnel shall be in place within a reasonable time.
- 12.3 If the Contractor is unable to nominate and/or replace the lost personnel within the timeframe mentioned in 12.2 above, the Purchaser may conclude that the loss of the Key Personnel endangers progress under the Contract to the extent that the Purchaser may resort to the Clause 39 – "Termination for Default" of the Contract General Provisions for redress of the situation.
- 12.4 The Purchaser shall approve the dedicated personnel, as well as the replacement personnel. The Purchaser has the right to refuse any proposed substitution as not meeting the qualifications and request the Contractor to offer another qualified individual in lieu thereof.

- 12.5 The Purchaser reserves the right to reject a Contractor's staff member after acceptance of a Contractor's staff member on the basis of his/her CV if the individual is not providing the required level of support. The Purchaser will inform the Contractor in writing in case such a decision is taken and the Contractor shall propose and make another staff member available within three working days after the written notification.
- 12.6 A Contractor's staff member assigned to the present Contract shall remain working on the Contract for as long as required by the terms of the present Contract. However, in the event where the Contractor has no control over the individual's non-availability (e.g., resignation, sickness, incapacity, etc.), the Contractor shall notify the Purchaser of a change of key personnel within 3 working days of the date of knowledge of the prospective vacancy and offer a substitute with equivalent qualifications.
- 12.7 The Purchaser has the right to refuse any proposed substitution if not meeting the qualifications and request the Contractor to offer another qualified individual in lieu thereof. The Purchaser will confirm any consent given to a substitution in writing and only such written consent shall be deemed as valid evidence of Purchaser consent.
- 12.8 After acceptance in writing by the Purchaser of a substitution of staff, based on a CV, the above paragraph shall be applicable again, if necessary.

13 LANGUAGE OF WORK

- 13.1 The working language of the Project Team is English and the associated technical documents are printed in English. All Contractor's personnel engaged in this project shall have a thorough knowledge of the English language. In particular using the Test of English as a Foreign Language (TOEFL) as the rating criteria, the level of English of all Key Personnel, as identified in Article 10, employed on this project shall have a score of at least 105 on the TOEFL Internet-based Test (IBT).
- 13.2 Failure to satisfy this requirement may be the basis for Purchaser's request of change of personnel.

14 PRICE BASIS

- 14.1 This Article augments Clause 7 of the Contract General Provisions.
- 14.2 This is a Firm Fixed Price contract.
- 14.3 The Priced Schedule of Supplies and Services of the present contract, divided by major Contract Line Items (CLINs) shall list all services and/or deliverables, their due date, the place of delivery and their firm fixed price contract line item price.

- 14.4 The Firm Fixed Price of this contract includes all travel and accommodation, between NATO Locations and the Contractor's own premises, wherever he executes the contract, that the Contractor considers necessary to execute his tasking, or that is required for the execution of the contract shall be included in the total contract price and per diem costs associated with the Contractor's performance of the Statement of Work.
- 14.5 If the Purchaser requests a change of scope to the services or deliverables to be provided under the present contract, the price to be established shall be fair and reasonable and subject to agreement at the time when the change is ordered. These fair and reasonable prices shall be established on the basis of the Clause 7 – "Firm Fixed Price Contract" of the Contract General Provisions and all pricing elements e.g. daily rates, overheads etc, already established in the Schedule of Supplies and Services. Prices may be established in the Contractor's own currency or in Euro. Prices may also be stated in any currency of the participating NATO countries provided that, and only to the extent that, the Contractor has expenses in the currency directly related to the current contract.
- 14.6 Option Price: The rates given in Part I – Schedule of Supplies and Services, Options, are fixed for the duration of the Contract.

15 INVOICES AND PAYMENT

- 15.1 This Article augments Clause 25 – "Invoices and Payment" of the Contract General Provisions.
- 15.2 The Contractor shall submit an invoice quarterly in arrears for services rendered supported by reports on availability of the SwiftBroadband and BGAN Services and Terrestrial Connectivity Services as per Section 5.2 & 5.3 of part IV Statement of Work.
- 15.3 Charges shall be at the Unit Prices specified in the Schedule multiplied by the number of units delivered. Supporting documentation detailing the units delivered shall be attached to the invoice.
- 15.4 Prices related to the deliveries or services related to CLINs 2, 4.1 and 4.3 are Not Separately Priced (NSP) under invoicing and shall be included in overall monthly charges for call services.
- 15.5 If during any Quarter, the Purchaser has exercised Option(s) as per Article 7, the Invoice shall provide the CLIN and the quantities provided multiplied by the Unit Price.

16 INDEPENDENT CONTRACTOR

- 16.1 The Personnel provided by the Contractor are at all times employees of the Contractor and not the Purchaser. In no case shall Contractor personnel act

on behalf of or as an agent for NATO or any of its bodies. In no way shall the Contractor personnel claim directly or indirectly to represent NATO in an official capacity or claim themselves to be NATO employees.

17 PENALTIES

- 17.1 During the use of SBB streaming services the Contractor shall not charge the Purchaser any costs for using 128 kbps streaming services by up to two BGAN terminals for backup connectivity (see section 5.3 of the SoW) while the Terrestrial Connectivity Services are either disrupted or degraded (excluding failures of the Purchaser infrastructure) to a level below the availability requirements for the Terrestrial Connectivity Services.
- 17.2 If the Contractor fails to meet the availability requirements for Terrestrial Connectivity Services by more than 20% (i.e. below 79.8%) the Contractor shall pay to the Purchaser penalties of fifteen per cent (15%) of the value of CLIN 3 per month where the availability requirements are not met. In addition the Terrestrial Connectivity Services will not be paid for the month where the availability requirements for Terrestrial Connectivity Services are not met by more than 20%. The quarterly invoice shall then reflect a credit for the value of the penalties.
- 17.3 The total accumulated amount of penalties which may be assessed under the above paragraph shall not exceed twenty (20) per cent of the value of the quarterly invoice.
- 17.4 Should the financial limitations referred to Clause 17.3 and 17.4 be reached without resolution, the Purchaser may terminate this Contract in whole or in part, as provided in paragraph (a) of Clause 39 – “Termination for Default” – of the Contract General Provisions and in that event the Contractor shall be liable to pay the excess costs provided in sub-Clause 39.5 of said Clause 39.
- 17.5 The Contractor shall not be charged with penalties when the delay arises out of causes irresistible, unforeseeable and beyond the control and without the fault or negligence of the Contractor as defined in paragraph 33.6.1 of Clause 33 – “Termination for Default” of the General Provisions. In such event 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 fact justify an extension.
- 17.6 The amount of penalties due by the Contractor shall be recovered by the Purchaser in the following order of priority:
- 17.6.1 By deducting such damages from the amounts due to the Contractor against the Contractor's invoices.
- 17.6.2 By proceeding against any surety,
- 17.6.3 By reclaiming such damages through appropriate legal remedies
- 17.7 Articles 17.1 and 17.2 will remain enforced when Article 17.3 is enforced.

18 ACCEPTANCE OF DOCUMENTATION AND SERVICE

- 18.1 Acceptance of Documentation and Service delivered under this Contract will be made according to Clause 22 – “Inspection and Acceptance of Documentation” of the Contract General Provisions and Section 6 – “Service Testing and Acceptance” of the Statement of Work.
- 18.2 All documents and data shall be prepared by the Contractor and approved by the Purchaser.
- 18.3 Acceptance will be made in writing by the Purchaser.

19 SUPPLEMENTAL AGREEMENT(S), DOCUMENTS AND PERMISSIONS

- 19.1 The Contractor has submitted all relevant draft supplemental agreement(s), documents and permissions prior to contract award, the execution of which by the Purchaser is/are required by national law or regulation. If any supplemental agreements, documents and permissions are introduced after contract award, and it is determined that the Contractor failed to disclose the requirement for the execution of such agreement from the Purchaser prior to contract signature, the Purchaser may terminate this contract for default in accordance with Clause 29 – “Termination for Default” of the Contract General Conditions.
- 19.2 Supplemental agreement(s), documents and permissions, the execution of which by the Purchaser is/are required by national law or regulation and that have been identified by the Contractor prior to the signature of this contract, but have not yet been finalised and issued by the appropriate governmental authority, are subject to review by the Purchaser. If such supplemental agreement(s), documents and permissions are contrary to cardinal conditions of the signed contract between the Parties, and the Purchaser and the appropriate governmental authority cannot reach a mutual satisfactory resolution of the contradictions, the Purchaser reserves the right to terminate this contract and the Parties agree that in such case the Parties mutually release each other from claim for damages and costs of any kind, and any payments received by the Contractor from the Purchaser will be refunded to the Purchaser by the Contractor.

20 COMPREHENSION OF CONTRACT AND SPECIFICATIONS

- 20.1 The Contractor warrants that he has read, understood and agreed to each and all terms, clauses, specifications (including drawings) and conditions specified in the Contract and that this signature of the Contract is an acceptance, without reservations, of the said Contract terms within their normal and common meaning.
- 20.2 The specifications set forth the performance requirements for the Contractor’s proposed work as called for under this Contract. Accordingly, notwithstanding

any conflict or inconsistency which hereafter may be found between achievement of the aforesaid performance requirements and adherence to the Contractor's proposed design for the work, the Contractor hereby warrants that the work to be delivered will meet or exceed the performance requirements of the said specifications.

- 20.3 The Contractor hereby acknowledges that he has no right to assert against the Purchaser, its officers, agents or employees, any claims or demands with respect to the aforesaid specifications as are in effect on the date of award of this Contract
- 20.3.1 based upon impossibility of performance, defective, inaccurate, impracticable, insufficient or invalid specifications, implied warranties of suitability of such specifications, or
- 20.3.2 otherwise derived from the aforesaid specifications, and hereby waives any claims or demands so based or derived as might otherwise arise.
- 20.4 Notwithstanding the "Changes" Clause or any other Clause of the Contract, the Contractor hereby agrees that no changes to the aforesaid specifications which may be necessary to permit achievement of the performance requirements specified herein for the Contractor's proposed work shall entitle the Contractor either to any increase in the fixed price as set forth in this Contract or to any extension of the delivery times for the work beyond the period of performance in the Schedule of Supplies and Services.



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

IFB-CO-14167-AGS

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

BOOK II - PART III

CONTRACT GENERAL PROVISIONS

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1. ORDER OF PRECEDENCE

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

- 1.1. The Signature Page;
- 1.2. The Contract Schedules, Part I;
- 1.3. The Contract 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;
- is sold in substantial quantities in the commercial marketplace; and
- 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.

2.8. Contractor Background IPR

Any IPR owned by the 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 formulae.

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, agencies, NATO nations and non-NATO nations to the extent that non-NATO nations are engaged in NATO Purposes.

2.23. NCI AGENCY (NCIA)

The NATO Communications and Information Agency. The NCIA is part of the NCIO. The General Manager of the Agency is authorised to enter into contracts on behalf of the NCI 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.

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 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, Financial Management,
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 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.

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 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 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 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.
- 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);
 - 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 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.

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 16.1 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 of these General Provisions entitled "Release from 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 unreasonably 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 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.
- 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;

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 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 Special Contract 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 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 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 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 Special Contract 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 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);
 - 25.2.6. 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 NCIA - Financial Management

Either at the following addresses:

NCIA
Financial Management
Boulevard Léopold III
1110 Brussels
Belgium

OR

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

ncia-fmrc-bel_einvoices@ncia.nato.int

Once the manner of forwarding the invoice is chosen, the Contractor shall keep this manner throughout the Contract.

- 25.6. Invoices will be settled by the Purchaser within sixty (60) days of receipt of a properly prepared and submitted invoice.
- 25.7. The Purchaser shall not bear any cost relating to financial guarantees which the Contractor is required to provide under this contract. The Purchaser is released from any interest resulting from any reason whatsoever.

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 NCIA 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 NCIA 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 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 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 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 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 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 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:
 - 27.16.1.1. correct the Work;
 - 27.16.1.2. 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;

27.16.1.3. obtain applicable data and reports; and/or

27.16.1.4. 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, or;
 - 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.

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.

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 prosecuting such application(s).

30.4. Third Party IPR

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

30.4.2. 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.

30.4.3. For COTS equipment, 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 purpose of carrying out work pursuant to the Contract without the prior written approval of the Purchaser. The Contractor shall inform the 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 solution are fully compliant with the requirements of this Contract. The Contractor shall disclose in advance the open source license associated with the complemented 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:

31.4.1.1. 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

31.4.1.2. Shall apply notwithstanding inspection, acceptance, or any other clauses or terms of this Contract;

31.4.2. 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:

- 31.4.2.1. 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;
 - 31.4.2.2. 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 may be necessary to eliminate the defect, or;
 - 31.4.2.3. Equitably reduce the contract price
- 31.4.3. The Purchaser may elect the remedies provided in paragraph 31.4.2.1 or 31.4.2.2 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 31.4.2.2 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 31.4.2.1 and 31.4.2.2 as required by the Contract by virtue of this paragraph 31.4.3, the contract price under this contract shall be equitably adjusted.
- 31.4.4. Election by the Purchaser of the remedy provided under paragraph 31.4.2.1 and 31.4.2.2 above shall not preclude subsequent election of a different remedy under paragraph 31.4.2 if the defect is not successfully eliminated under the prior election with one month of the notification under paragraph 31.2 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 this 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.
- 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 twenty-one (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)

- 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"

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.
- 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 1.0% (one per cent) per day of the associated payment set forth in the Schedule of Payments provided in the Special Contract Provisions. If no Schedule of Payments is specifically set forth in the Special Contract 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 **15** (20)% of the value of each line item individually and an aggregate sum of all delinquent items 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

- 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 authorize 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;
 - 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 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:
 - 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 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 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 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 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 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 PRINCIPLES**A. General

1. With regard to all actions included in Clause 19, 'Pricing of Changes, Amendments and Claims', the Purchaser will honour the accounting standards and pricing principles to which the Contractor is required to conform by the national defence authority (or other governing national authority, as applicable) in the country of origin of the Contractor. Where such accounting standards are non-existent or incomplete, or where the Contractor is not required to conform to such standards and principles, 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 as presented in subparagraph 5 hereafter.

- (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. A 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.

When applicable to be completed in attached Enclosure 1 (Excel Workbook)



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

IFB-CO-14167-AGS

**Provision of Inmarsat Services for Alliance Ground
Surveillance (AGS)**

BOOK II - PART IV
STATEMENT OF WORK (SoW)

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Section 1 Introduction

1.1 Purpose

- [1] This Statement of Work (SOW) describes the responsibilities of and efforts to be performed by the Contractor to satisfy the NATO Alliance Ground Surveillance (AGS) Inmarsat Satellite Communications (SATCOM) requirements, in support of Command and Control (C2) communications of the Unmanned Aerial Vehicle (UAV) fleet, over a four (4) year initial period to commence at the Start of Service Date as defined in Article 5 of the Contract Special Provisions, with options for six (6) additional yearly extensions.

1.2 Scope

- [2] The scope of this SoW encompasses the provision of Inmarsat Services to the Purchaser and the associated management of these services.
- [3] The requested services include providing SwiftBroadband and Broadband Global Area Network (BGAN) Inmarsat SATCOM connectivity, providing terrestrial connectivity between NATO premises and the Inmarsat terrestrial infrastructure and supporting the Purchaser and Users through a Help Desk and a Service Administration tool.

IN-1 Specifically, the Contractor shall perform the following functions:

- (1) Project Management to include liaison with NATO entities and risk management for all phases of the Project;
- (2) Service Design;
- (3) Service Testing and Acceptance;
- (4) Service Operation.

- [4] The detailed Inmarsat Services are depicted in the Schedule of Supplies and Services, SSS (Book II, Part I).

1.3 Actors

[5] This SoW makes reference to the following actors:

- (1) The Purchaser: the NCI Agency.
- (2) The Contractor: the entity providing Inmarsat Services to the Purchaser.
- (3) The Users: the end users of the Inmarsat Services, here represented by the NATO AGS Force (NAGSF).

1.4 Project Stages

IN-2 The project shall be executed in two stages:

- (1) **Service Design** stage, running from the Effective Date of Contract (EDC) until the start of service delivery at the Service Commencement Date (SCD);
- (2) **Service Operation** stage: running from the SCD until the end of the Contract.

IN-3 During the Service Design stage the Provider shall prepare and define the services as described in Section 3 (Service Design) of this SoW and shall demonstrate compliance with the requirements of Section 4 (Service Testing and Acceptance) of this SoW.

IN-4 During the Service Operation stage, the Provider shall deliver the services in line with the performance requirements of Section 5 of this SoW (Service Operation).

1.5 Standards for Interpretation of the SoW

- [6] Requirements in the SoW are formulated using the form “shall”. Context information supporting the requirements definition is provided using the form “will”.
- [7] “Shall” statements are contractually binding; “Will” statements are non-mandatory, or they imply intent on the part of the Purchaser.
- [8] For compliance traceability purposes, mandatory requirements in the SoW are preceded by a unique heading number, consisting of a prefix, followed by a number. Prefixes are as follows:
- IN (Section 1: Introduction);
 - PM (Section 2: Project Management);
 - SD (Section 3: Service Design);
 - TA (Section 4: Service Testing and Acceptance);
 - SO (Section 5: Service Operation).
- [9] Informational or context information not conveying any requirement on the Contractor is preceded by a number heading in brackets, [xx], without prefix letters.

Section 2 Project Management

2.1 Purchaser Project Team (PPT)

- [10] The Purchaser will be represented by the Purchaser Project Team (PPT).
- [11] The PPT will be responsible for reviewing the deliverables, supervising the implementation and acceptance of the system.
- [12] The PPT will include the Purchaser's Project Manager and other functional elements.
- [13] The Purchaser's Project Manager will chair the PPT.

2.2 Contractor Project Team (CPT)

- PM-1 The Contractor shall establish a Contractor Project Team (CPT) for the purpose of performing and managing the efforts necessary to satisfactorily discharge his responsibilities under this Contract and shall assign personnel to the project that have the qualifications and technical expertise necessary for this project.
- PM-2 A Contractor Project Manager shall be identified as the principal point of contact to the Purchaser Project Manager.
- PM-3 During Contract execution, the work shall be controlled in accordance with the approved Project Implementation Plan (PIP, see 2.3) which is prepared by the Contractor. As part of the monitoring and control function, the Contractor shall advise the Purchaser at all times of potential problems and schedule risks.

2.3 Project Implementation Plan (PIP)

- [14] The Project Implementation Plan (PIP) serves as project implementation documentation, including all project management and technical aspects, and as final record of the provided Inmarsat Services.
- [15] The required content of the PIP is detailed in 2.3.1.
- PM-4 Within two (2) weeks after contract award, the Contractor shall submit a Draft PIP that describes the technical solution and how the Contractor will implement project/contract administration, including details of the controls that will be applied to supervise any sub-Contractor performance.
- PM-5 The Draft-PIP shall be reviewed during the first Project Review Meeting (PRM) between the Contractor and the Purchaser.
- PM-6 Within one week after the first PRM the Contractor shall update the Draft-PIP by incorporating all the modifications, additions and expansions as agreed at the PRM.

- PM-7 The updated PIP shall be agreed and signed by both Parties. The approval of the PIP by the Purchaser signifies that the Purchaser agrees to the Contractor's approach in meeting the requirements. This approval in no way relieves the Contractor from his responsibilities to achieve the contractual and technical requirements of this contract.
- PM-8 The Contractor shall make any further changes to the PIP as requested by the Purchaser, to correct any errors detected during the implementation or to reflect any technical or contractual changes necessary as a result of any supplemental agreement made to the Contract.

2.3.1 Content of the PIP

- PM-9 The PIP shall consider all project implementation aspects, which include management provisions, facilities, schedules, personnel assignments, external relationships and project control.
- PM-10 The PIP shall be in sufficient detail to allow the Purchaser to assess the Contractor's plans and capabilities in implementing the entire project in conformance with the requirements of this SoW.
- PM-11 The following paragraphs in this section of the SoW describe the areas that shall be covered in the specific sections of the PIP. It is recognised that the provided level of detail in each of the sections of the PIP will be different, but it is expected that all areas are addressed.

2.3.1.1 Section 1: Project Overview

- PM-12 In Section 1 of the PIP the Contractor shall provide the Project Overview containing an executive summary of the offered services, describing the main features of each of the PIP sections and outlining how the Project will be executed during the full lifetime of the Project.

2.3.1.2 Section 2: Project Management

- PM-13 Section 2 of the PIP shall define the Contractor's Project Management approach and shall include:
- (1) Project Management Plan (PMP)
 - (2) Project Work Breakdown Structure (PWBS)
 - (3) Risk Management Plan (RMP)
- PM-14 The Project Management Plan (PMP) shall describe how the administrative, technical, and financial aspects of the Project will be organized throughout the full duration of the Contract.
- PM-15 The PMP shall include:

- (1) A description of the management structure of the Contractor Project Team (CPT), indicating its relationships within the company structure;
 - (2) A list of key personnel assigned to the CPT and their respective roles, responsibilities and authority, as well as their qualifications, and experiences
 - (3) Specifics of any third party involvement giving description, details and relationship to the Contractor, and controls that will be applied to supervise third party performance;
 - (4) The plan shall also specify the details of the proposed liaison with the Purchaser and any third party.
- PM-16 The Project Work Breakdown Structure (PWBS) shall define the major tasks that need to be completed and to relate the elements of work to each other and to the end product.
- PM-17 The PWBS shall include an overall Project schedule that demonstrates how all the delivery dates as identified in the Schedule of Services and Supply (SSS) will be met.
- PM-18 The PWBS shall be used as the primary framework for Project planning and reporting to the Purchaser.
- PM-19 The Risk Management Plan (RMP) shall describe how risk management will be performed throughout the duration of the Contract.
- PM-20 The Contractor shall establish a Risk Register and maintain a Risk Log for the Project, as an Annex to the RMP.
- PM-21 The Risk Register shall describe the high level risks and proposed mitigation strategies.
- PM-22 The Risk Log shall serve as a snapshot in time of the Risk Register and shall be used to monitor the risks in the Risk Register during the full Contract duration.
- PM-23 In the Risk Log, the CPT shall identify and update any management, technical, schedule, and cost risks, throughout the duration of the Contract.
- PM-24 The CPT shall rate each risk as High, Medium, or Low, based on its probability of occurrence, project stage concerned (Service Design or Service Operation) and its impact on cost, schedule, and quality.

2.3.1.3 Section 3: Service Design

- PM-25 Section 3 of the PIP shall describe the Service Design to a level of detail sufficient to allow the Purchaser to evaluate whether the implementation meets the requirements of the SoW and to prepare its infrastructure for interfacing with the Inmarsat connectivity delivered through this Contract.
- PM-26 The Service Design shall at least contain the following:

- (1) Functional description of the offered SwiftBroadband and BGAN services, to include satellite coverage and associated Land Earth Stations;
- (2) Interconnection diagrams for the Terrestrial Connectivity Services between the Inmarsat Meet-Me-Point (MMP) at Amsterdam (NLD) and the Terrestrial Connectivity Interface Point (TCIP) at SHAPE (Mons, BEL). Diagrams shall include physical and logical (Ethernet, IP) details;
- (3) Service level specifications of the offered Inmarsat services.

2.3.1.4 Section 4: Service Testing and Acceptance

PM-27 Section 4 of the PIP shall provide a Service Acceptance Test Plan that defines how all test and acceptance activities of Section 4 (Service Testing and Acceptance) will be performed.

2.3.1.5 Section 5: Service Operation

PM-28 Section 5 of the PIP shall provide a Service Level Agreement (SLA) for the services delivered by the Contractor, based on the requirements in this SoW.

PM-29 The SLA shall be part of the Contract and be usable as a standalone document by the Purchaser and the User.

PM-30 The SLA shall include:

- (1) A Service overview;
- (2) Contractor's responsibilities;
- (3) Purchaser's responsibilities;
- (4) A Service Level Specification (that meets the requirements as in stipulated in SoW Section 5);
- (5) Helpdesk contact details and processes to follow for reporting issues, requesting support and status information;
- (6) Escalation procedures;
- (7) Instructions for use of the services including but not limited to:
 - a) The Service Activation Procedures to be followed by the Purchaser to request (de)activating a new subscriber of the Inmarsat services.
 - b) Provider specific terminal settings.
 - c) The Service Administration Tool.
 - d) Registering to the service outage notifications.

PM-31 The SLA shall not contain any security sensitive information such as usernames and passwords.

- PM-32 The SLA can refer to the Contract General and Special provisions, but shall not change any of these provisions. Where special agreements are needed to clarify the Contract provisions the SLA shall include such clarifications.
- PM-33 The SLA provided with the PIP shall be subject to review and consensus between the Purchaser and the Contractor, after which the Contractor shall provide the final SLA.
- PM-34 The SLA shall be subject to yearly reviews and updates. Any such updates shall be proposed, discussed and mutually agreed by the Parties at a PRM.

2.4 Project Review Meetings

- PM-35 During the Service Design phase, to start at Contract signature and lasting until the Inmarsat Services have been accepted for operational use, the Contractor shall arrange at least two Project Review Meetings (PRMs) with the Purchaser.
- PM-36 The first PRM (PRM-1) shall be the Project Kick-off meeting to be conducted two weeks after the EDC, during which the draft PIP shall be reviewed.
- PM-37 The second PRM (PRM-2) shall be conducted when the Inmarsat Services are ready for handing over to operational use and have passed the Service Acceptance as described in § 4.3.
- [16] The Purchaser reserves the right to call additional ad-hoc PRMs to resolve issues, clarify requirements or review progress.
- [17] A PRM may be cancelled or postponed by the Purchaser without financial penalty.
- PM-38 PRMs shall be held at the Purchaser facilities in Brussels or Mons. The exact dates of the meetings will be established by mutual convenience of the involved parties.
- [18] Meetings will be scheduled and chaired by the Purchaser's Project Manager.
- PM-39 The Contractor shall ensure that the Contractor's Project Manager and appropriate support staff participate in these meetings.
- PM-40 The Contractor shall be responsible for producing minutes/records of PRMs and providing a draft copy for Purchaser review within 1 week after the PRM.
- PM-41 The minutes shall be agreed and signed by both Parties as a correct record of the PRM and the current status of the contract.
- PM-42 The Contractor shall not consider the minutes as the basis for changes to the terms and conditions or Scope of Work of the Contract in the absence of a formal Contract Amendment.

2.5 Project Progress Reports

PM-43 The Contractor shall prepare and submit Project Progress Reports (PPR) to the Purchaser starting one month after the first PRM and subsequently every month thereafter until the second PRM.

PM-44 This report shall summarize the progress since the previous PPR, accomplishments, schedule of deliveries against progress, difficulties encountered and resolution of any issues raised in the previous reporting period.

PM-45 The PPR shall include, but not be limited to:

- (1) Overall project progress: the activities performed and works completed during the preceding reporting period.
- (2) The Contractor's Risk Log, following PRINCE 2 criteria.
- (3) The Contractor's Issue Log, following PRINCE 2 criteria.
- (4) A list of Change Proposals with the current status.
- (5) An up-to-date Project schedule (Gantt chart).

Section 3 Service Design

3.1 Introduction

- [19] The Service Design section of this SoW covers the Functional and Technical Requirements for the Inmarsat Services as specified in this SoW.
- [20] These requirements describe how IP traffic will be exchanged between the Inmarsat terminals subscribed through this Contract and the Terrestrial Connectivity Interface Point (TCIP) at SHAPE.
- SD-1 The Contractor shall deliver the Inmarsat Services following the schedule agreed in the PIP, as a combination of:
- (1) SwiftBroadband and BGAN Services;
 - (2) Terrestrial Connectivity Services;
 - (3) Service Management, with access to a Help Desk and Service Administration tool.
- SD-2 The integration of the SwiftBroadband and BGAN Services with the Terrestrial Connectivity Services shall be seamless. Any intermediate communications infrastructure shall not limit or degrade the overall service in any way.

3.2 SwiftBroadband and BGAN Services

- [21] The primary role of the SwiftBroadband and BGAN Services is to carry IP traffic over the Inmarsat space and ground segments, between the airborne or ground terminals, respectively, and the customer interface of the Inmarsat Meet-Me-Point (MMP) in Amsterdam (NLD).
- SD-3 The Contractor shall provide SwiftBroadband and BGAN Services as listed in the Schedule of Supplies and Services (SSS) (Book I, Part I) to include the following:
- (1) SwiftBroadband (hereafter referred to as SBB) services for Class 7 terminals: Streaming and background IP data services;
 - (2) Broadband Global Area Network (hereafter referred to as BGAN): Streaming and background IP data services and voice services;
 - (3) Inmarsat SIM cards (Discrete service) in the following quantities:
 - a) Six for SBB terminals
 - b) Six for BGAN terminals.
- SD-4 The SBB and BGAN services shall be available anywhere in a 5,000 km radius around Sigonella (ITA), through all active Inmarsat Satellite Access Stations (SAS) for SBB and BGAN services in this area.

- SD-5 The IP traffic transported through the SBB and BGAN Services shall be delivered at the customer interface of the Inmarsat Meet-Me-Point (MMP) in Amsterdam (NLD) independent of the used Inmarsat SAS.
- SD-6 To every Inmarsat terminal subscribed through this contract, the Contractor shall assign a unique static IP address or IP address range (terminal unique) from the private IP address space specified by the Purchaser in coordination with the Contractor.
- SD-7 This same static IP address or IP address range shall be assigned and used by the Inmarsat terminals subscribed through this Contract regardless of the Inmarsat SAS in use.
- SD-8 The SBB and BGAN services shall be provided such that the Inmarsat terminals subscribed through this Contract can communicate directly with each other using streaming IP data services without the use of the Terrestrial Connectivity Services.
- SD-9 In addition the BGAN Services shall also support voice calls to public (PSTN) networks.
- SD-10 The Contractor shall only start charging subscription fees for individual SIM cards after activation of the SIM cards on request from the Purchaser.

3.3 Terrestrial Connectivity Services

- [22] The Terrestrial Connectivity Services ensure that IP traffic received from the SBB or BGAN services can be extended to the Terrestrial Connectivity Interface Point (TCIP) at SHAPE (BEL).
- SD-11 The Contractor shall provide Terrestrial Connectivity between the Inmarsat MMP in Amsterdam and the TCIP at Building 185 at SHAPE, for the transport of IP traffic, while meeting the performance and availability requirements of § 5.3.
- SD-12 The Terrestrial Connectivity Services shall provide a closed network only accessible and available for use by Inmarsat terminals subscribed through this Contract and not accessible from any other terminals or networks unless requested so by the Purchaser.
- SD-13 The Terrestrial Connectivity Services shall follow the shortest possible path available through a single network service provider. The local tail at the MMP or at the TCIP may be provided by a different network service provider.
- SD-14 The Terrestrial Connectivity Services shall not use Internet as a bearer service.
- SD-15 The Terrestrial Connectivity Services shall not use VPN(s) over Internet as a bearer service.
- SD-16 The Terrestrial Connectivity Services shall provide end-to-end Ethernet connectivity (i.e. a layer 2 service) as follows:

- (1) The interface presentation at the TCIP shall be 100BASE-T Ethernet.
- (2) There shall be no modification or reordering of traffic, regardless of the properties of the traffic at IP level.

3.4 Service Management

- SD-17 The Contractor shall monitor the correct operation of the SBB and BGAN Services and the Terrestrial Connectivity Services.
- SD-18 The Contractor shall provide a monthly overview of the SBB and BGAN Services and the Terrestrial Connectivity Services availability in the preceding month, including a list of outages with their duration and cause.
- SD-19 The Contractor shall coordinate scheduled outages with the Purchaser at least 2 weeks in advance.
- SD-20 The Contractor shall make provisions to allow monitoring of the Terrestrial Infrastructure Services by the Purchaser. This shall be done by allocating a suitable system within the Inmarsat infrastructure that will reply to ICMP echo requests generated by the Purchaser.

3.4.1 Help Desk

- SD-21 The Contractor shall operate a Help Desk that can meet the performance and availability requirements of § 5.4.1.
- SD-22 The Help Desk shall be the primary point of contact for the Users and the Purchaser to report any services failures and to receive support on the use of the Inmarsat services.
- SD-23 The Help Desk shall be available as a minimum through email and telephone.
- SD-24 The Help Desk shall use the English language.
- SD-25 The Contractor shall implement mechanisms, in coordination with the Purchaser, to verify the identity of the User and Purchaser contacting the Help Desk and to limit access to the Help Desk to agreed authorised users only.
- SD-26 The Contractor shall be responsible for implementing and performing all activities required to activate or deactivate services following the Purchaser's request.

3.4.2 Service Administration Tool

- SD-27 The Contractor shall operate a web-based Service Administration Tool which shall provide the Purchaser with the following capabilities as a minimum:
- (1) Access by multiple representatives as nominated by the Purchaser, with 2 profile types: Read/Write and Read only;
 - (2) Access over Internet;

- (3) Presentation of subscription parameters down to SIM card level;
- (4) View and download all invoices;
- (5) View historical and near real time service usage down to SIM card level. Details shall include time and date, duration of calls and streaming sessions, volume for background sessions, details of the service (e.g. streaming data rate, voice call duration, etc.), actual cost, etc.;
- (6) Set real-time usage limits, down to SIM card level;
- (7) Send email alerts to email addresses specified by the Purchaser when the usage down to SIM card level exceeds a user configurable threshold;
- (8) Activate, suspend, reactivate and deactivate subscribers at SIM card level;
- (9) View all Trouble Tickets with their actual status.

SD-28 The Contractor shall provide a Service Administration Tool User's Manual.

SD-29 Security processes shall be in place to ensure the Service Administration Tool is secured to at least level 2 of the Open Web Application Security Project (OWASP) Application Security Verification Standard 3.0.

Section 4 Service Testing and Acceptance

4.1 Service Acceptance Test Plan

- TA-1 The Contractor shall deliver a Service Acceptance Test Plan with test execution schedules, detailed test procedures and acceptance criteria, to verify that the delivered services meet the requirements of the SoW.
- TA-2 The test plan shall include verifying BGAN connectivity with at least one BGAN SIM card that will be provided to the Purchaser after testing. The tests shall include streaming and background IP data between a BGAN terminal and the TCIP.
- TA-3 The test plan shall include verifying SBB connectivity with at least one SBB SIM card that will be provided to the Purchaser after testing. The tests shall include streaming and background IP data between an SBB terminal and the TCIP.
- TA-4 The test plan shall include verifying access to the Service Administration Tool and the correct operation of it for the SIMs used in the test.
- TA-5 The test plan shall include testing the connectivity between the Inmarsat MMP and the TCIP according to:
- (1) RFC 2544;
 - (2) ITU.T Y.1564;
 - (3) A 24 hrs soak test.

4.2 Test Execution

- TA-6 The tests in the Service Acceptance Test Plan shall be executed by the Contractor using terminals of the Contractor.
- [23] Contractor test equipment may conditionally be placed at SHAPE premises for that purpose.
- TA-7 The placement of equipment and the access of Contractor personnel to the SHAPE premises is subject to strict NATO security regulations. The Contractor shall be responsible for requesting access in time, through the Purchaser.
- TA-8 Any airtime cost associated with the Service Acceptance Testing shall be paid by the Contractor.
- TA-9 The Contractor shall document the test results in a test report and provide the completed test report to the Purchaser.

4.3 Service Acceptance

- [24] The Purchaser will review the results of the test report within one week after receipt.

- TA-10 If after Purchaser's review of the test report the Purchaser concludes that all tests as identified in the Service Acceptance Test Plan are completed successfully, the Purchaser representative will formally notify the Contractor.
- TA-11 Within one week after receipt of the formal notification of acceptance, all SIM cards as identified in SD-3, bullet (3), shall be handed over to the Purchaser.
- TA-12 If the Purchaser considers the test results to be unacceptable, the Purchaser will notify the Contractor and the Contractor shall proceed based on the following:
- (1) Resolution of the cause of the unacceptable test result(s);
 - (2) Repeat the relevant test(s).
- TA-13 Failing TA-12 above, the Contractor shall replace the failed service.
- [25] Failing TA-13 above, The Purchaser will initiate contracting actions for Contract termination as per Clause 39 (Termination for Default) of the Contract General Provisions.

4.4 Service Commencement Date

- TA-14 The Service Commencement Date (SCD) is the date on which the Purchaser declares that the services have successfully passed the Service Acceptance Testing and SIM cards have been received.

Section 5 Service Operation

5.1 Introduction

[26] The Service Operation section of this SoW covers the Performance Requirements associated to the operation of the SwiftBroadband and BGAN Services, Terrestrial Connectivity Services and Service Management, designed and implemented according to the Functional and Technical Requirements of SoW Section 3 (Service Design).

[27] The requirements in this section form the basis of the Service Level Agreement (SLA).

5.2 SwiftBroadband and BGAN Services

SO-1 The SBB and BGAN services as specified in §3.2 shall meet the following requirements:

- (1) The service availability shall be better than 99.9% when measured over a 30 day period, in which the services are considered available, if a reference Inmarsat terminal under ideal transmission conditions and no access congestion can send and receive data to/from the MMP.

5.3 Terrestrial Connectivity Services

SO-2 The Terrestrial Connectivity Services as specified in §3.3 shall meet the following end-to-end requirements:

- (1) Frame Delay shall be less than 30 ms end-to-end;
- (2) Frame Loss shall be less than 0.1%;
- (3) Frame Jitter shall be less than 5 ms;
- (4) Frame Reordering shall be less than 0.1%;
- (5) Usable capacity shall be 1 Mbps or higher, full duplex.

SO-3 Network availability shall be better than 99.8% when measured over a 30 day period, in which the network is considered available if the requirements above are simultaneously met.

SO-4 The following factors or conditions shall be excluded from the availability calculation:

- (1) Failure or degradation in performance of any Purchaser-furnished infrastructure in the TCIP;
- (2) Purchaser-induced and coordinated maintenance outages affecting the TCIP.

- [28] The operational use of SBB and BGAN services will continue in situations where Terrestrial Connectivity Services are not available (available as defined in SoW par 5.3) and so cannot be used to connect the static NATO sites behind the TCIP with the deployed SBB and BGAN terminals.
- [29] In such situations, the user will use BGAN services at the static NATO sites (under this Contract and at the Purchaser's discretion) instead of the Terrestrial Connectivity Services to connect the static NATO sites with the deployed SBB and BGAN terminals. The use of these BGAN services will be limited to carrying the traffic otherwise carried by the Terrestrial Connectivity Services, until the latter are restored.

5.4 Service Management

- SO-5 The Contractor shall have direct access to and receive support from the Inmarsat Customer Service 24 hours per day, 7 days per week, without requiring prior contact to an intermediate service provider (i.e. the Contractor shall be an Inmarsat Distribution Partner).
- SO-6 The Contractor shall immediately inform the Purchaser and Users of any service degradations through Purchaser specified email addresses, indicate expected impact and duration, and take corrective actions to restore the service.
- SO-7 For each degradation of the services below the service levels committed under this Contract a Trouble Ticket (TT) shall be created by the Contractor.
- SO-8 The Trouble Ticket shall include as a minimum: time and date of the initial report and status changes, the Trouble Ticket number referencing the service, and the problem and corrective actions.
- SO-9 The Contractor shall keep the User and the Purchaser informed at intervals of four hours of the progress that is being made in repairing the fault.
- SO-10 Trouble Tickets shall be closed when the service has been restored and the User or the Purchaser has agreed that the Trouble Ticket can be closed.

5.4.1 Help Desk

- SO-11 The Help Desk shall be available and provide support 24 hours per day, 7 days per week.
- SO-12 For any problem reported by the User or the Purchaser the Help Desk shall provide a Trouble Ticket number and start fault resolution within 2 hours after the problem was reported.
- SO-13 The Contractor shall notify the Purchaser if any operational problem with the Help Desk system arises during the Contract period.

5.4.2 Service Administration Tool

SO-14 The availability of the Service Administration Tool shall be better than 99.5%.